

TAT SENG PACKAGING GROUP LTD

BUILDING CAPABILITIES, SHAPING GROWTH 提升核心能力, 塑造成长动力

SUSTAINABILITY
REPORT

20
23

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SECTION 1: OVERVIEW OF OUR GROUP

ABOUT TAT SENG PACKAGING GROUP LTD

[GRI 2-1, 2-6]

Tat Seng Packaging Group Ltd (“**the Company**”) has leveraged its over four decades of experience in the corrugated paper packaging industry to become a recognised industry leader in the delivery of corrugated packaging solutions to a diverse clientele across a wide range of industries. Our primary customer base encompasses multinational corporations and local manufacturers within the food & beverage, electronics & electrical, medical healthcare, pharmaceutical & chemical, printing, publishers & converters sectors, as well as other export-oriented industries.

As the sole Singapore Exchange Securities Trading Limited (“SGX-ST”) listed company in the corrugated packaging sector, Tat Seng Packaging Group Ltd is firmly committed to providing exceptional service to our customers. Through the design, manufacture, and distribution of high-quality products, we tailor our products and services to meet our clients’ specific requirements. We, together with our subsidiaries, maintain a comprehensive product portfolio encompassing Regulated Slotted Cartons, Die-Cut Carton Boxes, Offset-Printed Boxes, Corrugated Partition Pads and Layer Pads, Heavy Duty Corrugated Boards and Boxes, Customised Pallets, and a variety of other packaging-related solutions.

Publicly traded on the Main Board of the Singapore Exchange since 2001, Tat Seng Packaging Group Ltd maintains its headquarters in Singapore, strategically complemented by manufacturing facilities located throughout China, including Jiangsu Province, Anhui Province, and Tianjin.

OUR MISSION AND VISION

Vision: To be the preferred corrugated packaging solution provider

Mission:

- Generate win-win solutions with customers
- Provide growth opportunities for employees
- Create values for shareholders
- Care for our communities and environment

SUSTAINABILITY VISION AND MISSION STATEMENT

Our **sustainability vision statement** is to provide high-quality products and services to our customers while minimizing the negative environmental impacts and increasing our positive social impacts.

Our **sustainability mission statement** is to provide corrugated paper packaging solutions through the adoption of international best practices that positively impact stakeholders in our supply chain.

MEMBERSHIP AND ASSOCIATIONS

[GRI 2-28]

- China Packaging Federation
- Corrugated Box Manufacturers Association
- International Safe Transit Association (ISTA)
- Singapore Business Federation
- Singapore-China Business Association
- Singapore Chinese Chamber of Commerce & Industry
- Singapore Manufacturing Federation
- Singapore National Employers Federation (SNEF)
- Tripartite Alliance for Fair & Progressive Employment Practices

SECTION 1: OVERVIEW OF OUR GROUP

Other Certification and External Recognition

- EcoVadis Annual Assessment
- Forest Stewardship Council (FSC® Chain of Custody) Certification
- ISO 14001 Environmental Management System Certification
- ISO 9001 Quality Management System Certification
- Silver status of recognition on Responsible Business Alliance

ABOUT THIS REPORT

[GRI 2-2, 2-3, 2-6d, 2-14]

The Company’s Annual Sustainability Report covers our financial year 2023 (FY2023) from 1 January 2023 to 31 December 2023. This report details our sustainability policies, management approaches and initiatives in the Company, and our subsidiaries (“the Group”) in Singapore and China, including United Packaging Industries Pte. Ltd. (“UPI”), Tat Seng Packaging (Suzhou) Co., Ltd. (“TSSZ”), Hefei Dansun Packaging Co., Ltd. (“HFDS”), Nantong Tat Seng Packaging Co., Ltd. (“NTTS”) and Tianjin Dansun Packaging Co., Ltd. (“TJDS”). The policies, practices and performances reported are based on formal documents and operational statistics directly sourced from the Group’s records.

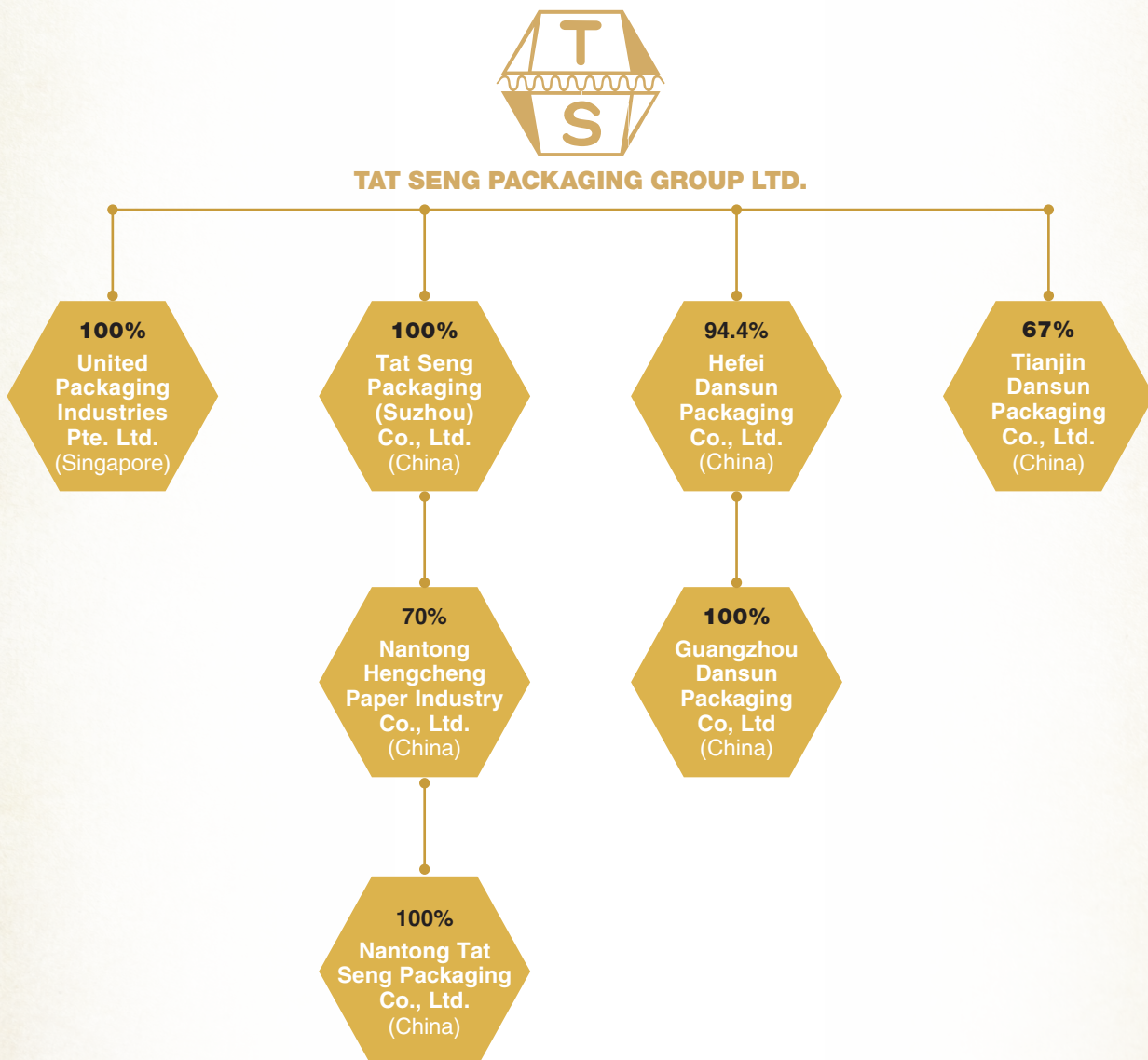


Figure 1 Group Structure and the Respective Shareholdings of the Subsidiaries

SECTION 1: OVERVIEW OF OUR GROUP

Nantong Hengcheng Paper Industry Co., Ltd. has no operation and sales activities while Guangzhou Dansun Packaging Co., Ltd. has not started operation since its incorporation in 2022.

There have been no changes in the operational size, structure, business activities, value chain, or sector of operation compared to the reporting period of FY2022. There were no minority interests, mergers, acquisitions or disposal of entities in FY2023 that falls within the reporting boundary of this report.

This report is published on 29 April 2024 upon approval from the Board of Directors (“**the Board**”). No printed copies were produced. The report can be found at the Company’s website at <http://www.tspg.sg> and SGX portal.

REPORTING FRAMEWORK

[GRI 2-2ci]

On the “Comply or Explain” basis, this report was developed in accordance with the reporting requirements of the Singapore Exchange Securities (“SGX”) Listing Rule 711A, 711B with implementation guidance as stipulated in the Practice Note 7.6: Sustainability Reporting Guide issued by the SGX. It was also prepared in accordance with Global Reporting Initiative (“GRI”) Universal Standards 2021 and the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), both of which are global standards that allow for consolidation of information across all subsidiaries and higher comparability with our peers in the industry.

The GRI content index is included on pages 50 to 57 of this report, while the TCFD content index is on page 58. The content of this report also covers the following primary components: Material Environmental, Social, Governance (“ESG”) factor; Climate-related Disclosures; Policies, Practices and Performance; Targets; Sustainability Reporting Framework; and Board Statement. While we disclose a comprehensive range of sustainability initiatives in our report, we recognise that focusing on key areas allows us to allocate resources effectively and drive meaningful impact. By setting targets for priority ESG topics, we aim to maximise our sustainability efforts and contribute to positive change in areas that matter most.

RESTATEMENT OF INFORMATION

[GRI 2-4]

We have no restatement of information for the previous reporting period.

INTERNAL REVIEW

[GRI 2-5]

The internal review process of our sustainability governance and reporting against the AA1000 Assurance Standard was initiated in 2022. The internal review encompasses the processes of report planning, materiality assessment, data collection and board governance. While we have not sought external assurance for this reporting year, we are actively assessing our need for it in the future.

FEEDBACK

[GRI 2-3d]

For enquiries and feedback regarding our sustainability initiatives or the content of this report, please contact us via the following channels.

Sustainability Development Committee

Email: ir@tspg.sg

Tel: (65) 6326 8805

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

CLIMATE AND SUSTAINABILITY GOVERNANCE

MESSAGE FROM THE BOARD

[GRI 2-14, 2-22]

Dear Stakeholders,

2023 has been characterised by geopolitical tensions and economic uncertainties. From international conflicts originated from the Russia-Ukraine war and the Israel-Palestine war to the slowing China economic trajectory alongside excess production capacity and volatility in raw material prices, the Group has encountered multifaceted challenges that demand strategic foresight and proactive measures to ensure our business' resilience. Further exacerbating the severity of the situation, climate change was a major contributor to disruptions in the production and supply chain within the paper and forestry sector.

The Group perceives these challenges as opportunities for distinction and performance. Throughout 2023, we diversified supply chains and implemented resilient strategies to mitigate geopolitical risks. We keep ourselves updated on the latest changes in ESG related policies and regulations. Recognising the pivotal role of sustainability in our long-term success and value-creation, we invested in production efficiency and sustainable products across our subsidiaries. Each of our subsidiaries prioritized investments in plant and equipment efficiency, integrating tasks to streamline production processes. Notably, our subsidiary, Hefei Dansun Packaging Co., Ltd., ventured into pulp mould production, which is based on sustainable packaging material and minimise production waste. This initiative underscores our commitment to producing eco-friendly products and reducing our environmental footprint. Moreover, we view the decelerating economic growth as an opportunity to optimise our operational costs.

The Company made significant strides in identifying and managing climate-related risks this year, exemplifying our steadfast commitment to sustainability. We implemented robust measures to address interruptions in the supply chain due to extreme weather events, including the establishment of emergency business continuity plan and diversification of suppliers. We actively work on improving our performance monitoring system by strengthening the understanding and data collection process at operation level, building the foundation for our decarbonisation strategy and its implementation in the long run. In addition, we conducted a group-level qualitative scenario analysis to assess the potential impact of climate change on our business operations, which enable us to further enhance our risk management and strategic planning processes. The outcome of our scenario analysis is included in the *Climate-Related Risks and Opportunities*.

Central to our sustainability journey is the Board's unwavering support and guidance. Apart from steering the directions of our sustainability efforts through validation of material topics and the climate-related risks for this sustainability report, the Board also aligns the progress of the Group's sustainability initiatives with our long-term strategic goals through regular meetings and robust discussions. From the establishment of internal sustainability teams to investments in renewable energy and wastewater treatment system, the Board's stewardship has been instrumental in driving tangible progress towards our sustainability objectives.

During the year, our Hefei plant has successfully obtained the silver status recognition from the Responsible Business Alliance (RBA), which is the world's largest industry coalition dedicated to responsible business conduct in global supply chains. The above recognition is a testament to our commitment in pursuit of sustainability development.

Looking ahead, we are poised to maintain our momentum on the path towards sustainable packaging. We remain steadfast in our commitment to increase the proportion of recycled materials in our products profile, while simultaneously optimising the design and weight of our products to decrease paper usage. Additionally, we will continue to prioritise suppliers who share our environmental values by increasing the ratio of FSC-suppliers. Overall, we stand ready to transition into a leading provider of sustainable corrugated packaging solutions.

In conclusion, the Company is cognizant of the evolving expectations of our stakeholders on our sustainability performance. The Board, Management and employees are prepared to chart a course towards a more sustainable future, guided by our shared values of innovation, responsibility and stewardship.

Sincerely,
Board of Directors

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

SUSTAINABILITY IN OUR BOARD

[GRI 2-9, 2-11, 2-15, 2-17]

Our Board of Directors, covering diverse expertises¹, protects and enhances long-term shareholder value while oversees the strategic direction of our business. The Board has the ultimate responsibility for incorporating environmental and social factors in the formulation of the Group's strategy. The Board comprises the Executive Chairman, two Executive Directors and four Non-Executive and Independent Directors² to represent the best interest of the company. Their respective tenures, other significant positions and competencies are disclosed in the Group's Annual Report FY2023. The Board regularly undergoes training and stays updated on pertinent laws, regulations, accounting standards, risk management practices, sustainability issues, and industry-specific knowledge. Directors are updated periodically on industry trends, development of sustainability issues, work safety and health matters, relevant laws and regulations, accounting standards, and changing business risks. These updates are done during Board Meetings, Board Committee meetings or specifically-convened sessions to equip the directors on discharging their duties.

Our Board Committees consist of Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit and Risk Committee ("ARC").

Prevention of Conflict of Interest

[GRI 2-15, 2-16]

All Directors discharge their duties and responsibilities objectively as fiduciaries in the interests of the Company. The Board puts in place a code of conduct and ethics, sets the tone for the Company in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group. Where the Director faces conflict of interest, he or she would rescue himself or herself from discussions and decisions involving the issues of conflict. There was no conflict of interest or critical concerns reported in FY2023. Conflict of interest in directors seeking re-election is disclosed to all stakeholders through the Company's Annual Report.

Board Nomination

[GRI 2-10]

For the selection and appointment of new Directors to the Board, NC interviews potential candidates who are selected based on character, competencies, expertise, skills, track record, background and other qualities as being important in fostering a diverse and inclusive culture. The NC, comprises four non-executive and independent Directors, refers to the Board Diversity Policy³ and may engages qualified independent advisor in its recommendation to the Board for appointment. The NC reviews the independence of the Directors on an annual basis. More detail on board nomination can be found in our Annual Report FY2023 pages 21 to 24.

¹ Our Board of Directors collectively have expertise in corrugated packaging, electrical engineering, accounting, finance, corporate management, business strategy, investment and public sector (Ministry of Social and Family Development, Economic Development Board, Housing Development Board, Port of Singapore Authority, Singapore Power, National Computer Board, National Trades Union Congress).

² The Board has a lead independent director to provide leadership in situations where the Executive Chairman is conflicted.

³ The Board Diversity Policy states that at least 10% of the total number of board seats be reserved for women and that the composition of the Board shall comprise different age group.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Evaluation of Board's Performance

[GRI 2-18]

The Board undergoes annual performance evaluation to assess the effectiveness of the Board, the Board Committees and each individual Director. The NC implements the evaluation process via circulation of assessment evaluation forms. The assessment criteria cover board's composition, information, process, accountability, management of senior Management. Among the listed criteria, assessment of sustainability-related performance is covered by questions regarding information in the Group's sustainability report and Board's accountability for overseeing the management of sustainability-related impacts. In consultation with the NC, the Executive Chairman, Managing Director/CEO and/or the Executive Director will act on the results of the Board performance and propose, where appropriate, new members to be appointed to the Board or propose changes to the Board. More detail on Board's annual assessment, appointment and re-appointment can be found in our Annual Report FY2023 pages 24 to 25.

Remuneration Policies

[GRI 2-19, 2-20]

The RC, consisting of four independent non-executive Directors, assesses the Company's remuneration packages. This evaluation considers industry standards, performance compared to similar companies, individual and management performance, the Group's long-term goals, and shareholder interests. The review encompasses all aspects of remuneration, such as Directors' fees, salaries, bonuses, and benefits. The RC's recommendations are submitted to the Board for endorsement, and no Board member is involved in the resolution or making recommendation for his/her own remuneration. Shareholders' approval was sought at the Annual General Meeting of the Company on 28 April 2023 for the payment of Directors' fees proposed.

The breakdown of remuneration for the Board is included in our Annual Report FY2023 page 28.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE AND LEADERSHIP

[GRI 2-12, 2-13, 2-14]

The Board has oversight of all sustainability-related matters, including overseeing the setting of Group-level targets and guiding Group-level sustainability strategy. Supporting the Board is the Sustainable Development Committee that was established in 2017. This committee is primarily tasked with promoting, monitoring, and reporting on the Group’s sustainable business practices. The Sustainable Development Committee reports directly to the Board.

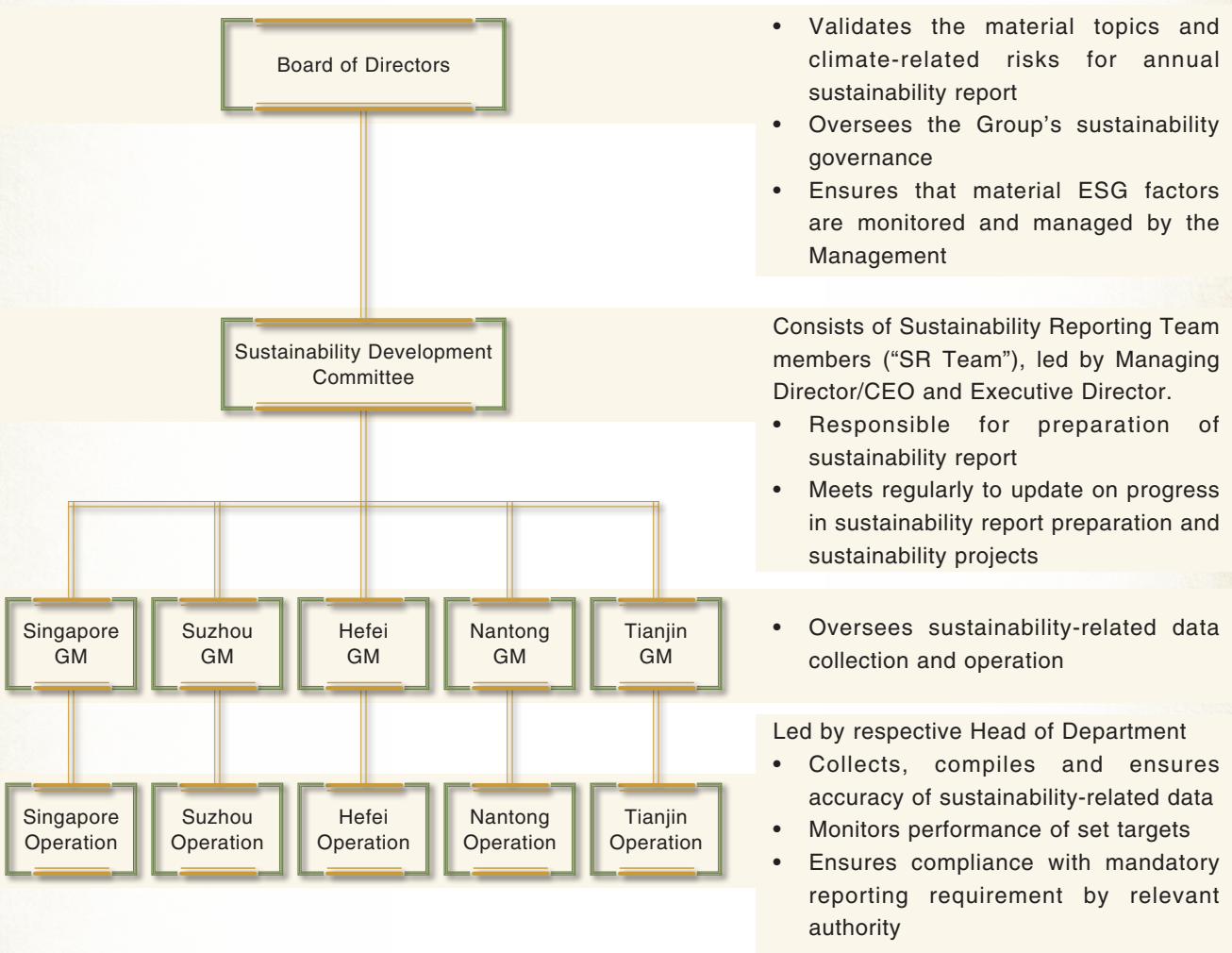


Figure 2: Sustainability Governance Structure

Our employees are integral to operationalising our sustainability objectives and embedding sustainability into their daily tasks. Integrated into their roles and responsibilities, they have the opportunity to report directly to their respective management teams about any concerns regarding the potential consequences of the company’s ESG-related initiatives on economic, environmental, and employee welfare aspects.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

POLICIES AND PRACTICES

[GRI 2-23, 2-24, 2-25, 2-26, 2-27]

We recognise the significance of responsible business conduct, particularly with regards to upholding human rights. The Group has in place a comprehensive set of policies and practices to guide our business growth and value creation while prioritizing the sustainability of our operations, the well-being of our people and the protection of the environment. Our policies and practices adhere to local laws and regulations, with reference to the Tripartite Alliance for Fair & Progressive Employment Practices. Approved by ARC or management, our policies are in-built into our employees' daily practices. Nevertheless, we circulate our policies internally through official policy documents, emails, briefings and trainings and externally via verbal or written agreements with business partners, and through sustainability reports published via website for shareholders.

In 2023, there were no non-compliance with laws and regulations within the Group.

For any concern about the Group's policies and practices, feedback can be sent to:

Chairman of the Audit and Risk Committee

c/o Company Secretary of Tat Seng Packaging Group Ltd

In.Corp Corporate Services Pte. Ltd.

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

Conflict of Interest

- Included in the Code of Business Ethics to protect the interest of the Company.
- Disclosures to be made to Human Resource Manager, General Manager or Director for their assessment of relevance
- Suspected violations are reportable via email

Investor Relations Policy

- Instills transparency of our compliance with SGX-ST listing rules

Business Integrity and Ethics

- Enforces employees' compliance with laws, rules and regulations, and Company policies during operation
- Commits to transparency, accountability and independence in corporate governance

Personal Data Protection Policy

- Applies to all employees, subsidiaries, customers, suppliers and shareholders

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Anti-Bribery and Anti-Corruption Policy

- Prohibits direct or indirect bribery including receiving, offering, promising, authorising or “anything of value” to any customer, supplier or other third party
- Applies to the Group’s Board and all employees, and extends to third party business partners and affiliates
- Punishes violation with disciplinary action including immediate termination of employment

Anti-Competitive Practices

- Commits to fair competition within the framework of laws
- Abstains from unfair trade practices

Money Laundering

- Strictly prohibits activities that conceal true origin and ownership of proceeds from criminal activities

Disclosure of Information

- Abides by confidentiality clauses regarding Company’s confidential information, processes know-how, technical information, business plan and intention, legal matter, and intellectual property

Sustainable Sourcing

- Abides by local environmental legislation and regulations
- Upholds highest standards of environmental, social and economic practices
- Identifies and addresses areas of higher risk for non-sustainable sourcing through engagement and communication with relevant suppliers and business partners

Risk Assessment

- Conducted annually
- Findings submitted to ARC for approval and scoping of upcoming internal audit

Whistle-Blowing Policy

- Outlines scope and reporting procedure for suspected unethical and illegal acts
- Protects whistle-blower from reprisal

Human Right

- Engages with society and stakeholders on human right issues related to business
- Seeks to promote respect for human right
- Intolerant of discrimination and harassment criteria
- Establishes fair employment practices
- Strictly prohibits child and forced labour

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

STAKEHOLDER INCLUSIVENESS

[GRI 2-29]

We believe in cultivating positive relationships and proactively engaging with both our internal and external stakeholders. We identified our key stakeholders⁴ as employees, customers, suppliers, shareholders and investors, government and regulatory bodies as well as bankers and professional service providers. By actively engaging with these stakeholders, we aim to comprehend their priorities and align our goals and values with theirs to enhance our social, environmental, and governance impacts.

Through regular communication across diverse topics via various platforms and feedback mechanisms, we gain deeper insights into our stakeholders and their evolving needs and concerns. Table 1 summarises stakeholder groups that we engage on an on-going basis, the engagement approaches, stakeholders' interest and concerns, and our responses to them.

Table 1 List of Stakeholders and Our Response to Their Interests

Stakeholders	Engagement Approaches	Interests and Concerns	Our Responses
Employees	<ul style="list-style-type: none"> Safety committee meetings Appraisal Training programmes Internal communication Career development programmes Online Survey 	<ul style="list-style-type: none"> Staff feedback Staff performance Staff improvement suggestions Career development and training opportunities Related to ESG subject 	<ul style="list-style-type: none"> Review appraisal on job performances across all levels of employment Respective management team will review and implement proposed suggestions
Customers	<ul style="list-style-type: none"> Trade shows and customer visits Plant audit by customer Customer satisfaction survey Customer feedback Online Survey 	<ul style="list-style-type: none"> Customer relationship Performance & quality satisfaction Related to ESG subject 	<ul style="list-style-type: none"> Maintain and improve quality satisfaction and reputation
Suppliers	<ul style="list-style-type: none"> Emails, teleconferences Quotation, Contracts or Agreements Due diligence in FSC certification Online Survey 	<ul style="list-style-type: none"> Adherence to Supplier Code of Conduct and Supplier Code of Ethics Contract terms and conditions Sustainability along the supply chain Related to ESG subject 	<ul style="list-style-type: none"> Ensure Supplier complies with the Code of Ethics, Code of Conduct and contract terms
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting Annual Report Sustainability Report Corporate announcements via sgx.com 	<ul style="list-style-type: none"> Shareholder's interest on performance Financial performance and corporate governance Sustainability performance 	<ul style="list-style-type: none"> Communicate with shareholders through AGM, and investor relation email Ensure timely disclosure of information as required by the SGX listing rules

⁴ Stakeholders are identified to be individual or party that influences or are being influenced by our Group's operations.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Stakeholders	Engagement Approaches	Interests and Concerns	Our Responses
Government and Regulatory Bodies	<ul style="list-style-type: none"> Webinar & dialogues with government agencies Briefing organised by Government Agency 	<ul style="list-style-type: none"> Compliance with regulations Application for permits or licenses Mandate reporting Related to ESG subject 	<ul style="list-style-type: none"> Ensure compliance with government agencies Establish energy management system and policies
Bankers and Professional Service Providers	<ul style="list-style-type: none"> Emails and teleconferences Quotations, contracts and agreements Online survey 	<ul style="list-style-type: none"> Contract terms and conditions Related to ESG subject 	<ul style="list-style-type: none"> Ensure compliance with Code of Business Ethics

MATERIALITY ASSESSMENT

[GRI 2-12, 2-13, 2-14, 2-29, 3-1, 3-2, 3-3]

Materiality assessment is conducted annually to determine the material ESG issues and climate-related risks for the Group and our stakeholders. In 2023, we conducted an online survey on material ESG issues for the Group and collected responses from internal stakeholders, including the Board, Management and employees, and external stakeholders, including suppliers, freight forwarders and logistic companies. The top material topics identified from stakeholder engagements are benchmarked against four peers in the corrugated paper packaging industry and our past disclosures. On the other hand, the top climate-related risks were identified from 2022’s stakeholder engagement surveys⁵. Our Management reviewed the top climate-related risks before recommending the risks to the Board for validation.

Composition of Stakeholder Engaged

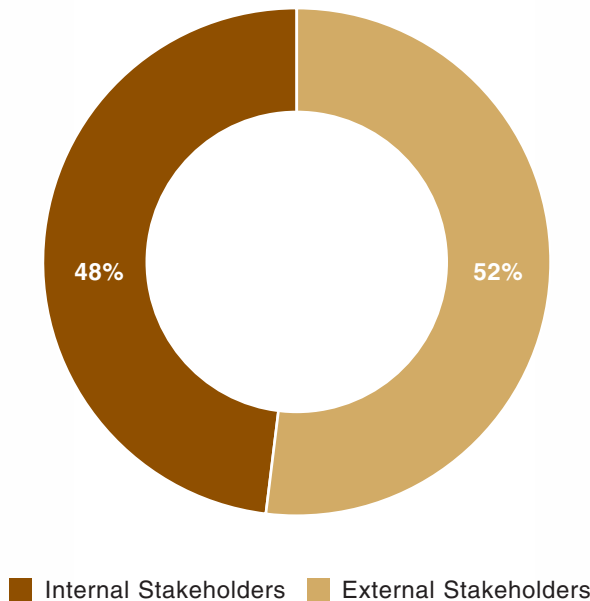
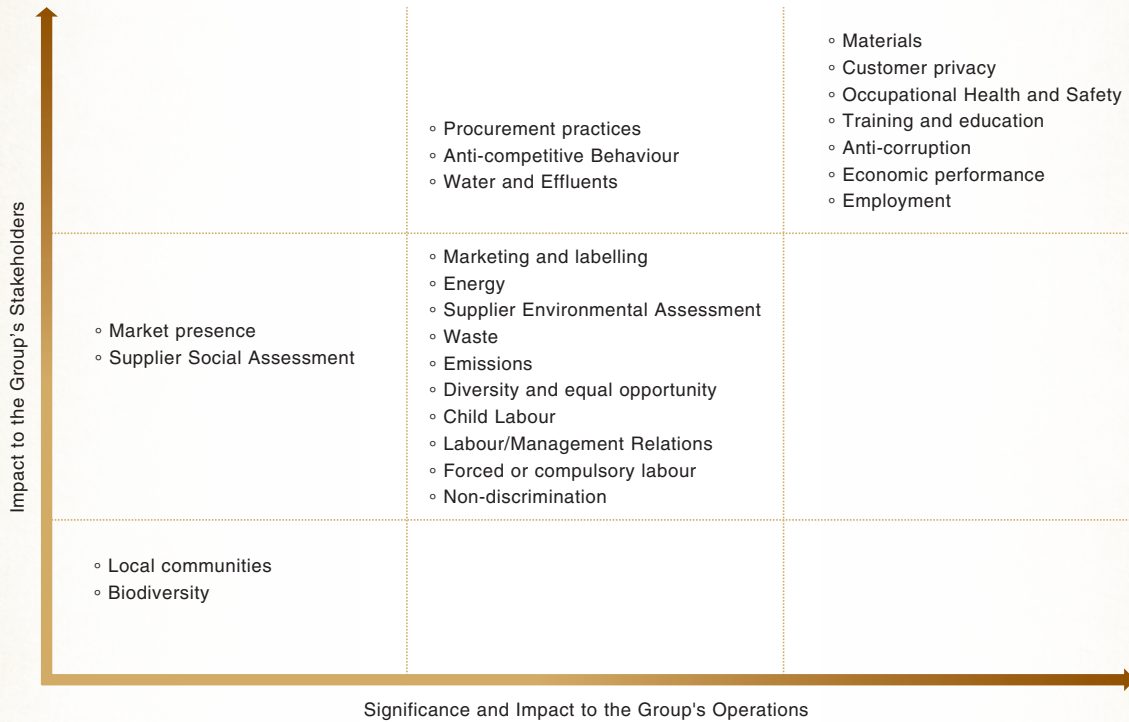


Figure 3 Composition of Stakeholders Engaged in 2023 via Online Survey

⁵ 2022’s online stakeholder engagement surveys covered internal stakeholders (Board, Management and employees) and external stakeholders (suppliers, customers, banks and professional service providers).

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE



Our Materiality Assessment Process for Material Topics



The materiality assessment led to the removal of “Customer Privacy”, “Anti-competitive Behaviour” and “Marketing and Labelling” from the Top 15 list as they were found to be insubstantial to the Group and not significant compared to the Group’s peers. The material topics were validated by the Board, resulting in 12 material topics for FY2023 sustainability reporting. “Procurement Practices” is the sole new topic compared to FY2022 as it was ranked to be material by our stakeholders.

“Materials” was ranked to be the most important topic by both our internal and external stakeholders, as well as our peers. The remaining spots in the Top 5 were taken by “Occupational Health and Safety”, “Training and Education”, “Anti-Corruption”, and “Economic Performance”, reflecting a consensus among our stakeholders and peers that social and economic issues are crucial for the Group’s business success. The final list of material topics for FY2023 is shown in Table 2.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Table 2 List of The Group's Material Topics for FY2023

Material Topics	Boundary, where impact of the material topic occurs									Impacts addressed in this Report
	Within Group's Operation ⁶			Outside Group's Operation ⁷						
	Board	Management	General Employees	Investors & Shareholders	Business Partners	Suppliers	Customers	Regulatory Agencies, International Organisation & NGOs	Local Communities	
Material topics identified through materiality assessment (in descending order of importance)										
1	Materials	✓	✓	✓	✓	✓	✓	✓	✓	Sustainable Material Source
2	Occupational Health and Safety	✓	✓	✓	✓	✓	✓	✓	✓	Occupational Health and Safety
3	Training and Education	✓	✓	✓	✓			✓		Training and Education
4	Anti-Corruption	✓	✓	✓	✓	✓	✓	✓	✓	Anti-Corruption
5	Economic Performance	✓	✓	✓	✓	✓	✓			Economic Performance
6	Employment	✓	✓	✓	✓			✓	✓	Employment and Human Capital
7	Water and Effluents	✓	✓	✓	✓		✓	✓	✓	Water Security
8	Supplier Environmental Assessment	✓	✓	✓	✓	✓	✓	✓	✓	Sustainable Material Source
9	Waste	✓	✓	✓	✓		✓	✓	✓	Waste
10	Emissions	✓	✓	✓	✓	✓	✓	✓	✓	Energy Efficiency and Decarbonisation
11	Energy	✓	✓	✓	✓		✓	✓	✓	Energy Efficiency and Decarbonisation
12	Procurement Practices	✓	✓	✓	✓	✓	✓	✓	✓	Supporting Local Community Through Procurement Practices

⁶ The Group's activities have contributed directly to this impact.

⁷ The Group contributes indirectly to this impact through its business relationships etc.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

RISK MANAGEMENT

[GRI 2-12, 2-13, 2-14, 3-1]

In December 2021, the Singapore Exchange Regulation mandated that all issuers listed on the SGX main board and operating in the forest product industry must incorporate climate reporting into their sustainability reports starting from FY2023. The Group is required to adhere to the primary components of Listing Rule 711B, which include climate-related disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework, covering governance, strategy, risk management, and metrics and targets. To meet these obligations, the Group has commenced on adopting TCFD recommendations, conducting exercises to identify climate risks with stakeholders, and performing qualitative scenario analyses as recommended by SGX to assess the impact of climate-related risks on its business operations.

PROCESS OF IDENTIFYING RISKS

In FY2022, we began the process of identifying climate-related risks and opportunities by:



As climate change and the global decarbonization movement gain momentum, the Group will encounter both challenges and potential benefits in the years ahead. The following climate-related disclosures, as detailed in the table below, serve as a foundation for shaping the Group's strategic direction.

Table 3 The Group's Climate-Related Disclosure According to TCFD Recommendations

No.	Pillar/Recommendation	Key Points
Governance: Disclose the organisation's governance around climate-related risks and opportunities		
1	Describe the board's oversight of climate-related risks and opportunities	<p>The Board is responsible for sustainability governance and sets the tone and direction for the Group's sustainability and climate-related strategies. In terms of implementation, the Board</p> <ul style="list-style-type: none"> oversees the Group's overall sustainability and climate-related practices, and ESG risks as well as the associated opportunities; reviews and considers ESG and climate-related issues when overseeing the formulation of and approving overall long-term strategic objectives and directions; approves and constantly updates the key sustainability policies, ensures a sound system of risk management and internal controls, and monitors performance against them; and sets and instils the right culture throughout the Group and ensures sustainability is embedded throughout all levels of the Group.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

No.	Pillar/Recommendation	Key Points
		<p>Our sustainability governance structure can be found in Figure 2.</p> <p>This year, the Board has validated the top climate-related risks for the Group to kick start our journey in climate-related risks management and reporting, further solidifying its commitment to responsible and sustainable practices.</p> <hr/> <p>Frequency and process of communication:</p> <p>The Board appointed the Sustainable Development Committee (“SDC”) to promote, monitor and report on the Group’s sustainable business practices against climate-related goals. With the SDC reporting directly to the Board, on top of the annual risk assessment review during Board Meeting, the Board maintains oversight of any identified climate-related risk material to the Group and the corresponding management initiatives of the Group.</p> <p>Integrating climate-related risks and opportunities into decision making process: We remain vigilant in staying informed about the effects of climate change on our operations. Our annual risk assessment covers sustainability as one of the critical components. The Board has the ultimate responsibility to integrate the material climate-related risks into its strategic formulation.</p> <hr/> <p>Resource allocation: An essential facet of the Board’s oversight involves addressing climate-related risks. The Board actively oversees climate risks, gaining insights for informed decisions on mitigation strategies and the low-carbon transition. In FY2023, the Board allocated resources for scenario analysis and sustainability reporting, setting a foundation for climate action.</p>
2	Describe management’s role in assessing and managing climate-related risks and opportunities.	<p>Climate-related responsibility at Management Level:</p> <p>The Board is supported by the SDC in its oversight of the Group’s sustainability governance, management and disclosure. The SDC reports to the Board as and when needs arise. More detail on roles of SDC can be found under <i>Sustainability Governance and Leadership</i>.</p> <hr/> <p>Process by which the Management is informed about the climate-related matters:</p> <p>Beyond formal top-down discussions, communication between internal stakeholders and other stakeholders is facilitated through various channels, as outlined in Table 1. In collaboration with external consultants, Management reviewed the materiality assessment outcome and the preliminary list of climate-related risks before seeking the Board’s approval, assessing the Group’s climate resilience for continual improvement.</p>

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

No.	Pillar/Recommendation	Key Points
<p>Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material</p>		
3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>Process used to determine risks and opportunities</p> <p>We engaged an external consultant to conduct a stakeholder engagement survey in FY2022 and has identified the climate-related risks that present risks and opportunities in the short, medium, and long terms. Risks are identified based on their severity and likelihood of the risk impact. Below are the four risks identified, out of which three are transition risks and one is physical risk, as the outcome of the survey analysis and buy-in from the board. As a quick summary, the risks are mentioned below:</p> <p>Specific climate-related issues identified potentially arising in each time horizon:</p> <ul style="list-style-type: none"> • Increased pricing of GHG emissions – Policy and Legal transition risk rated as medium in the risk matrix. • Uncertainty in market signals – Market transition risk rated as high in the risk matrix. • Increased cost of raw materials – Market transition risk rated as high in the risk matrix. • Increased severity of extreme weather events such as floods affecting production – Acute physical risk rated as medium in the risk matrix. <hr/> <p>Time Horizon</p> <p>Our Board has defined the time horizons as</p> <ul style="list-style-type: none"> • Short-term: 1- 5 years • Medium-term: 6 -10 years • Long-term: Up to 2050 <p>This time horizon is applied in the scenario analysis included in the under <i>Scenario Analysis</i>.</p>

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

No.	Pillar/Recommendation	Key Points
4	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	<p>Potential impact of climate-related risk: The potential repercussions of climate-related risks are significant. All three transition risks identified have potential to augment our operating costs due to carbon tax, compliance costs, raw material costs and energy costs. As a result, we are required to include the identified climate-related risks in our financial planning process.</p> <p>To mitigate these risks, we are looking at diversifying our procurement channel and improving our resources efficiency, both of which require deliberations on operating expenditures and capital allocations.</p> <p>We have further defined the potential impacts, adaptation and mitigation strategies, and opportunities under <i>Scenario Analysis</i> in Table 4 and Table 5.</p>
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>We strategically improved our climate-related disclosures by adopting SGX's three-year phased approach, aligning our climate-related strategy according to SGX's and TCFD's recommendations. Having identified the top climate-related risks in 2022, we are disclosing the identified risks, impacts, adaptation and mitigation strategies, opportunities as part of our qualitative scenario analysis. The outcome of our scenario analysis is included under <i>Scenario Analysis</i>.</p>
<p>Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks</p>		
6	Describe the organization's processes for identifying and assessing climate-related risks.	<p>Process for identifying climate-related risks: A stakeholder engagement survey was conducted in FY2022 to collect our stakeholders' opinions on different climate-related risks impacting the Group's operations. Internal stakeholders including Board, Management and employees, and external stakeholders including suppliers, customers, banks and professional service providers, were engaged in the survey to rank the severity and likelihood of the 18 risks chosen based on "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures" by TCFD (published in June 2017). The preliminary risks were further prioritised through benchmark against our peers before being reviewed by the Management and, subsequently, validated by the Board.</p> <p>We also conduct Group enterprise risk survey as part of our annual risk assessment. Covering sustainability as one of the critical components, climate-related risks are accounted for in the survey process. The Top 10 risks, including climate-related risks when relevant, are recommended to the ARC during Audit and Risk Committee Meeting.</p>

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

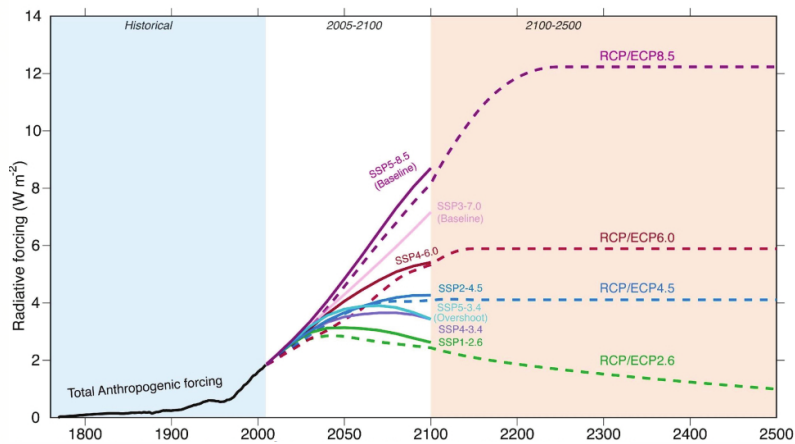
No.	Pillar/Recommendation	Key Points
7	Describe the organization’s processes for managing climate-related risks.	Climate-related Risks Management: We have identified three transition risks and one physical risk as the top climate-related risks for the Group’s operations. To better inform our climate-related strategy, we have conducted a qualitative scenario analysis this year. In summary, our mitigating measures for the transition risks include implementing resources efficiency initiatives to lower our emissions and impact on the environment and diversifying our procurement channel. To safeguard our operations against the top physical risk when the global climate change mitigation effort fails, we are planning to strengthen our Business Continuity Plan. Detail of our risks mitigation and adaptation strategies can be found under <i>Scenario Analysis</i> .
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	A phased approach in integration of climate-related risks into our risk management: Group-level risk survey is conducted yearly as part of our risk assessment practice. Covering sustainability as one of the critical components, climate-related risks are accounted for in the survey process. The Top 10 risks, including climate-related risks when relevant, are recommended to the ARC during the Audit and Risk Committee Meeting. The Board is responsible for including any material climate-related risk into its strategic formulation.
Metrics & Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
9	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Measurement and reporting metrics: This year, we conducted qualitative scenario analysis to assess climate risks and opportunities more effectively. We aim to progressively enhance our data analysis by referencing local and global benchmarks and subject to data availability. This will allow us to improve our data analysis, addressing metrics in terms of productivity loss (man-days), asset loss (\$), fines or fees (\$), whenever possible. Besides, we have been tracking our performance in material consumption, energy consumption, water withdrawal and waste generation over the years. The metrics used and the year-on-year performance can be found under <i>Responsible Supply Chain and Environmental Protection and Stewardship</i> .
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Measurement and management of GHG emissions Our Scope 1 emissions streams cover mobile combustion of diesel and petrol, and stationary combustion of natural gas. Scope 2 emissions are due to grid electricity, solar energy and steam consumption. We also started monitoring our Scope 3 emissions this year. Our year-on-year emissions, along with our methodology, are disclosed under <i>Energy Efficiency and Decarbonisation</i> .

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

No.	Pillar/Recommendation	Key Points
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Target set: Having monitored our performance against the targets set in FY2022, this year, we are refining our environmental targets by including a definite target year as much as possible. The overview of our targets and performance can be found under <i>Sustainability Performance and Targets</i> .

SCENARIO ANALYSIS

To deepen our comprehension of how these risks could affect our business or present opportunities, we conducted qualitative scenario analyses for two Shared Socioeconomic Pathways (SSP) scenarios: SSP1 and SSP4. These SSP scenarios are selected to conform with Intergovernmental Panel on Climate Change (“IPCC”) guidelines, ensuring consideration of both societal choices’ impact and emission trajectories. The five SSP narratives describe alternative pathways for future society. Each SSP looks at how the different Representative Concentration Pathways (“RCPs”) could be achieved within the context of the underlying socioeconomic characteristics and shared policy assumptions of that world. Under SSP1, the pressure from transition risks is high, while the intensity or occurrence of physical risks is minimal compared to SSP4, where physical risks are prevalent due to inadequate management of transition risks.



Source: IPCC Ch 1 Supplementary Material⁸

Climate scenarios serve as the foundational narratives for our climate scenario analysis. Through collaboration with a consultant, we conducted desktop research and qualitative analysis using reputable tools, leveraging both internal and external industry expertise to enrich the understanding of how various business-related impacts or opportunities could unfold in each scenario. This process aids the Board in making well-informed decisions regarding mitigation and adaptation strategies for ensuring the sustainability of the business in the future. To ensure a comprehensive analysis, all four transition risks and physical risk impacts are assessed for the two identified SSP scenarios, as illustrated in the table below.

Our definition of time horizon

Short Term – 1 to 5 years

Medium Term – 6 to 10 years

Long Term – up to 2050

⁸ https://www.ipcc.ch/site/assets/uploads/sites/3/2019/11/SROCC_FinalDraft_Chapter1-SM.pdf

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Table 4 The Group’s Qualitative Scenario Analysis for Transition Risks

TRANSITION RISKS scenario analysis under SSP1 scenario				
<p>SSP1 (temperature varying from 1 to 1.9°C) is the only pathway that meets the aspirational goal of the Paris Agreement by limiting global warming to below 1.5°C. Under this scenario, societies switch to more sustainable practices, with the focus shifting from economic growth to overall well-being. There are more investments in education and health to accelerate the demographic transition. Inequality is reduced both across and within countries.</p>				
Impact of Transition risks				
High transition risks Lower physical risks	Higher push on policies to reduce emissions	Rapid technological changes	Target for net zero by 2050 and limit global warming to 1.5°C (aspirational scenario by IPCC)	The manufacturing industry’s need for sustainable raw materials is crucial, as it could lead to increased business costs and potential damage to brand reputation, thereby impacting overall business operations
Risk Type	Potential Impacts	Adaptation or Mitigation Strategies		
<p>Increased pricing of GHG emissions</p> <p>Policy and legal transition risks are assessed as ranging from medium to high over the short to medium term in our risk matrix.</p>	<ul style="list-style-type: none"> Carbon pricing and compliance costs related to local climate regulations Escalating business operational expenses due to increasing energy costs and fluctuations in environmental taxes Regulators may demand more extensive disclosures on climate actions and metrics in the short to medium term. Non-compliant companies may incur significant penalties and encounter operational challenges. 	<p>The Group operates its business in Singapore, Jiangsu province, Anhui Province and Tianjin. As of to-date, the Group has not paid carbon tax in the previous years and did not experience tax burden despite the rise in energy cost over the years.</p> <p>In the short term, the Group is not impacted due to carbon pricing, however in the medium to long term policy changes are very likely to kick in and change the outlook of carbon pricing.</p> <p>Carbon pricing, in one form or another, is likely to be an essential element of mitigation strategies as the world transitions to net zero over the next three decades. So far 46 countries have adopted carbon pricing as per International Monetary Fund (“IMF”), aiming to increase this number in the near future. As momentum builds, it is likely that carbon taxes and incentives will be implemented in the coming years.</p>		

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
		<p>In a strategic effort to address this risk, the Group is collaborating with consultants to decrease energy consumption and lower GHG emissions. This involves reducing energy usage and transitioning to greener energy sources while ensuring continued revenue growth remains unaffected. Additionally, the Group proactively stays updated on the latest regulatory changes in the regions where it operates.</p> <p>Below paragraphs outline the potential changes in the landscape.</p> <ul style="list-style-type: none"> • Singapore⁹ – NEA imposes carbon tax to all industrial facilities with an annual direct GHG emissions of 25,000 tonne of carbon dioxide equivalent (tCO₂e). • China¹⁰ – Despite occasional rumours, China has not implemented a nationwide carbon tax. China has been exploring various mechanisms to reduce carbon emissions and address climate change, including pilot carbon trading programmes in several provinces and cities. These pilot programmes serve as testing grounds for potential future nationwide carbon pricing policies.
<p>Uncertainty in market signals</p> <p>Market transition risks are assessed as ranging from medium to high over the short to medium term in our risk matrix.</p>	<ul style="list-style-type: none"> • Paper rolls are publicly traded commodities subject to market value fluctuations. Changes in input costs, currency exchange rates, and market demand can result in price volatility for packaging materials, affecting profit margins and overall financial performance. • Shifts in consumer preferences towards sustainable materials/products and evolving economic conditions can result in unpredictable changes in the demand for packaging materials and products. 	<p>As a mitigation strategy, the Group is taking appropriate measures to,</p> <ul style="list-style-type: none"> • Minimize the risk exposure by implementing strategies to improve operational/productional efficiency. • Diversify the procurement channels for sustainable raw materials to adapt to the changing market dynamics. • Being proactive in monitoring and securing orders for raw materials when commodities are traded at lower prices.

⁹ [https://www.nea.gov.sg/our-services/climate-change-energy-efficiency/climate-change/carbontax#:~:text=The%20legislative%20amendments%20will%20come%20into%20effect%20on%201%20January%202024.&text=The%20carbon%20tax%20is%20applied,equivalent%20\(tCO2e\)](https://www.nea.gov.sg/our-services/climate-change-energy-efficiency/climate-change/carbontax#:~:text=The%20legislative%20amendments%20will%20come%20into%20effect%20on%201%20January%202024.&text=The%20carbon%20tax%20is%20applied,equivalent%20(tCO2e))

¹⁰ <https://www.carbontax.org/issues/what-aboutchina/#:~:text=Periodic%20rumors%20notwithstanding%2C%20China%20does%20not%20administer%20any%20carbon%20tax.>

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Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
<p>Increased cost of raw materials</p> <p>Market transition risks are assessed as ranging from medium to high over the short to medium term in our risk matrix.</p>	<ul style="list-style-type: none"> Higher energy prices, the soaring inflation rate, and demand for sustainable products impact the cost of operations. Overall, increased costs of raw materials can have significant implications for manufacturers, affecting their profitability, competitiveness, and operational efficiency. 	<p>As a mitigation strategy to adapt to the increasing cost of doing business,</p> <ul style="list-style-type: none"> The Group is improving the operation efficiency with better energy management. Our Singapore plant has just commissioned a new boiler that allows us to operate with high efficiency, while lesser consumption of natural gas. In addition, our Singapore plant also engage an energy manager to conduct feasible study for better energy management. Enhance production efficiency: Improve the machinery & equipment’s efficiency to reduce waste and labour cost.

Opportunities arising from the Transition Risks

Proactive risk management, strategic planning, and adaptability will be essential for successfully navigating these challenges. While carbon taxes increase costs for companies, they can also incentivize a shift towards cleaner energy and support countries’ Nationally Determined Contribution (NDC) commitments.

Our Hefei plant has already invested in auditing its GHG emissions in 2023 and will continue to monitor and reduce emissions where feasible through proper feasibility studies.

The commitment to sustainable development presents opportunities for us to access new markets, lower finance costs through sustainable loans, and implement energy efficiency measures to improve operational efficiency.

By identifying and leveraging these opportunities, we can not only mitigate risks associated with the transition to a more sustainable future but also position ourself for long-term success in an evolving business landscape.

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Table 5 The Group’s Qualitative Scenario Analysis for Physical Risks

PHYSICAL RISKS scenario analysis under SSP 4 scenario				
<p>SSP4 (temperature varying from 3 to 7°C) is an inequality scenario which is the closest to the BAU scenario. Emissions will peak around 2080 before declining. It is a stabilisation scenario where total radiative forcing is stabilised after 2100 by the employment of various technologies and strategies to reduce greenhouse gases. Highly unequal investments in human capital, combined with increasing disparities in economic opportunity and political power, lead to increasing inequalities and stratification both across and within countries.</p>				
Impact of Physical Risks				
High physical risks	Minimal transition policies are expected to be in place	Rapid technological development, but high challenges to climate adaptation due to persistent inequality and poverty in many parts of the world	Severe physical risks driven by increased GHG emissions despite some technological advancements	SSP4 emissions range from 34GtCO ₂ to 45GtCO ₂ by 2100, with warming of 3.5-3.8°C
Risk Type	Potential Impacts		Adaptation or Mitigation Strategies	
Increased severity of extreme weather events such as floods affecting production	Severe weather can impact transportation routes and logistics, affecting the timely delivery of supplies due to supply chain interruptions. This disruption can lead to raw material shortages, delayed production and impacts on customer deliveries.		To mitigate these risks, the Group should invest in robust emergency preparedness plans, implement safety protocols, conduct regular drills, and stay informed about weather forecasts and also update the Business Continuity Plan (BCP) for the plants which are under high impact.	
Acute physical risks are assessed as ranging from medium to high over the medium to long term in our risk matrix.	<p>Productivity loss – Increased overhead costs due to more idle time and higher workforce costs.</p> <p>Long term effects of these extreme weather events may impact our plants, possibly leading to eventual closure or relocation of affected sites/plants.</p>		<p>Integrating climate risk assessments into business planning can help companies adapt to the changing climate and minimise the impact of extreme weather events on the business.</p>	

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
		<p>Our current actions:</p> <p>As our mitigation strategy for,</p> <ul style="list-style-type: none"> • The Group is highly reliant on supply chain, which include our procurement of paper roll, ink, and other material for production. We have taken the necessary steps to prevent interruption in production such as diversification of suppliers and transport channels, maintaining reasonable inventory level, frequent communication with suppliers and establishing emergency action plan. For Singapore and Suzhou entity, a Business Continuity Plan in place to encounter the unfavourable event. • The Group maintains multiple paper sources and make effort to expand other sources which are FSC certified that will minimise disruptions and can better support our supply chain and also remain compliant to the relevant regulators of respective regions. • The Group maintains a reasonable level of inventory to ensure smooth production and to fulfil customer order, without increasing the storage cost and limiting cashflow. <p>Qualitative scenarios analysis for inequality scenario is detailed in the below paragraphs.</p>

In August 2023, Northern China experienced severe storm-related flooding. However, there was no direct impact on our plants in China during this event or in previous occurrences. Additionally, the Singapore plant has not encountered any similar events in the past. Frequent occurrences of extreme weather events are now being experienced, and their impacts are severe, aligning with predictions from IPCC reports. Over the medium to long term, the climate landscape for the Group may undergo changes that could affect the business. Based on the current incidents and predictions of the floods, let us delve deeper into the plausible outcomes of each region when the temperature rises from 3 to 7°C from pre-industrial levels as compared to today with the help of tools and sites such as climate central¹¹ and climate central knowledge portal¹².

¹¹ <https://www.climatecentral.org/>

¹² <https://climateknowledgeportal.worldbank.org/>

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Table 6 The Group’s Qualitative Scenario Analysis for Inequality Scenario

<p>Singapore</p>	<p>Floods are a recurrent phenomenon in Singapore, often triggered by heavy rainfall, high tides, and drainage issues, particularly in low-lying regions. While most floods in Singapore are flash floods that dissipate within a few hours and cause minor disruptions, the country has also witnessed severe floods resulting in widespread devastation and damage to infrastructure and properties.</p> <p>In recent years, Singapore has experienced some of its worst flash floods. With the projected rise in sea levels due to climate change, the situation could exacerbate over the long term. According to Singapore’s Third National Climate Change Study (V3), the mean sea level around Singapore is expected to increase by 0.23m to 1.15m by the end of the century, and potentially up to around 2m by 2150 under high emissions scenarios. A higher baseline sea level would lead to more frequent flooding events, worsening the impacts of heavy rain and high tides. Flash floods resulting from heavy rainfall coinciding with high tides could be more destructive than current occurrences.</p> <p>Singapore’s low-lying landscape, with approximately 30% of its land situated less than 5m above sea level, is vulnerable to extreme sea-level scenarios. In the event of a 4m to 5m rise in sea level by 2100, coastal areas are at significant risk. While Singapore rarely experiences extreme weather events like typhoons, instances have occurred in the past. For instance, in 2001, Typhoon Vamei made landfall just north of Singapore. A similar rare event in the future could inflict even greater damage with higher sea levels projected for 2100.</p> <p>While our analysis focuses on the impact of floods in the year 2050, the vicinity around our facility is unlikely to be affected in the foreseeable future.</p> <p>Singapore has reported intermittent floodings due to heavy and irregular precipitation. However, control measures by Singapore government helps companies in reducing the impacts to a minimum. The location of the plants are not near the flood prone areas. Considering these factors at this point, flood risks at the Singapore location seem to be unlikely. However, we recommend having mitigation strategies in place for any extreme calamities.</p> <div data-bbox="574 1534 1220 1915" data-label="Figure"> </div> <p style="text-align: center;">Land projected to be below annual flood level in 2050 in the vicinity of the Company and UPI</p>
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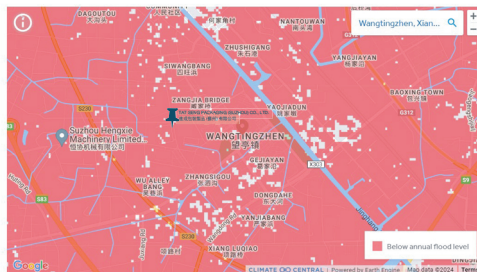
SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

China

China faces significant disaster risk levels and is ranked 71st out of 191 countries by the 2019 Inform Risk Index (Table 4). This ranking is driven strongly by the exposure component of risk. China has very high exposure to flooding (ranked jointly 13th), including, riverine, flash, and coastal, and very high exposure to tropical cyclones and their associated hazards (ranked 6th). Since 1990 the average loss resulting from floods has amounted to about 1.5% of GDP¹³ of the same period, and the average economic loss resulting from droughts has been over 1% of GDP of the same period. INFORM 2019¹⁴, an index for risk management, ranks China at 8.4 on a scale of 0 to 10 for the sub-category of risk for Floods whereas global average is 4.5 for comparison. A higher score represents greater risks.

Recent weather events in China have caused significant impacts, particularly in eastern and northern provinces, where intensified rainfall has led to rivers reaching dangerous levels and increased flood intensity. Our analysis, depicted on a map highlighting flood impacts in 2050, suggests that two of our plants are highly likely to be affected in the future, while the other two locations are less probable to experience such impacts.

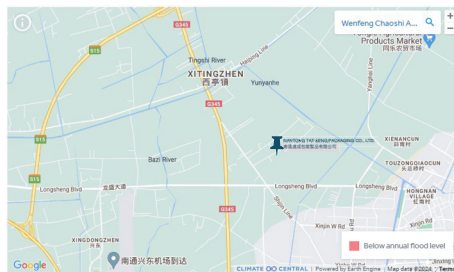
While the Group’s plants have not faced flooding incidents in the past or recent times, we recommend developing long-term climate adaptation strategies for all entities to ensure smooth operations. With the anticipated increase in global warming fuelling more frequent extreme weather events, China is expected to face regular and severe flooding in the coming years, intensifying existing problems.



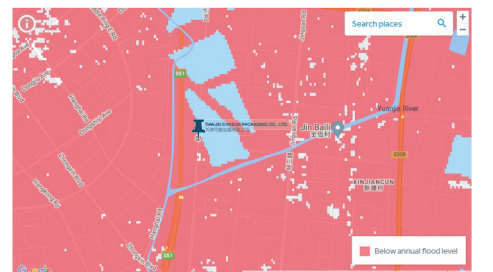
TSSZ



HFDS



NTTS



TJDS

Land projected to be below annual flood level in 2050 in the vicinity of China plants

¹³ <http://www.mwr.gov.cn/english/fcdrc.html>

¹⁴ <https://www.adb.org/sites/default/files/publication/703641/climate-risk-country-profile-china.pdf>

SECTION 2: CLIMATE AND SUSTAINABILITY GOVERNANCE

Conclusion of our analysis: Impacts of flooding on supply chain, production, and overall business for Singapore and China entities

The Group, like other companies, has globalized the supply chain to take advantage of world resources while minimizing production costs, tapping into the untouched markets in the global scene. Global supply chains are mostly interdependent. Climate change impacts at locations of no relevance might indirectly hinder our business. We must think beyond ourselves if we are to reduce our vulnerability to supply chain disruption. The trade-offs between efficiency and risk in supply chain management should be carefully balanced and more effort should be given to building disaster resilience to ensure long-term competitiveness. We can work with the local governments who play a fundamental role in building supply chain resilience¹⁵.

We are committed to reducing our GHG emissions in the coming years from all of our operations. We continue our emission reduction initiatives as below:

- Maximise the installation of solar panels at our plants
 - HFDS has completed solar panel installation by third party on the rooftop, which allows HFDS to purchase electricity at lower rate.
 - Singapore plant has completed solar panel installation on the rooftop during 2023.
 - Other plants are also planning to install solar panel within these few years.
- Optimise energy efficiency
 - UPI commissioned a new boiler that allows us to operate with high efficiency, while lesser consumption of natural gas.
 - UPI also engaged an energy manager to conduct feasible study for better energy management.
 - Hefei plans to reduce energy loss in steam and implementation of closed-loop system to reuse waste/discharged steam.
- Switch to lower emission energy
 - This covers initiatives to transition from diesel or natural gas to electricity, via investing in electric forklift and new waste water treatment equipment.
- Promote energy savings
 - HFDS purchased an automatic ink adjuster that reduces human error in the process, thus reducing cost as well as hazardous waste from the operation.
 - HFDS also invested in Automated Guided Vehicle (AGV) to automate in-house logistic.
 - HFDS plans to improve efficiency and reduce operation costs by investing AI-powered temperature regulation system.
- Reduce negative impact to the environment
 - We have a sustainable packaging solution that is based on lightweight corrugated carton solution, prioritising reduced weight without compromising compression strength to achieve both environmental benefits through decreased paper usage and fulfilment of our customers' sustainability needs.

¹⁵ <https://www.econstor.eu/bitstream/10419/64267/1/717874087.pdf>

SECTION 3: COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY PERFORMANCE AND TARGETS

This year, we will streamline our sustainability efforts across the Group through the establishment of group-level targets. These targets are strategically linked to our 'tone from the top' approach, ensuring alignment with our overarching business strategies, operating cost reduction and revenue generation.

Table 7 Group-level targets and Key Performance Indicators

ESG Topics	Targets	Key Performance Indicators	Baseline in FY2023
Material	Achieve 75% or above of FSC-certified suppliers engaged over the long term	Percentage of FSC-certified suppliers engaged	73%
Occupational Health and Safety	Achieve zero occurrence of fatalities	Number of fatalities by work-related injury	0 case of work-related fatal injury
	Reinforce implementation of OHS Management System	Coverage of OHS Management System	OHS Management System Implemented but Coverage Not Measured
Training and Education	Yearly revision and improvement of training plan	Average training hours per employee	11.7 hours
Anti-Corruption	Maintain zero corruption case as a static target	Number of corruption cases	0
Employment	Zero child labour as a static target	Number of child labour cases	0
	Yearly review of employee benefits, appraisal process and promotion track	Number of long service employee (5 years or above)	720
Energy	Extend adoption of green energy by deploying more PV system on-site by 2028	PV system deployment status	Onsite PV systems at Singapore plant and HFDS
	Explore resource efficient solutions via improvement and upgrade of machinery by 2028	Energy Intensity	1.414 GJ per tonne production volume (to set quantitative target with base year in near future)
	Achieve 25% solar energy dependency out of the Group's total electricity consumption by 2033	Renewable energy penetration rate	11%
Emissions	Reduce emission per tonne of production volume from now to 2033	Emission Intensity	0.144 tCO ₂ e per tonne production volume (to set quantitative target with base year in near future)

SECTION 3: COMMITMENT TO SUSTAINABILITY

RESPONSIBLE BUSINESS PRACTICES

ECONOMIC PERFORMANCE

[GRI 3-3, 201]

The Company is dedicated to cultivating transparent and mutually beneficial relationships with both our investors and the local community, as they constitute the fabric of the areas where the Group operates. Our commitment extends to creating and distributing economic value while fostering economic growth. Recognising the significant contribution our operations make to domestic product growth and local employment, we strive to provide transparent updates to empower informed decision-making by local community, authority and relevant stakeholder in the value chain.

Table 8 Comparison of Audited Economic Performance in SGD

	Group	
	FY2022	FY2023
	S\$'000	S\$'000
Economic Value Generated		
Revenue, interest income & disposal gains	337,445	261,270
Economic Value Distributed		
Operating costs (e.g. materials, product components & other operating costs)	261,089	191,043
Employee wages and benefits:		
Employee costs include salaries and benefits	40,903	34,802
Payments to providers of capital:		
Dividend & interest paid	8,135	10,097
Payments to governments:		
Net Incomes taxes paid	3,677	4,291
Community investment (e.g. voluntary donations to charity)	12	6
Economic value retained		
Direct economic value generated – Economic value distributed	23,628	21,031
Net profits in SGD:	21,176	19,973

We comply with the requirement from Singapore's Central Provident Fund (CPF) and China's Social Insurance System to contribute to our employees' savings for retirement. We are also the grateful recipient of S\$0.79 million financial assistance from both Singapore and China governments in FY2023.

SECTION 3: COMMITMENT TO SUSTAINABILITY

SUPPORTING LOCAL COMMUNITY THROUGH PROCUREMENT PRACTICES

[GRI 3-3, 204]

To minimise the disruption caused by our operations to small-scale producers in local¹⁶ markets, we strive to support local suppliers to safeguard their job security and economic stability. Continuing our procurement practices in FY2022, this year, we maintained our prioritisation of local suppliers for China segment. For Singapore segment, we remained invested in importing paper roll due to absence of local production and cost factor.

Table 9 Two-year comparison of Percentage of Procurement Budget Spent on Local Suppliers

		SG Segment		China Segment	
		FY2022	FY2023	FY2022	FY2023
Paper Roll	Local Suppliers	0%	0%	88%	85%
	Imported	100%	100%	12%	15%
Other Material	Local Suppliers	99%	96%	100%	100%
	Imported	1%	4%	0%	0%

ANTI-CORRUPTION

[GRI 2-27, 205]

Anti-Bribery and Anti-Corruption Policy

[GRI 3-3]

We have zero tolerance towards all forms of bribery¹⁷ and corruption. Understanding that our success relies on conducting business with credibility, integrity, and trustworthiness, the Group unites to comply with laws and regulations, uphold business ethics, manage risk and establish a sustainable business model.

All employees and the Board must refrain from giving, offering or authorising any form of value that could be construed as a bribe. Similarly, they must not request, accept or authorise any form of value that could be seen as a bribe. Our contracts with third parties include anti-bribery and corruption clauses which are also stated in the Supplier Code of Conduct, with the right to impose immediate termination upon violation. Prior to engagement with third parties, our employees conduct proper due diligence to ensure dealings are with reputable and qualified parties.

We strictly comply with local national law to uphold integrity and prevent corruption and bribery. To avoid conflict of interest, any suspected breach of our anti-bribery and anti-corruption policy is reportable to the immediate supervisor or directly to the chairman of ARC using the designated reporting channel. Apart from legal consequences, violations are internally punishable by disciplinary actions that could be as severe as dismissal. Whistleblowers are protected by the Group against reprisal.

¹⁶ The Company defines 'local' as domestic to People's Republic of China for our operation in China; and domestic to Singapore for our operation in Singapore.

¹⁷ Corrupt action including receiving, offering, promising, authorising or providing "anything of value" to any customer, supplier or other third-party in order to secure, induce or keep an improper or unfair advantage.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Allocation of Resources

[GRI 3-3]

While all employees share the responsibility of upholding the integrity of our business, we also assign specific responsibilities to ensure comprehensive adoption of our anti-corruption policy. The overall anti-corruption monitoring effort is well-governed in both Singapore and China Segment. Our governance strategy encompasses a dual approach: a horizontal approach where cross-departmental checks cover routine operations, and a top-down approach where the Group Corporate department, General Manager's Office and Human Resources Department has the oversight of all anti-bribery and corruption matters.

Communication and Training of Our Anti-Corruption Policy

[GRI 205-2b,c,e, 205-3, 2-27]

Our employees are directly informed of and trained on our anti-bribery and anti-corruption policy. Through their compulsory acknowledgement as part of the onboarding process, we enforce strict adherence to anti-corruption practices for all staff. In FY2023, we have 100% of coverage for our Singapore segment via Code of Business Conduct, Anti-Bribery and Anti-Corruption Policy and orientation process, while 70% of coverage for our China segment via Employee Integrity Agreement, Anti-Bribery and Anti-Corruption Policy.

As for external communication, we actively communicate with our suppliers, customers and other business partners through issuing integrity notice or supplier code of conduct to ensure their alignment in our anti-corruption principles, and have published the Group's Anti-Bribery and Anti-Corruption Policy on our company website.

In FY2023, there were no reporting or confirmed incidents of corruption, which in line with our SR2022 target. There were also no instances of non-compliance with laws and regulations.

RESPONSIBLE SUPPLY CHAIN

SUSTAINABLE MATERIAL SOURCE

[GRI 301, 308]

Our Risk Management

[GRI 3-3]

Our sustainable commitment extends beyond our operations to encompass the well-being of our planet and the communities we serve. Given our heavy reliance on paper, we acknowledge the significant environmental challenges posed by logging and deforestation, which leads to potential loss of biodiversity and contribution to global warming. To champion sustainability, we collaborate closely with our business partners and suppliers to uphold ethical and environmentally conscious practices throughout our operations.

We established a Sustainable Procurement Policy to ensure compliance with local environmental legislation while upholding the highest standards of social and economic responsibility. This policy includes measures such as identifying areas of high risk within our supply chain and transparently communicating our commitments to internal and external stakeholders. In pursuit of environmental sustainability, we favour suppliers who are committed to reduce their ecological footprint by conserving resources, minimising waste and mitigating pollutants.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Forest Stewardship Council (“FSC”) Certified

[GRI 3-3]

All our plants are accredited under the FSC Chain of Custody (CoC). Based on FSC’s standards and practices on the sourcing, processing and selling of paper products, we strive to eliminate the following activities from our supply chain.

- illegal logging or the trade in illegal wood or forest products,
- violation of traditional and human rights in forestry operations,
- destruction of high conservation values in forestry operations,
- significant conversion of forests to plantations or non-forest use,
- introduction of genetically modified organisms in forestry operation, and
- violation of any of the International Labour Organisation’s core conventions.

To ensure seamless integration of the FSC CoC system throughout our supply chain, we have internal FSC CoC manual as one of our guidelines on our procurement process, emphasising our preference for sourcing from FSC-accredited suppliers. Any materials found to be non-conforming are promptly identified and flagged, with sales of non-conforming FSC products immediately halted. We regularly refer to the FSC platform to check conformity status of our potential and future paper suppliers.

In addition, most of our plants have obtained ISO 14001 certification, which signifies our commitment to environmental management. This certification ensures that we manage our environmental responsibilities systematically, contributing to the environmental aspect of sustainability.

Supplier Environmental Assessment

[GRI 308-1, 308-2]

We strive to initiate our due diligence as early as during pre-engagement. After establishing a business relationship with our suppliers, we stay vigilant of the sustainability of our supply chain through regular supplier environmental assessments. In fulfilment of our FY2022 target to make disclosure on China segment’s supplier environmental assessment, the table below shows our two-year comparison for new suppliers screened and negative environmental impact assessed in supply chain.

Table 10 Disclosure on Supplier Environmental Assessment

Supplier Environmental Assessment		SG Segment		China Segment	
		FY2022	FY2023	FY2022	FY2023
New Suppliers	Suppliers Screened	3	4	20	16
Assessment of Negative Impact in Supply Chain	Suppliers Assessed	35	36	57	23
	Suppliers Flagged	0	0	0	0

SECTION 3: COMMITMENT TO SUSTAINABILITY

Paper Usage

[GRI 301-1]

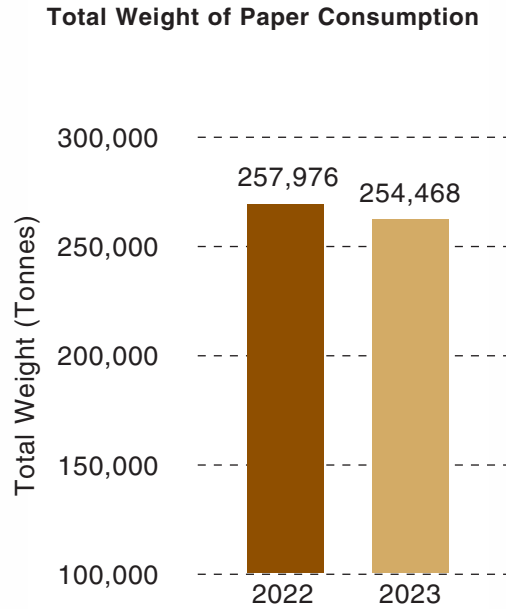


Figure 4 Year-on-Year Comparison of Total Weight of Materials Used

We did not set any target in FY2022 for materials and supplier environmental assessments as we were still refining our monitoring system for both topics. While we continue to review and improve our monitoring system for materials, this year, we are setting a target (as included in *Sustainability Performance and Targets*) for supplier environmental assessments in terms of percentage of FSC-certified suppliers engaged.

ENVIRONMENTAL PROTECTION AND STEWARDSHIP

ENERGY EFFICIENCY AND DECARBONISATION

[GRI 302, 305]

Our Management Approach

[GRI 3-3, 302-4, 305-5]

Efficient energy usage and the adoption of renewable energy sources are crucial in the fight against climate change and reducing our environmental impact. In Singapore, we have integrated electricity-saving practices into our Resource Conservation Procedure. Regular maintenance and system checks are conducted by our Engineering Department to prevent energy wastage. In instances of unexpectedly high energy consumption, our Environmental Management System committee investigates the root cause and implements preventive or corrective actions. This year, we also finalised a set of energy management policies to guide Singapore plant’s energy conservation practices to limit our annual energy consumption under 54 TJ.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Our procurement policy prioritises electric vehicles over diesel vehicles for both purchase and leasing. Additionally, we are transitioning from diesel to natural gas for boiler operations to minimise carbon emissions as we move towards renewable energy sources. At our TJDS plant, biannual declarations are made on the Green Manufacturing Public Service Platform, demonstrating our adherence to China's national standards. In our HFDS plant, an Energy Management Team led by the plant's vice general manager oversees energy efficiency management, reporting, and improvement initiatives. Furthermore, our employees receive training to incorporate energy-saving practices into their daily routines. To comply with China's national energy conservation laws, our operational procedures include systematic management, reporting and analysis of energy consumption data.

Our Energy Efficiency and Decarbonisation Initiatives

[GRI 3-3, 302-4, 305-5]

We continue to monitor the energy efficiency and decarbonisation performance brought about by our initiatives and investments in the recent years. At UPI, our natural gas consumption was halved (as shown in Table 11) in FY2023 compared to FY2022 due to the installation of a high-efficiency boiler. At TSSZ, electric forklifts brought us a monthly saving of more than 1,000 litres of diesel. The combined effect of eco-friendly air compressors and LED lighting resulted in decrease in TSSZ's overall electricity consumption. In HFDS, we are gradually transitioning to electric forklift. As HFDS plan to use purchased steam, close the loop by capturing the waste steam for reuse, thus reducing energy loss in the process. Above all, HFDS's 2.52MW photovoltaic ("PV") system has generated more than 1,860 MWh of electricity since its progressive installation from July 2022, shifting our energy source to a renewable option for decarbonisation. For NTTTS, upgrades were made to some low-efficiency motors, while the number of high-density lightings was reduced.

Recognising that employee behaviour can contribute to increased emissions, we actively promote energy conservation habits among our staff. HFDS has a list of commendable decarbonisation initiatives. To streamline product delivery, HFDS centralised its operation to eliminate inter-facility delivery of semi-finished product, and actively implements direct shipment from supplier to customers. To optimise the loading rates of shipping vehicles, we provide timely notification to the receiving customers on the incomplete shipping loads. HFDS also looks into increasing storage space to minimise frequency of raw material transportation. As we gain oversight of our emissions from employee commuting, we are exploring optimisation of our shuttle bus routes to rule out long-distance commuter bus service. We are in the process of securing appropriate staff accommodation as part of our plan to centralise long-distance commuters to a closer location.

Scope 3 Inventory

[GRI 302-2, 305-5]

We started to develop of Scope 3 GHG emission inventory to guide our decarbonisation efforts. Taking reference of CDP's data¹⁸ on the relevant Scope 3 categories for Paper and Forestry sector, we are focusing our inventory development on category 1 "Purchased Goods and Services" and category 4 "Upstream Transportation and Distribution". On top of that, we decided to expand our inventory for two other categories that rely on internal records: category 6 "Business Travel" and category 7 "Employee Commuting". Our current methodology for Scope 3 emissions is spent-based and distance-based. Balancing our sustainability priority with resource availability, our "Purchased Goods and Services" only covered materials for our products.

¹⁸ CDP. (2022). CDP Technical Note: Scope 3 relevance by sector. Retrieved from https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/003/504/original/CDP-technical-note-scope-3-relevance-by-sector.pdf

SECTION 3: COMMITMENT TO SUSTAINABILITY

Energy

[GRI 302-1]

The Group's energy consumption is computed based on invoices, receipts and electricity bills. The conversion factors are based on 2006 IPCC Guidelines. Overall, the decrease in fuel consumption was due to reduction in production volume, with the additional saving in natural gas consumption attributable to the installation of high-efficiency boiler at Singapore plant.

Table 11 Disclosure on Total Fuel Consumption from Non-Renewable Source in FY2023

	Singapore Segment		China Segment	
	FY2022	FY2023	FY2022	FY2023
Diesel (GJ)	1,817	1,433	20,356	18,434
Petrol (GJ)	–	–	377	1,335 ¹⁹
Natural Gas (GJ)	64,525	32,412	56,194	53,283
Total Fuel Consumption from Non-Renewable Sources (GJ)	66,342	33,845	76,927	73,052

Our renewable energy source is solar energy generated from on-site PV systems at Singapore plant, HFDS and TJDS. Singapore plant started using solar energy since July 2023, while HFDS continues make use of the on-site PV systems for renewable energy.

Table 12 Disclosure on Total Consumption from Renewable Source in FY2023

	Singapore Segment		China Segment	
	FY2022	FY2023	FY2022	FY2023
Total Solar Energy Consumption (GJ)	–	2,300	2,191	4,542

Table 13 Disclosure on Total Energy Consumptions from Renewable and Non-Renewable Sources in FY2023

	Singapore Segment		China Segment	
	FY2022	FY2023	FY2022	FY2023
Total Fuel Consumption from Non-Renewable Sources (GJ)	66,342	33,845	76,927	73,052
Total Electricity Consumption (GJ)	11,237	8,608	44,664	45,937
Total Energy Consumption from Purchased Steam (GJ)	–	–	154,825	174,293
Total Energy Consumption from Non-Renewable Sources (GJ)	77,579	42,453	276,416	293,283
Total Energy Consumption from Renewable Sources (GJ)	–	2,300	2,191	4,542
Total Energy Consumption (GJ)	77,579	44,753	278,607	297,825

¹⁹ Observed spike in petrol consumption within China segment was due to the start of monitoring of petrol consumption at TSSZ and NTTs.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Emission

[GRI 305-1, 305-2, 305-3]

We defined our organisational boundary using operational control approach. We adopt methodology from GHG Protocols and IPCC in our computation and cover carbon dioxide CO₂, methane CH₄ and nitrous oxide N₂O. We adopt the Global Warming Potential from IPCC Fifth Assessment Report (“AR5”). There were no relevant biogenic emissions within our reporting boundary.

Table 14 Disclosure on Scope 1, 2 and 3 Emissions²⁰ in FY2023

	Singapore Segment		China Segment	
	FY2022	FY2023	FY2022	FY2023
Scope 1 (tCO ₂ e)	3,760	1,928	4,714	4,475
Scope 2 (tCO ₂ e)	1,266	970	25,400	27,599
Scope 3 (tCO ₂ e)	–	8,908	–	69,752

Scope 3 category 1 “Purchased Goods and Services” turns out to be our most significant emission source, covering 64% of our total emissions of 113,633 tCO₂e. Scope 2 remains a significant source due to our reliance on grid-electricity and purchased steam, amounting to 25% of our group total emissions. We will continue to improve our Scope 3 emission inventory over the next few years before setting a base year.

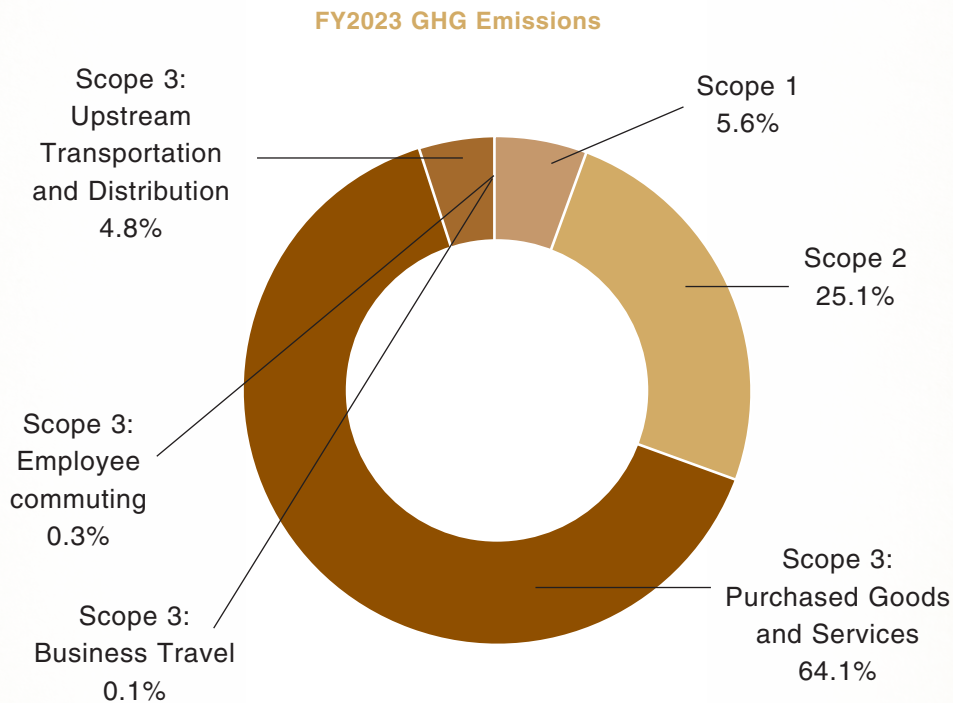


Figure 5 Breakdown of the Group’s Scope 1, 2 and 3 Emissions at Group-Level

²⁰ Calculation of emissions included CO₂, CH₄ and N₂O. No reportable biogenic CO₂ emission. Emission factors for mobile combustion (diesel and petrol) and stationary combustion (natural gas) based on 2006 IPCC National Guidelines for GHG Inventory: Energy – Chapter 2 and 3, and GWP based on IPCC Fifth Assessment Report. Calculation for emission from electricity consumption under Scope 2 is location-based. Grid emission factors are based on latest data available in IGES List of Grid Emission Factors v11.3, tab ‘EFfromCountriesOrSB’. Scope 3’s computation referred to conversion factors in UK Government GHG Conversion Factors for Company Reporting Version 1.1 (2023), including emission factors from tab “Passenger Vehicles” and “Freighting Goods”. Spent-based method is used for Business Travel and Purchased Goods and Services.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Year-on-Year Performance in Energy and Scope 1 & 2 Emissions

[GRI 302-3, 305-4]

Using production volume as the denominator, we maintained our Group-level energy intensity at approximately 1.41GJ/tonne production volume. Our Scope 1 & 2 emissions intensity increased by 4% to 0.144tCO₂e/tonne production volume due to increase in purchased steam volume from China Segment. In FY2023, our Scope 1, 2 & 3 emissions intensity was 0.469tCO₂e/tonne production volume.

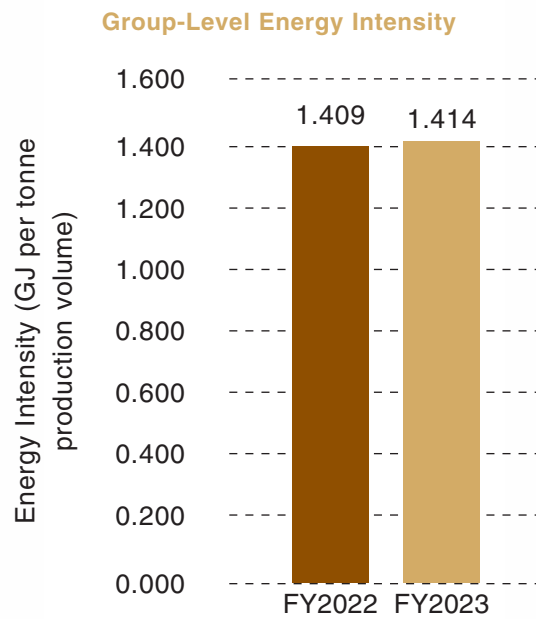


Figure 6 The Group's Year-on-Year Energy Intensity

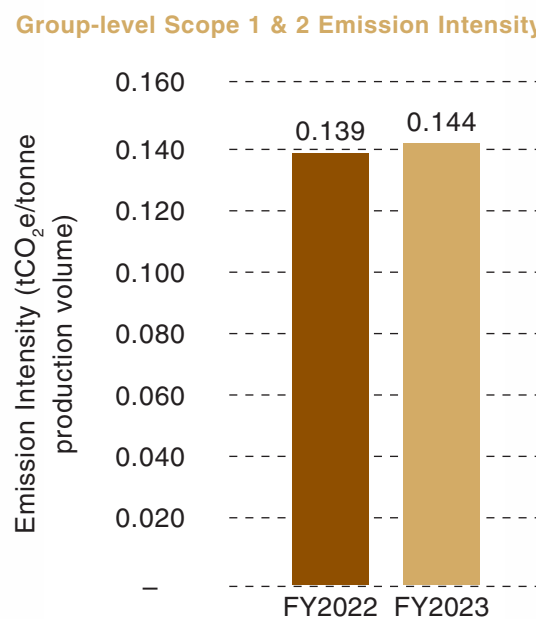


Figure 7 The Group's Year-on-Year Scope 1 & 2 Emissions Performance

SECTION 3: COMMITMENT TO SUSTAINABILITY

Decarbonisation Targets and Performance

Our performance against the targets set in Sustainability Report FY2022 is shown below. Moving forward, we are implementing group-level target for resource optimisation and better alignment across the Group.

Table 15 Performance against FY2022 Energy and Emissions Targets

Material Topics	Target set in FY2022	KPI	Performance	
			FY2022	FY2023
Energy	Complete solar panel installation at Singapore plant in 2023	Completion status of rooftop PV system	PV system was in construction	Singapore plant completed PV system installation and started consumption of solar energy in July 2023. 639,000 kWh of solar energy generated in FY2023.
	HFDS to expand PV system	HFDS's proportion on usage of solar energy against total electricity	Starting from July 2022, the 1.43 MW PV system has been in operation	HFDS increased the PV system capacity to 2.52MW and solar-generated electricity in 2023 made up 22% of HFDS' total electricity consumption.
	Reduce natural gas consumption at on-site wastewater treatment facility at Singapore's plant	Singapore plant's natural gas consumption (mmBTU)	Using evaporator for waste water treatment	UPI completed wastewater treatment facility in the late 2023.
	Switch to energy efficient lightings at NTTS	Energy efficient lightings installation status at NTTS	Not installeds	High density lightings are reduced. Assessment for suitability of energy-efficient lightings is ongoing.
Emissions	HFDS to achieve zero emission in 2060	Group-level Scope 1 & 2 emission intensity (tCO ₂ e per tonne production volume)	0.139	0.144

WATER SECURITY

[GRI 303]

Our Interaction with Water

[GRI 3-3]

We recognise the severity of the global water scarcity. Realising that water plays a critical role in human life as well as our operations and supply chain, the availability of high-quality water is essential. Any deficiencies or degradation in water quality could significantly impact our production processes. Both Singapore and China source their water from surface water including reservoirs, rivers and lakes. Understanding that water is essentially a closed-loop system where our effluents into the water bodies determine the quality of our water supply, we are driven to join the world in its water conservation and preservation effort.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Our Management Approach

[GRI 3-3, 303-1, 303-2]

Our water supply is sourced from municipal suppliers. Water is essential not only for our production processes, including printing and washing machines, but also for drinking, eating, plant irrigation, and personal hygiene. Wastewater from our China plants undergoes treatment at localised septic tanks before being released into the municipal sewer system in accordance to local quality standards, except for NTTS. Industrial effluent is not generated at UPI and NTTS due to our alternative treatment method. At UPI, production wastewater is channelled to evaporators, and remaining sludge is disposed by licensed waste collectors. NTTS, on the other hand, sells all production wastewater to third party.

Hazardous wastewater primarily originates from production, where printing and corrugation machines produce discarded resin films and packaging materials. To monitor these discharges and mitigate our environmental impact, TSSZ, HFDS and TJDS conduct effluent tests to ensure compliance with local authorities’ effluent standards. In addition, our China segment maintains internal wastewater management policies and procedures. The pollutants monitored in our effluents include ammoniacal nitrogen, total nitrogen, total phosphorus, suspended solid and presence of significant chemicals through the water quality parameter Chemical Oxygen Demand.

In late 2023, UPI invested and completed the installation of a new wastewater system. By improving the water quality of the treated water, UPI aims to optimise wastewater reclamation, thus reducing the overall water withdrawal. Over in the China segment, HFDS plan to upgrade its wastewater treatment process by improving the treatment equipment for better treatment efficiency.

Water Performance

[GRI 303-3, 303-4, 303-5]

We compiled our monthly water withdrawal through utility bills and monitored our monthly water discharge through third-party wastewater collectors. At group level, our total water withdrawal in FY2023 was 102.8 Megalitres. The overall 5% increase in water withdrawal mainly due to on-going construction of factory and offices in HFDS and NTTS, while partially offset by less water consumption in Singapore segment due to the upgrade of high efficient boiler with steam-condensate closed system.

Our water came from municipal supply, which sources from freshwater bodies.

Table 16 Disclosure on water withdrawal

	Singapore Segment		China Segment	
	FY2022	FY2023	FY2022	FY2023
Total Water Purchased from Third Party (MI) ²¹	18.6	8.9	79.7	93.9

²¹ All water purchased is freshwater (≤1,000 mg/L Total Dissolved Solids) and none is from water stress area. Measurement is based on water metre reading and water bills.

SECTION 3: COMMITMENT TO SUSTAINABILITY

WASTE

[GRI 306]

Waste Generation and Management

[GRI 3-3, 306-1, 306-2]

Our production processes generate paper waste. Striving to minimise unsustainable consumption of natural resources, we identified that equipment limitation and human errors could contribute to waste generation. To maximise utilisation of paper, we ensure sufficient understanding of production processes and procedures among our employees to minimise human errors and waste generation.

Wastepaper is environmentally friendly and recyclable. Leveraging on this fact, we endeavour to recycle all wastepaper, be it from production or non-production sources. To optimise transportation efficiency, we shred our wastepaper for compression and off-site recycling through third-party recycling units.

While our main waste is paper, our production intermittently generates residual resin film and used ink containers. Recognising the potential environmental contamination and safety hazards posed to janitorial workers, we strictly segregate hazardous waste from non-hazardous waste. Additionally, we segregate recyclable hazardous waste from non-recyclable hazardous waste. All hazardous waste is stored in designated storage areas and meticulously registered to monitor the disposal process. We engage certified hazardous waste treatment and disposal service providers to responsibly process and dispose of the waste.

Waste Performance

[GRI 306-3]

Table 17 Disclosure on Total Weight of Wastepaper Generated in FY2023

	Singapore Segment		China Segment	
	FY2022	FY2023	FY2022	FY2023
Total Wastepaper (tonnes)	3,661	3,222	19,996	18,757

Waste Targets and Performance

While we did not set target for waste in this year, we continue to explore waste reduction initiatives and improve our waste management system. As we streamline our sustainability efforts by setting group-level targets this year, we will focus our resources on other material topics of higher priority as included in Table 7.

Table 18 Waste Targets and Performance

Material Topics	Target set in FY2022	KPI	Performance	
			FY2022	FY2023
Waste	Control total paper loss from corrugator and downstream processing at HFDS	Total Wastepaper (tonnes) from China Segment	19,996	18,757
	Reduction in operation waste through training and wastepaper management at TJDS for near term			

SECTION 3: COMMITMENT TO SUSTAINABILITY

THRIVING PEOPLE AND COMMUNITIES

EMPLOYMENT AND HUMAN CAPITAL

[GRI 2-7, 2-8, 2-30]

As a multinational group, we express our appreciation for our employees’ contribution through diverse employment policies and compensation means to cater to their different needs. Besides, we also adopt respect for human right as a fundamental value of the Group. We are against all form of discrimination, and we commit to zero child labour. While we do not utilise collective bargaining agreements, our employment policies are guided by the principles outlined by the Tripartite Alliance for Fair & Progressive Employment Practices.

Employee Benefits

[GRI 401-2, 404-2, 404-3]

Our diverse compensation, insurance, leave and health and medical benefits are shown below.

<p style="text-align: center;">Leave Entitlement</p> <ul style="list-style-type: none"> • Annual leave • Medical leave • Hospitalisation Leave • Parental leave • Marriage leave • Childcare leave • Compassionate Leave • Breastfeeding time off • Examination Leave • Training Leave 	<p style="text-align: center;">Employment Governance Policy</p> <ul style="list-style-type: none"> • Merit-based compensation • Fair disciplinary and dismissal practices • Provision of good working conditions
<p style="text-align: center;">Freedom for Association</p> <ul style="list-style-type: none"> • Singapore segment adopts the five principles of tripartism • China segment abide by Union Law 	<p style="text-align: center;">Health and Medical Benefits</p> <ul style="list-style-type: none"> • Medical Consultation coverage • Occupational Health Screening • Insurance coverage
<p style="text-align: center;">Career Development</p> <ul style="list-style-type: none"> • External and in-house training programmes • Facilitation for continued employability 	<p style="text-align: center;">Retirement Provision</p> <ul style="list-style-type: none"> • Contribution to employee’s retirement funds according to local regulations

Figure 8 Disclosure on Benefit for Full-Time Employees

Employee Demographics

[GRI 2-7, 2-8]

Employee data were compiled as of personnel records from Human Resource departments of all subsidiaries on 31 December 2023. The Group has a total of 1151 employees (inclusive of all Directors), 9% less than FY2022. We do not have non-employee workers.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Table 19 Disclosure on Employees Composition by Age Group, Gender, Region and Employee Category in FY2023

		Singapore Segment		China Segment		
		Male	Female	Male	Female	
Total Number of Employees	Local	48	35	615	355	
	Foreigner	79	11	8	–	
Permanent Staff	Local	Permanent	31	28	541	282
		Contract	16	7	42	4
		Intern	–	–	3	3
		Rehired	–	–	15	55
		Permanent	78	11	8	–
	Foreigner	Contract	1	–	–	–
		Intern	–	–	–	–
		Rehired	–	–	–	–
	Temporary employees	Local	1	–	14	11
		Foreigner	–	–	–	–
Number of Board of Directors, by	Age	Under 30 years old	–	–	–	–
		30 – 50 years old	–	–	–	–
		Over 50 years old	6	1	4	–
	Region	Local	6	1	3	–
		Foreigner	–	–	1	–
Number of Employees, by	Age	Under 30 years old	22	3	76	54
		30 – 50 years old	54	17	360	242
		Over 50 years old	45	25	183	59
	Region	Local	42	34	612	355
		Foreigner	79	11	7	–
Employee by Length of Service	Less than 5 years	40	6	258	127	
	5 – 10 years	20	1	195	140	
	More than 10 years	67	39	170	88	

New Hires and Turnover

[GRI 401-1]

The new hires and turnover rates were calculated based on total employees of the relevant segment. In FY2023, the total new hire rate was 14% for Singapore segment and 49% for China segment. The turnover rate was 19% for Singapore segment and 62% for China segment. The high turnover rate within the China segment is mainly attributed to streamline of manpower in FY2023.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Table 20 Disclosure on New Hire and Turnover in FY2023

			Singapore Segment				China Segment			
			Male		Female		Male		Female	
New Hires	Age	Under 30 years old	8	4%	2	1%	128	13%	58	6%
		30 – 50 years old	13	8%	1	1%	158	16%	44	4%
		Over 50 years old	0	0%	0	0%	80	8%	15	2%
	Region	Local	0	0%	1	1%	365	37%	117	12%
		Foreigner	21	12%	2	1%	1	0%	0	0%
Employee Turnover	Age	Under 30 years old	13	8%	2	1%	145	15%	63	6%
		30 – 50 years old	12	7%	2	1%	204	21%	82	8%
		Over 50 years old	2	1%	2	1%	100	10%	17	2%
	Region	Local	2	1%	3	<2%	449	46%	162	16%
		Foreigner	25	15%	3	<2%	0	0%	0	0%

Parental Leave

[GRI 401-3]

All our employees are entitled to parental leave. No employee in Singapore segment took parental leave in FY2022 and FY2023.

Table 21 Disclosure on Parental Leave

	Singapore Segment		China Segment	
	Male	Female	Male	Female
Total Number of Employees that were Entitled to Parental Leave	127	46	623	355
Total Number of Employee that Took Parental Leave in FY2023	0	0	24	30

Employment Targets and Performance

In FY2022, we aimed for overall improvement in employee retention rates, with the detail included in the table below. The performance disparity among our subsidiaries in FY2022 and FY2023 has brought our focus to the strengths, weaknesses and practice differences among the subsidiaries, leading us to conclude that setting a quantitative employment target at group level is currently impractical. As such, we are targeting for overall improvement in employment policies and practices for this year.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Table 22 Performance against FY2022 Employment Targets and Performance

Material Topics	FY2022 Target	KPI	Performance	
			FY2022	FY2023
Employment	Zero child labour in the Group	Number of cases of child labour	0	0
	Achieve 90% retention rate for Singapore segment	Employee retention rate in Singapore segment	81%	81%
	Lower turnover rate at TSSZ	Employee turnover rate in China segment	55%	62%
	Lower turnover rate at HFDS			

OCCUPATIONAL HEALTH AND SAFETY

[GRI 403]

Risk Management

[GRI 3-3, 403-1, 403-2, 403-4, 403-8]

Production processes involving chemical handling pose handling risk hazards. We prioritize the safety of our workforce by ensuring that proper risk assessment measures are carried out for work safely.

For Singapore segment, the Risk Assessment are based on thorough assessing of all foreseeable risks factors in the work processes. Our Workplace Safety and Health Committee and departmental supervisors meet regularly to review and improve on existing Risk Assessment. We conduct periodically refresher training on safety operation. All our employees are covered under our Workplace Safety and Health management system.

Our China segment adheres to national laws on occupational disease prevention and control, systematically identifying safety hazards and occupational health risks. All of our China subsidiaries have designated personnel to handle incident investigations and follow-ups. Employees are empowered to remove themselves from risky situations, and evacuations are mandated during hazards. TSSZ has a production safety standard performance evaluation and management system in place to review the production safety status on top of engaging qualified third parties for occupational hazard assessments. Under the purview of the production safety assessment group, TSSZ continuously identify safety risks and implement corrective measures in a timely manner. HFDS implements hazard identification and risk assessment procedures, guided by the "Four No" principle for accident handling. HFDS has the employee feedback and complaints management procedure to encourage hazard reporting and the production safety committee management procedure to guide production's safety and monthly safety assessment. Employees have the right to halt remove themselves from their work positions to prevent injury. For TSSZ and TJDS, employees were briefed on the procedures for occupational hazard alert and disclosure, and report annually to the staff congress on their OHS systems.

SECTION 3: COMMITMENT TO SUSTAINABILITY

OHS Management System

[GRI 403-3, 403-5, 403-6]

Our occupational health services and safety trainings are described in the table below.

Table 23 Disclosure on OHS Management Systems

Scope Covered by OHS Management System			
Singapore Segment		China Segment	
1	Safety training for new and existing employees	1	Safety training for new and existing employees, and examination before commencement of work
2	Provision of safe equipment and tools, safety shoes, PPE and earplugs	2	Prevention and treatment programmes for major disaster and accidents, and implementation of timely reporting for accident
3	Practise the concept of 5S to maintain a tidy, clean and safe working environment	3	Design and examination of new or re-development by higher management before commencement of work
4	Monthly safety check/inspection to identify potential safety threat and fire hazard areas, and implementation of corrective/preventive actions	4	Monthly safety inspection to identify safety concern, report findings in monthly safety committee meeting
5	Accident Action Plan to ensure injuries on all employees are taken care and treated during accident follow by findings of preventive measures	5	Provision of protective gear according to national standard
6	Arson Prevention Plan to identify potential threats and formulate protection measures	6	Display of health hazard warning at hazardous areas
7	Fire Emergency Plan for orderly evacuation	7	Good ventilation at areas with dust, ink and electric welding
8	Chemical Emergency Plan for safe purchase, handling, storage and use of chemical to safeguard the environment and employees	8	Health screening to check for occupational disease in new, existing and exiting employees
9	Annual hearing test and chest x-ray for Tuberculosis	9	Work injury treatment and payout covering work-related injury, violence during working hour and commuting incidents

To promote employees' health, the Company continued our past initiative of sponsoring employees for the Singtel – Singapore Cancer Society Race Against Cancer Run.

Work-related Injury and Ill Health

[GRI 403-9, 403-10]

The Group's work-related injuries account for all injury-inflicting incidents. In FY2023, there were 20 recorded instances of work-related injuries, none of which was fatal. Injuries in Singapore segment were attributed to sprains and lacerations, while injuries in China segment were due to sprains, traffic accidents, fall and machine-inflicted injuries.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Table 24 Disclosure on Work-Related Injury²² in FY2023

	Singapore Segment	China Segment
Number of fatalities by work-related injury	0	0
Rate of fatalities by work-related injury	0	0
Number of recordable work-related injuries	5	15
Rate of recordable work-related injuries	2.38%	1.48%
Number of hours worked	420,958	2,024,242
Number lost-workdays (hours) as a result of work-related injuries	559	3,555

There were four cases of noise-induced deafness (NID) in FY2023, all of which were in Singapore segment and non-fatal. Recognising that our machinery exposes our employees to hearing impairment, we continue to implement noises control measures and provide suitable hearing protection. Meanwhile in China, we remain vigilant in our occupational ill health prevention measures. We continue to monitor the ventilation system and production lines' reformation to lower the risks of NID, heat stroke and lung diseases for our employees.

OHS Targets and Performance

We continue to monitor our performance while we implement group-level target to reinforce our OHS system management across the Group.

Table 25 Performance against FY2022 OHS Targets and Performance

Material Topics	Target set in FY2022	KPI	Performance	
			FY2022	FY2023
Occupational Health and Safety	Minimise number of occupational diseases at group level	Number of work-related ill health	12	4
	Minimise number of fatal accidents at group level	Number of fatalities by work-related injury	1	0
	Reduce injury rate for Singapore segment	Number of recordable work-related injuries	12	5
	100% completion rate on safety training plan for China segment	Safety training coverage for China segment	Not measured	Not measured

²² Rate of fatalities by work-related injury and rate of recordable work-related injuries are calculated based on 200,000 hours worked

SECTION 3: COMMITMENT TO SUSTAINABILITY

TRAINING AND EDUCATION

[GRI 404]

Our Approach to Employees’ Development

[GRI 3-3, 404-2]

Recognising employees as vital assets, we prioritise training and development to cultivate human resources effectively. Our training programmes aim to enhance productivity, efficiency, and adaptability, fostering skills such as communication, critical thinking, and problem-solving. Through strategic training interventions, we empower employees to enhance their knowledge, skills and competencies, helping them to thrive in our operations.

Our training management policies cater to the specific needs of each subsidiary. For new employee training policies, the aims are to standardise the training process, minimise the work-associated risk and promote new employees’ adaptation to the company’s culture. On the other hand, training for existing employees is part of our continuing education policies to foster our workforce’s efficiency and adaptability.

Table 26 Disclosure on Employee Training Management Approach

Employee Training Management Approach	
Singapore Segment	China Segment
<p>Consists of four training categories:</p> <ul style="list-style-type: none"> Academic programme that leads to higher qualification Non-academic programme that leads to acquisition of more learning experience knowledge of skills Internal training conducted within company’s premises by company’s or external trainers External training comprises of courses, seminars and workshops by external training organisations or institute of higher learning 	<p>Covers internal and external training as planned in prior year based on employees’ training requirements, subsidiaries strategic directions and employees’ feedback</p>
<p>Covers Forklift Course, Occupational First Aid, Workforce Skills Qualifications, Professional Diploma in Leadership and Diploma in Business Management</p>	
<p>Includes training sponsorship and examination leave</p>	<p>Includes training sponsorship and examination leave</p>

To facilitate continued employability, we observe Ministry of Manpower’s Retirement and Re-employment Act (“RRA”) in Singapore. We offer re-employment to eligible employees at their retirement age or Employment Assistance Payment (“EAP”) to tide over the transition period. As for China segment, we also practise re-employment of eligible employees at their retirement age and job recommendation to departing employees. Second employment opportunity is provided to returning employees.

SECTION 3: COMMITMENT TO SUSTAINABILITY

Average Training Hours and Appraisal Coverage

[GRI 404-1, 404-3]

Due to job roles and responsibilities, general staff had the most average hours of training per employee, while female employees received more training than male employees on average. We have conducted full coverage of performance appraisal for our workforce in both FY2023 and FY2022.

Table 27 Disclosure on Average Hours of Training and Percentage of Employees Receiving Regular Performance and Career Development Reviews in FY2023

		Singapore Segment		China Segment	
		Male	Female	Male	Female
Average hours of training per employee	Board of Directors	–	4.0	–	–
	Management	2.4	3.8	4.3	9.1
	General Staff	7.8	10.9	12.9	13.4
Percentage of employees receiving regular performance and career development review	Board of Directors	100%	100%	100%	100%
	Management	100%	100%	100%	100%
	General Staff	100%	100%	100%	100%

Training Targets and Performance

We continue to monitor our performance while we implement group-level target to streamline our OHS system management across the Group.

Table 28 Performance against FY2022 Training Targets and Performance

Material Topics	Target set in FY2022	KPI	Performance	
			FY2022	FY2023
Training and Education	Ensure employees are adequately trained for their job roles at group level	Average hours of training per employee at group level	11.7	11.7

GRI CONTENT INDEX

Statement of use	Tat Seng Packaging Group Ltd. has reported in accordance with GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organisational details		About Tat Seng Packaging Group Ltd [Pg 2]	
	2-2 Entities included in the organisation's sustainability reporting		About this Report [Pg 3] Reporting Framework [Pg 4] Economic Performance [Pg 30]	
	2-3 Reporting period, frequency and contact point		About this Report [Pg 3] Feedback [Pg 4]	PN7.6-6.1
	2-4 Restatements of information		Restatement of Information [Pg 4]	
	2-5 External assurance		Internal Review [Pg 4]	PN7.6-5.1
	2-6 Activities, value chain and other business relationships		About Tat Seng Packaging Group Ltd [Pg 2] About this Report [Pg 4] Supporting Local Community through Procurement Practices [Pg 31]	
	2-7 Employees		Employment and Human Capital [Pg 42-43]	
	2-8 Workers who are not employees		Employment and Human Capital [Pg 42]	
	2-9 Governance structure and composition		Sustainability in our Board [Pg 6] Annual Report FY2023 [Pg 17-18]	PN7.6-3.1
	2-10 Nomination and selection of the highest governance body		Board Nomination [Pg 6] Annual Report FY2023 [Pg 21-24]	
	2-11 Chair of the highest governance body		Sustainability in our Board [Pg 6]	
	2-12 Role of the highest governance body in overseeing the management of impacts		Sustainability Governance and Leadership [Pg 8] Climate-Related Risks and Opportunities [Pg 15-20]	

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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
	2-13 Delegation of responsibility for managing impacts		Sustainability Governance and Leadership [Pg 8] Climate-Related Risks and Opportunities [Pg 16]	
	2-14 Role of the highest governance body in sustainability reporting		About this Report [Pg 4] Sustainability Governance and Leadership [Pg 8]	
	2-15 Conflicts of interest		Prevention of Conflict of Interest [Pg 6]	
	2-16 Communication of critical concerns		Prevention of Conflict of Interest [Pg 6]	
	2-17 Collective knowledge of the highest governance body		Sustainability in our Board [Pg 6]	
	2-18 Evaluation of the performance of the highest governance body		Evaluation of Board's Performance [Pg 7] Annual Report FY2023 [Pg 24-25]	
	2-19 Remuneration policies		Remuneration Policies [Pg 7] Annual Report FY2023 [Pg 25-29]	
	2-20 Process to determine remuneration		Remuneration Policies [Pg 7] Annual Report FY2023 [Pg 25-29]	
	2-21 Annual total compensation ratio	Information unavailable to prevent upward pressure from market competition		
	2-22 Statement on sustainable development strategy		Message from the Board [Pg 5]	PN7.6-4.1.f
	2-23 Policy commitments		Policies and Practices [Pg 9-10]	
	2-24 Embedding policy commitments	2-24(a)(iv), information unavailable because training not implemented	Policies and Practices [Pg 9-10]	

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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
	2-25 Processes to remediate negative impacts	2-25(e), information unavailable because process not implemented	Policies and Practices [Pg 9-10] Stakeholder Inclusiveness [Pg 11-12]	
	2-26 Mechanisms for seeking advice and raising concerns		Policies and Practices [Pg 9]	
	2-27 Compliance with laws and regulations		Policies and Practices [Pg 9]	
	2-28 Membership associations		Membership and Association [Pg 2]	
	2-29 Approach to stakeholder engagement		Stakeholder Inclusiveness [Pg 11-12] Materiality Assessment [Pg 12-13]	PN7.6-3.6; PN7.6-4.35
	2-30 Collective bargaining agreements		Employment and Human Capital [Pg 42]	
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics		Materiality Assessment [Pg 12-13]	PN7.6-4.2 PN7.6-4.35
	3-2 List of material topics		Materiality Assessment [Pg 13-14]	PN7.6-4.1.a
Economic Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics		Economic Performance [Pg 30]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		Economic Performance [Pg 30]	
	201-2 Financial implications and other risks and opportunities due to climate change		Climate-Related Risks and Opportunities [Pg 21-25]	
	201-3 Defined benefit plan obligations and other retirement plans		Economic Performance [Pg 30]	
	201-4 Financial assistance received from government		Economic Performance [Pg 30]	
Procurement Practices				
GRI 3: Material Topics 2021	3-3 Management of material topics		Supporting Local Community through Procurement Practices [Pg 31]	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Supporting Local Community through Procurement Practices [Pg 31]	

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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
Anti-Corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics		Anti-Corruption [Pg 31-32]	PN7.6-4.4 PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Data unavailable because assessment was not implemented		
	205-2 Communication and training about anti-corruption policies and procedures		Anti-Corruption [Pg 32]	
	205-3 Confirmed incidents of corruption and actions taken		Anti-Corruption [Pg 32]	
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics		Sustainable Material Source [Pg 32-33]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Sustainable Material Source [Pg 34]	
	301-2 Recycled input materials used	Data incomplete because improvement of monitoring method is ongoing		
	301-3 Reclaimed products and their packaging materials	Data unavailable because no such practice in place		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics		Energy Efficiency and Decarbonisation [Pg 34-35]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		Energy Efficiency and Decarbonisation [Pg 35-36]	
	302-2 Energy consumption outside of the organisation	Partial disclosure because computation was done in terms of GHG emissions	Energy Efficiency and Decarbonisation [Pg 37]	

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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
	302-3 Energy intensity		Energy Efficiency and Decarbonisation [Pg 38]	
	302-4 Reduction of energy consumption		Energy Efficiency and Decarbonisation [Pg 34-35]	
	302-5 Reductions in energy requirements of products and services	Data unavailable because reduction not calculated		
Water and Effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics		Water Security [Pg 39-40]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Water Security [Pg 40]	
	303-2 Management of water discharge-related impacts		Water Security [Pg 40]	
	303-3 Water withdrawal		Water Security [Pg 40]	
	303-4 Water discharge		Water Security [Pg 40]	
	303-5 Water consumption		Water Security [Pg 40]	
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics		Energy Efficiency and Decarbonisation [Pg 34-35]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		Energy Efficiency and Decarbonisation [Pg 36-37]	
	305-2 Energy indirect (Scope 2) GHG emissions		Energy Efficiency and Decarbonisation [Pg 36-37]	
	305-3 Other indirect (Scope 3) GHG emissions		Energy Efficiency and Decarbonisation [Pg 36-37]	
	305-4 GHG emissions intensity		Energy Efficiency and Decarbonisation [Pg 38]	
	305-5 Reduction of GHG emissions		Energy Efficiency and Decarbonisation [Pg 34-35]	

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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
	305-6 Emissions of ozone-depleting substances (ODS)	Data unavailable because monitoring is not implemented		
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Data unavailable because monitoring is not implemented		
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics		Waste [Pg 41]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		Waste [Pg 41]	
	306-2 Management of significant waste-related impacts		Waste [Pg 41]	
	306-3 Waste generated		Waste [Pg 41]	
	306-4 Waste diverted from disposal	Data incomplete because improvement of monitoring method is ongoing		
	306-5 Waste directed to disposal	Data incomplete because improvement of monitoring method is ongoing		
Supplier Environmental Assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics		Sustainable Material Source [Pg 33]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		Sustainable Material Source [Pg 33]	
	308-2 Negative environmental impacts in the supply chain and actions taken	308-2 (c), (d) and (e); Data unavailable because no real negative impacts identified		

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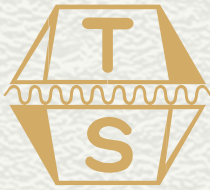
GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics		Employment and Human Capital [Pg 42]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Employment and Human Capital [Pg 43-44]	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Employment and Human Capital [Pg 42]	
	401-3 Parental leave	308-2 (c), (d) and (e); Data unavailable because improvement of monitoring method is ongoing	Employment and Human Capital [Pg 44]	
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics		Occupational Health and Safety [Pg 45]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		Occupational Health and Safety [Pg 45]	
	403-2 Hazard identification, risk assessment, and incident investigation		Occupational Health and Safety [Pg 45]	
	403-3 Occupational health services		Occupational Health and Safety [Pg 46]	
	403-4 Worker participation, consultation, and communication on occupational health and safety		Occupational Health and Safety [Pg 45]	
	403-5 Worker training on occupational health and safety		Occupational Health and Safety [Pg 46]	
	403-6 Promotion of worker health		Occupational Health and Safety [Pg 46]	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Data unavailable because assessment is not implemented		

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GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
	403-8 Workers covered by an occupational health and safety management system		Occupational Health and Safety [Pg 45]	
	403-9 Work-related injuries		Occupational Health and Safety [Pg 46-47]	
	403-10 Work-related ill health		Occupational Health and Safety [Pg 47]	
Training and Education				
GRI 3: Material Topics 2021	3-3 Management of material topics		Training and Education [Pg 48]	PN7.6-4.1.c; PN7.6-4.1.d; LR711B-1.b; LR711B-1.c
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		Training and Education [Pg 49]	
	404-2 Programmes for upgrading employee skills and transition assistance Programmes		Training and Education [Pg 48]	
	404-3 Percentage of employees receiving regular performance and career development reviews		Training and Education [Pg 49]	

TCFD CONTENT INDEX

	Details of Four Thematic Areas	Recommended Disclosure	Page number(s) and/or URL(s)
Governance	Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities.	Pg 15-16
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Pg 16
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pg 17
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pg 18, 21-27
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Pg 18, 21-27
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risk.	Pg 15, 18
		b) Describe the organisation's processes for managing climate-related risks.	Pg 19, 21-27
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Pg 19
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pg 19, 32-41
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pg 19, 35-38
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pg 20, 29



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