



HANWELL
HOLDINGS 恒威

KEEPING **SAFE**
STAYING
SUSTAINABLE

SUSTAINABILITY
REPORT 20

20



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OVERVIEW



ABOUT HANWELL HOLDINGS LIMITED (102-1)

Hanwell Holdings Limited (“Hanwell” or the “Company”) is a leading Fast-Moving Consumer Goods (FMCG) provider for essential food staple. With significant presence in Singapore and Malaysia, it has offices and manufacturing facilities in both countries to distribute and market a wide range of safe, quality consumer products.

We believe in providing only the best quality products at the best value to our customers. We pride ourselves in placing their needs and interests at the heart of our business. To build a successful and holistic business, we must be clear in our mission and core values. We focus on building strong relationships with our partners and growing new markets. Internally, we believe in building a culture that is open, creative and innovative.

Hanwell has been publicly listed on the Main Board of the Singapore Exchange since 25 October 1990. We aim to grow from strength to strength through achieving operational excellence and building strong financial capabilities.

Board Statement (102-14, 102-15)

It is a great privilege to have Mr Goi Seng Hui joined Hanwell Holdings Limited recently as our Non-Executive Chairman. I wish to take this opportunity to welcome him as a board member and look forward to building a professional relationship with him. Mr Goi has a remarkable track record in both business, public as well as community services. We hope to learn and tap into his wealth of experience including his excellent business network to broaden and deepen the Company's next phase of development.

This past fiscal year has been an eye opener on both the business and social fronts. Working closely with our suppliers, stakeholders and customers to achieve a safer and more sustainable environment in the midst of a pandemic, we saw more camaraderie that was intense and humbling. This report covers all the standard topics of our environmental impact and corporate governance, as well as our approach and conduct in operations as we fought against COVID-19.

As we build and strengthen our relationship with each one of our internal and external stakeholders, we are constantly reminded of how we need to reflect and improve our corporate governance, environmental sustainability, social responsibility practices across all our CSR pillars. While shareholders understandably favour market presence and economic growth, employees and customers, have increasing expectations of how our business affects society and even our planet.

While the circuit breaker (stay-at-home order) and nation-wide lockdown were implemented, we continued to offer and maintain job opportunities, as well as a comfortable and safe commute for our staff. We also offered opportunities for them to develop their digital technology skills so they may work more efficiently and be future-ready.

In the wider community where our farmers, employees and customers reside, we take a holistic approach to include initiatives such as volunteerism, pollution, and food waste reduction, and donations (both monetary and in-kind). We saw more than 5,000 hours put in by our volunteers at food distribution events and over \$20,000 raised through such initiatives that also encouraged family togetherness and community service.

There is much more to be done in living up to our environmental, social and governance obligations. Addressing these aspects will take time, particularly in pandemic situations. We take your feedback and views seriously so we may safeguard both our ambitions for the earth and the communities. Thank you for your continuous support.

Dr John Chen Seow Phun
Deputy Chairman

About the Report (102-1, 102-3, 102-4, 102-50, 102-51, 102-52, 102-48)

This is Hanwell's fourth Sustainability Report ("Report"). We publish these reports on an annual basis, with the last report in May 2020. This Report covers the sustainability performance of our headquarters in Singapore and our key subsidiaries, Topseller Pte Ltd ("Topseller"), Fortune Food Manufacturing Pte Ltd ("Fortune Food") and Tipex Pte Ltd ("Tipex") for the financial year 1 January to 31 December 2020 ("FY2020").

No restatements have been made from the previous report and there were no significant changes to the organisation and our supply chain during this reporting cycle.

Reporting Standards

GRI Standards (102-54)

This report has been prepared in accordance with the GRI Standards: Core option. It also complies with SGX-ST Listing Rules 711 (A) and (B).

We have chosen to report using the GRI standards as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. Furthermore, the structured framework promotes reporting a full and balanced picture of Hanwell's material concerns and the management of its impact.

This Report has been prepared in accordance to the GRI Standards: Core Option.

External Assurance (102-56)

The disclosures in this report are not externally assured.

Reporting Boundaries (102-46, 103-1)

Following GRI Standards, we applied five main principles to determine reporting the Report content:

1. Stakeholder inclusiveness: stakeholders to be involved in the reporting process, starting from report contents
2. Determination: to collect feedback on published reports.
3. Materiality: report to contain material topics that are needed by stakeholders in making decisions.
4. Sustainability context: report to include sustainability issues that are relevant to the publisher of the report.
5. Completeness: report to be prepared with a clear scope of reporting period and supported by complete data that are relevant to the scope and reporting period.

Reporting Scope

Reporting Approach and Framework

Disclosures revolve around the value chains in our key business segments including Topseller, Tipex and Fortune Food. We have prioritised our scope of reporting as follows:

1. Brands that have the greatest impact to the Group's revenues.
2. Activities that contribute to our product brand equity.
3. Industry standards that are considered important by stakeholders such as customers, principals, suppliers and shareholders.

Contact Us (102-53)

We are committed to listening to our stakeholders. For any queries regarding our sustainability reporting, please contact us at:

Hanwell Holdings Ltd
348 Jalan Boon Lay
Singapore 619529
Tel: +65 6268 4822
Fax: +65 6266 2607

Responding to COVID-19

The COVID-19 situation continues to evolve and the Group is committed to stay resilient with our safety measures being promptly put in place as safeguards and for monitoring purposes. Protecting our employees during this COVID-19 pandemic is of utmost importance to us because at Hanwell, people are our greatest assets.

Hanwell fully understands the obligations of workplace safety and health (“**WSH**”) and we want to put the safety and health of our employees and visitors as our priority, especially during this unprecedented time. We abide by the requirements

imposed by authorities such as the Ministry of Manpower, Ministry of Health and Ministry of Trade and Industry to mitigate the risks of further outbreaks.

While keeping a keen eye on our business objectives, we require everyone to comply with safe management measures including working from home if not involved in essential services. Moving forward, we continue to identify and evaluate areas for changes to people, process, and technology, striving to enhance sustainability in both our local community and the sustainability of our suppliers – the agricultural farmers.

COVID-19 MITIGATING MEASURES ALONGSIDE OUR STAKEHOLDERS

OUR PEOPLE			
While keeping a keen eye on our business objectives, we continue to strive for positive contributions in both our local community and that of our suppliers – the agricultural farmers.			
Employees Suppliers Customers			
Enforcement	Reducing Exposure	Complying with Government Measures	Equipment and Facilities
I.T. (INFORMATION TECHNOLOGY)			
Hanwell continues to embrace technological advancement to increase workplace safety and customer experience.			
Videotelephony and online chats		e-Commerce	Refine tested and proven I.T. Infrastructure
MARKET EXPECTATIONS & ADAPTABILITY			
Governance	Environment		Community
STAYING PREPARED			
We continue to monitor our key performance indicators to measure against actual results.			
Strengthen supply chain		Adjusting buffer capacities	Cybersecurity

Highlights in FY2020

As part of Hanwell Holdings' overarching Corporate Social Responsibility ("CSR") and environmental strategy, Hanwell Holdings will support and embed

the following four Sustainable Development Goals ("SDGs") into our business practices. This involves setting and committing clear, relevant, measurable long-term targets.

ECONOMIC PILLAR (BUSINESS SUBSIDIARIES) Accountable to Society		
Food Quality & Safety		Royal Umbrella's food traceability
Product Labeling		Royal Umbrella's food traceability.
Corporate Citizenship		- Topseller's sponsorship and monetary donations. - Topseller's recycling campaigns. - Tipex's donation to Community Chest ("COMCHEST")
SOCIAL PILLAR Appreciating Our People		
Learning & Development		- Maintain / further increase average hours of training - Programmes for Upgrading Employee Skills.
Employee Welfare		- Leave and benefits. - Inclusiveness (working with ASPN). - Installation of HLVS fans in Singapore
COVID-19 Measures		- Workplace safety - COVID-19 Measures.
Care for Local Communities		Food distribution and sponsorships.
ENVIRONMENTAL PILLAR Adapting to Challenges		
Responsible Sourcing		- Fortune Food uses local farmer's eggs for the egg tofu. - Fortune Food's non-GMO certified beans. - Most of Tipex's virgin pulp jumbo roll suppliers are ISO 9001, - ISO 14001 and FSC-COC certified. - Tips Industry (M) Sdn Bhd in Malaysia is ISO 9001, ISO 14001 and FSC-COC certified.
Reducing carbon footprint		Replaced 9 vehicles with the new Euro VI Emission Standard trucks.
Clean Energy		Installation of solar panels in Singapore.

ORGANISATIONAL PROFILE

HQ Location (102-3)

348 Jalan Boon Lay, Singapore 619529

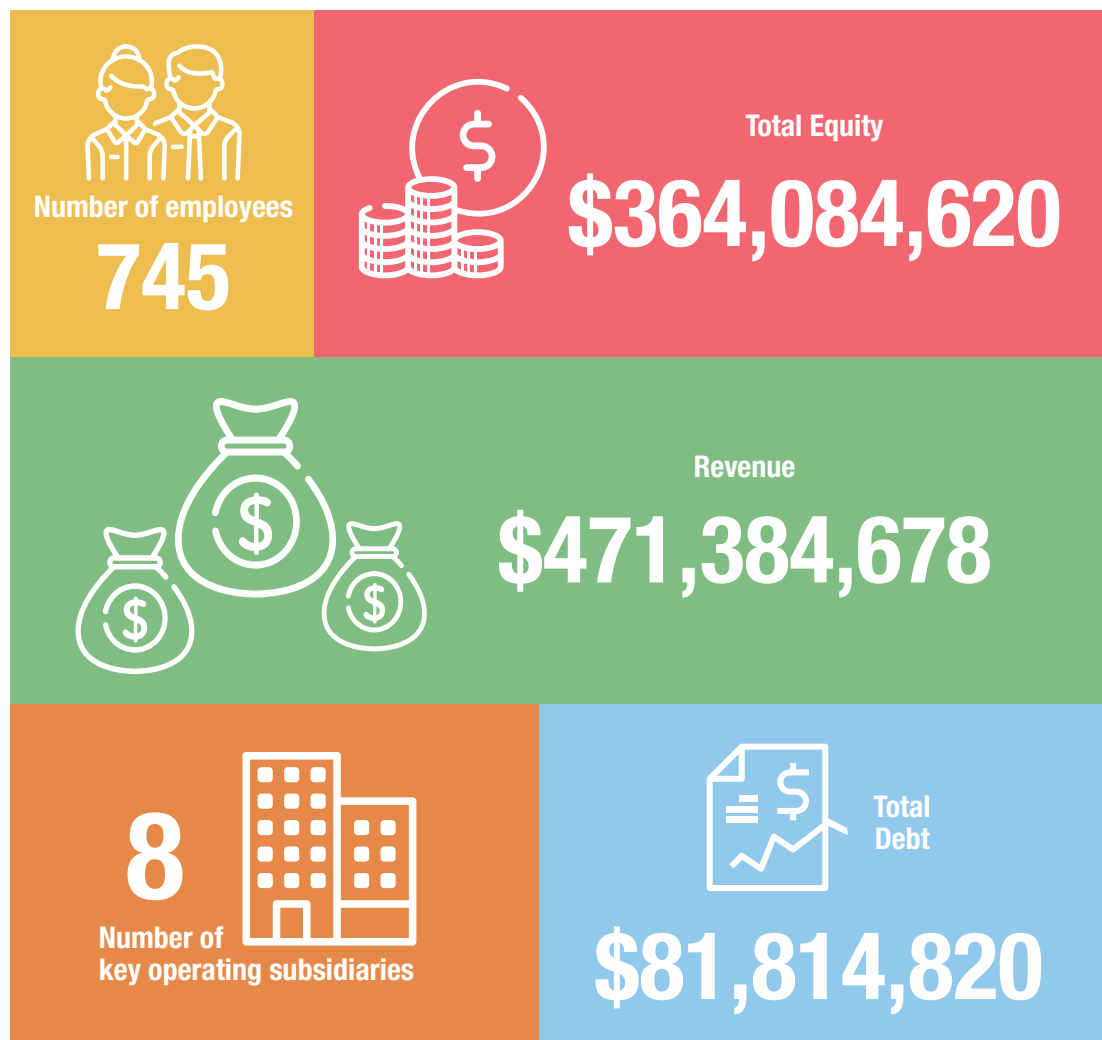
Geography (102-4)

Hanwell Holdings Limited ("Hanwell") has significant presence in 2 countries with offices and manufacturing facilities in Singapore and Malaysia.

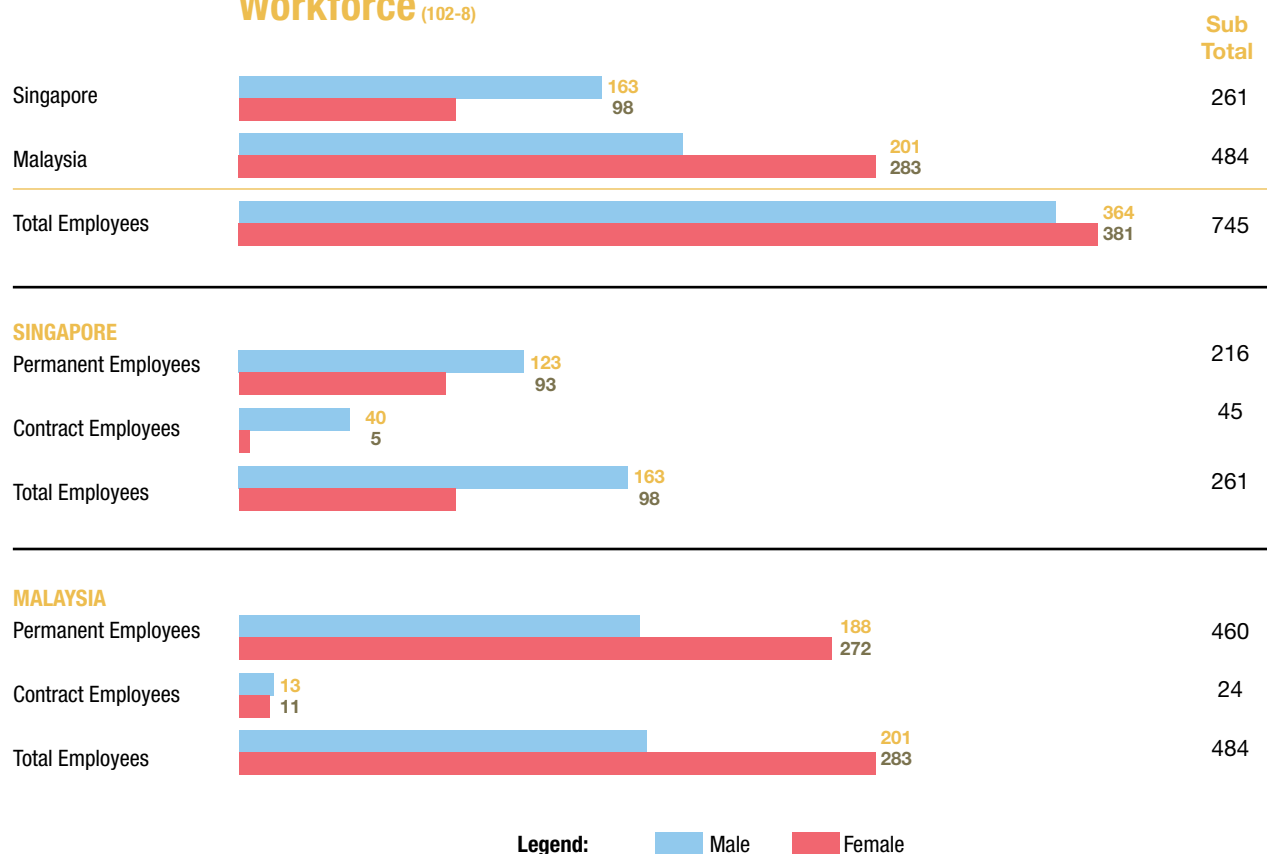
Legal Form (102-5)

Hanwell has been publicly listed on the Main Board of the Singapore Exchange since 25 October 1990.

Organisation Scale (102-7)



Workforce (102-8)



Significant Changes (102-10)

There were no significant changes to the organisation and its supply chain requiring disclosure specific to GRI 102-10.

Precautionary Principle (102-11)

The Group's policy is to continually ensure that all our supplies are purchased from sustainable sources. Procurement of fast-moving consumer goods and raw materials from suppliers reported to have engaged in errant practices are suspended until there is reasonable assurance that the offending practice has been rectified.

External Initiatives (102-12)

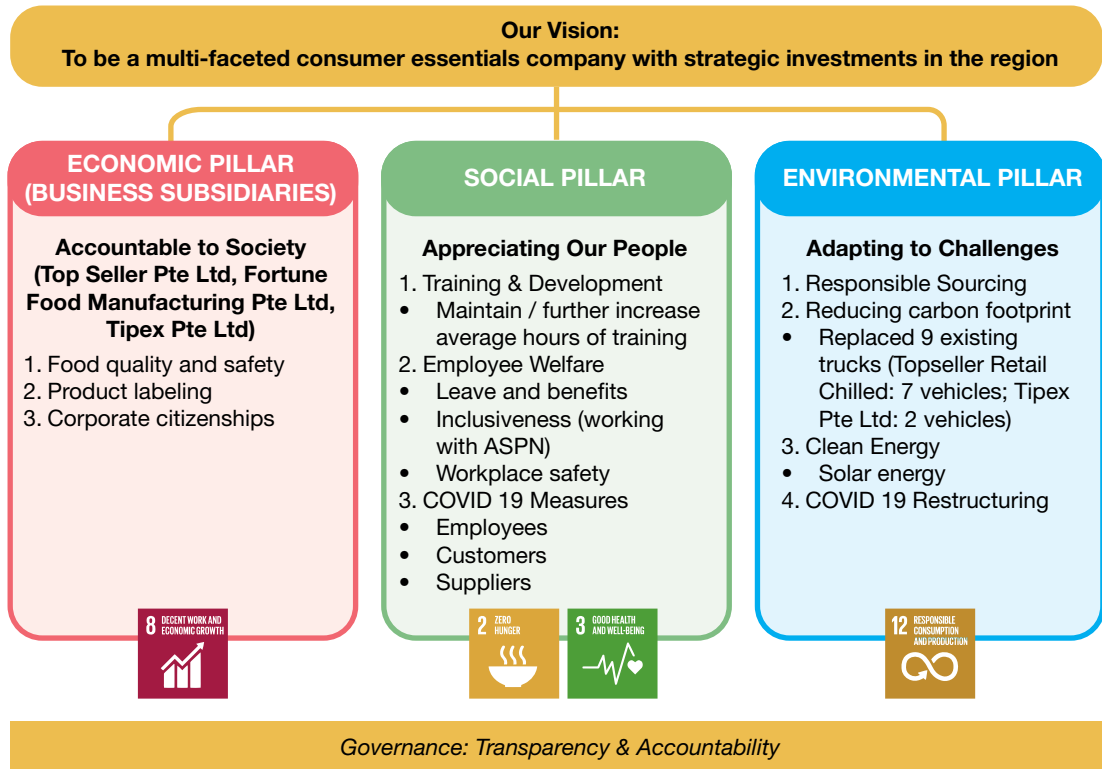
- FSC-CoC (Forest Stewardship Council – Chain of Custody)
- ISO9001:2015 (Quality Management System)
- SO14001:2015 (Environmental Management System)
- ISO22000:2005 (Food Safety Management System)
- HACCP (Hazard Analysis and Critical Control Points)
- FSSC 22000, Version 4.1 (Food Safety System Certification)

Membership of Associations (102-13)

- Singapore Institute of Directors Singapore
- Business Federation Singapore Retailers
- Association Singapore National
- Employers Federation
- Singapore Manufacturing Federation
- Singapore Food Manufacturers' Association

SUSTAINABILITY APPROACH

Our Sustainability Framework (102-49)



Sustainability Commitment

As a leading FMCG company, our mission is to be sustainable in providing the best in daily essentials to our customers. Our sustainability framework focuses on four key pillars: Supply Chain Sustainability, Reducing Footprint, Our People, Our Assets and Commitment to Customers & Community.

It is our responsibility to constantly review our sustainability strategy, identify and evaluate the risks, opportunities and challenges posed by the macro environment with care, caution and prudence.

In FY 2020, apart from the COVID-19 situation that is still evolving globally, on-going tensions between China and the United States of America, Japan and South Korea, as well as the effects of Brexit have resulted in subdued growth in the region. Notwithstanding these challenges, the Group will continue to look beyond its current markets, exercise vigilance on its financial and non-financial exposure, leverage more on automation and digital solutions to be manpower-smart and lean whilst focusing on our key pillars. This ensures that we stay resilient and agile in the face of a myriad of threats, including climate change, protectionism and the on-going COVID-19 outbreak.

Pillar 1: Accountable to Society

Corporate Social Responsibility

Our studies have shown that consumers relate better to brands and companies that are socially responsible and active in contributing back to society, particularly in a pandemic crisis such as the on-going COVID-19 outbreak. In the second quarter of 2020, a joint effort between Singapore Press Holdings, MediaCorp and Topseller sponsored more than 10,000 packets of rice and oil items as part of our Corporate Social Responsibility initiatives.

When supply and demand altered in the face of coping with the COVID-19 pandemic, though our deliveries increased, so did our carbon emissions. Hanwell will be partnering Shell for Corporate Social Responsibility and Sustainability activities.

Sustainability

As awareness is raised on sustainability, consumers are more inclined to purchase from companies that are socially and environmentally responsible. Topseller strives to align to these values and Royal Umbrella continues with its sustainability project with the rice farmers by actively transforming their packaging materials to be environmentally friendly and recyclable.

Pillar 2: Appreciating Our People

Hanwell has extended insurance coverage for employees in Singapore and Malaysia to include Group Hospital & Surgical (“GHS”) Insurance Policy and Work Injury Insurance Policy should they be tested positive for COVID-19. The coverage will be subjected to terms and conditions.

There are currently no exclusions from in the existing GHS or Work Injury Insurance Policy for this medical condition so COVID-19 related claims will be vary on depending on the severity and complication of the condition

Enforcement	Reducing Exposure	Complying with Government Measures	Equipment and Facilities
- Safety Management Officers (“SMO”) were appointed to assist in implementing and co-ordinating the Safe Management Measures at the workplace. - In addition to CCTV monitoring, Hanwell conducts site inspections daily.	- Physical interactions reduced: Virtual meetings were put in place for the Board, shareholders, employees, suppliers and contractors to reduce physical interactions, and telecommuting for staff outside of the non-essential services was arranged. - Safe distancing was ensured at workplaces - Staff events and activities have been postponed - Working hours and breaks were staggered to reduce congregation of employees at common spaces - There were no Cross-deployment/ interaction between employees or different work schedule - All overseas business trips are deferred. - Virtual training courses were encouraged and shared. - Employees who are unwell are required to consult only one clinic.	- Safe distancing is practised at work. - Temperatures were monitored twice a day. - Workplace access was limited to essential employees and authorised visitors only. - SafeEntry was implemented throughout the workplace. - Staff who are feeling unwell or showing symptoms of COVID-19 are required to immediately report to their direct superior and HR before leaving the workplace to consult a doctor.	- Employees were provided with masks, hand sanitisers, face shields and Personal Protective Equipment (“PPE”). Masks were replaceable for employees in varying working conditions where humidity is a factor. - Hand sanitisers were provided in meeting rooms and common areas. - Common surfaces such as door handles and pantries were regularly cleaned to adhere to the sanitation and hygiene advisories. - Additional company transport was provided at different locations and times to cater to the staggered working hours of employees to reduce exposure in public transportation. - All staff on the frontlines are donned with Personnel Protective Equipment, and employees practice safe distance at work. - Mobile devices or remote access tools have been deployed to all employees who need to Work-From-Home (“WFH”).

Pillar 3: Adapting to Challenges

Employment

As border controls are tightened during this pandemic, we are working with the Food, Drinks and Allied Workers Union (“**FDAWU**”), Employment and Employability Institute (“**e2i**”), and the NTUC Job Securing Council to ensure that sufficient resources and job opportunities are made available to the locals rank-and-file (RnF) members.

Diversification

It is essential for Fortune Food to diversify its business-to-business export market to reach out to new markets and segments during this pandemic. With more people turning to home cooking whilst COVID-19 was rampaging with no signs of easing, Fortune Food’s products saw an overwhelming surge in demand. Our focus thus shifted to optimally adding daily production capacity.

Socma Trading in Malaysia included more essential items, for example biscuits, cooking condiments and wet wipes, in addition to its confectionery and snack products. Tipex saw continuous online sales and expanded its offerings to include essential products like sanitisers and antibacterial wipes, lotions and antibacterial facial tissues.

Strengthen Supply Chain

To better prepare ourselves in these challenging times, we sought better control of our supply chain to minimise potential disruptions and ensure reliability. Fortune Food is currently sourcing for local alternatives that can provide technical solutions to support our supply chain.

Tipex will conduct access risks with our key suppliers to identify possible indirect exposures. Tipex will take on proactive actions to address issues, e.g. alternative shipping plan via sea rather than land in the event of a lockdown in Malaysia.

As the pandemic unfolded, the demand for essential foods skyrocketed. We deeply appreciate our excellent relationships with Topseller’s Thai suppliers who ensured the fast supply of rice to meet the market demand. Topseller increased its supply from 5 to 7 regions with two or more suppliers in each region. This secures a continuous supply within the domestic market when a lockdown arises in a specific region.

Adjusting Buffer Capacities

In the event of a potential lockdown leading up to a surge in demand of essential food commodities, Socma and Fortune Food are working closely with their principals to increase buffer stock of raw materials, and packaging materials. Topseller has alternative supply channels from an additional two regions to ensure that demand in the domestic market can be met.

Embracing Technology

Over the years, Hanwell continues to embrace technological advancement to increase workplace safety and customer experience. Aside from using drones to ease stocktaking, Hanwell integrated an online platform for contactless interaction between our customers and sales staff. It featured live transactional information such as customer profile, orders and collection status made readily available with internet connections.

As the use of videotelephony and online chats increase, we aim to heighten the online experience with video and mobile video conference systems in meeting rooms, ultimately saving on International Direct Dial telephone costs.

Hanwell continues to refine its well-tested I.T. Infrastructure to support the technologies used during the Work-From-Home phase.

Moving forward on e-Commerce, Topseller extended its distribution channels from RedMart and Amazon to Shopee, Qoo10 and Food Panda for the Singapore market. As the trend of online shopping increases, Topseller has shifted more marketing and promotional efforts towards achieving greater online presence. At the same time, discussions on launching Topsellershop online are in progress. Tipex continues to strengthen its online business and improve its brand image to garner more leads by engaging consumers with loyalty discounts and contests.

Finances

At Hanwell, we make it paramount to develop realistic targets based on current and historical trading activities and trends to align and achieve budget results. We continue to monitor our key performance indicators to measure against actual results.

To adapt to the changes occurring in our business, we identified and implemented new controls that provides the same assurance by using different methods and information sources

We conduct risk assessment of significant accounting processes where existing controls may need to cater to specific situations and we inform the process owners accordingly.

To maintain a stable financial infrastructure, Hanwell established cross-training among process owners and initiated regular communications with management to monitor the impacts to the entity in upcoming financial reporting periods.

Cybersecurity

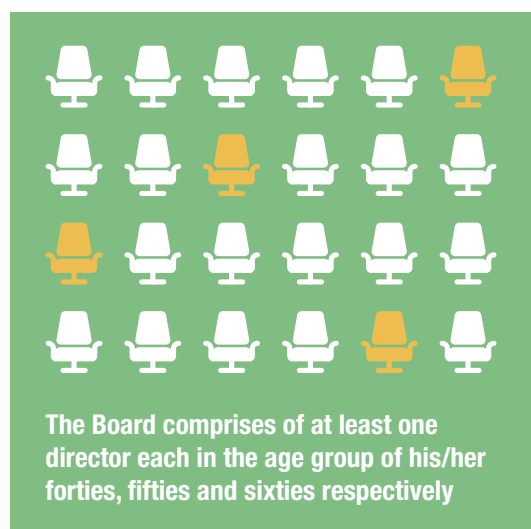
As our dependence on internet connectivity, software and hardware applications grows, managing cybersecurity risks continue to be our top priority. In bid to strengthen our cybersecurity practices and meet new threats arising from technologies we use. We implemented additional cybersecurity measures for employees working from home. One such measure was for the office to provide encrypted connections to all remote users who in turn were strongly advised to lock their screens or disconnect from the office's internet when they do not need to access it. To reinforce the measures, remote access logs are checked and verified daily, and the support team remains on standby for any service disruption or possible breach of security barriers.

Business Ethics and Compliance

In 2020, Hanwell had no incident of non-compliance with socio-economic laws and regulations. These included those that applied to marketing and advertising practices where violation breaches would result in significant fines or non-monetary sanctions against the Company.

The Board and Senior Management are committed to conducting business that is ethical and in compliance with all applicable laws and regulatory requirements. The Board consists of six directors with experience and in-depth knowledge of business management, banking and finance, IT, engineering, mathematics, economics and industry knowledge. These directors uphold the Nominating Committee's ("NC") criteria on appropriate good governance practices needed to support and guide the handling of our corporate affairs, independent of our Management, so as to ensure transparency, traceability and accountability.

The make-up of the Board reflects inclusivity of gender, age, skills and expertise, ensuring a range of perspectives and insights for a holistic approach. A graphic presentation of Board diversity by gender and age can be found in this Sustainability Report. The Board Diversity Policy was adopted on 9 November 2018 to assist the NC and the Board in identifying prospective Directorship candidates.



* Accurate as at 31st December 2020

In the nomination and selection process of directors, the NC considers prospective candidates based on factors such as merit, character, competencies, track record, and background as well as integrity, commitment, relevant experience, qualifications and skills to carry out their duties effectively. We believe an effective board requires directors to come from diverse backgrounds so that we can cultivate an inclusive culture that welcomes different perspectives, free from bias and discrimination.

The NC is mindful of related regulatory requirements (including the Listing Rules issued by the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance 2018), and gives due consideration to characteristics such as gender, age, ethnicity, disability and geographic representation, which contribute to board diversity.

In addition to conducting its own search and selection process, the NC may engage qualified independent advisors to assist in identifying prospective candidates for directorship who meet the criteria as determined by the NC and that support Hanwell's diversity objectives. In this respect, at least 10% of the total number of board seats have been reserved for women and that the composition of the board shall comprise at least one director in their forties, fifties and sixties respectively. These objectives will be reviewed by the NC when necessary and changes to the policy will be recommended where appropriate.

*Following the cessation of Dr Allan Yap as the Executive Chairman of the Board, the NC, in consultation with the Board, will be taking steps to find either internally or externally someone qualified to fill the vacancy.

In implementing this policy, the NC will take into account the Company's diversity objectives and the diverse nature of the business environment in which

the Company operates whilst maintaining flexibility in addressing succession planning. This ensures the Company continues to attract and retain qualified individuals to serve on the board. Adherence to the Board Diversity Policy will form part of the annual performance of the board and/or the board committees of the Company and shall be read in conjunction with the prevailing terms of reference of the NC

Fair Employment Practices

Hanwell is a signatory of the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices ("TAFEP"). TAFEP works with companies, government and unions to adopt and implement fair employment practices.

PDPA

In compliance with the Singapore Personal Data Protection Act (No. 26 of 2012), we have a Privacy Policy that outlines how Hanwell handles personal data. Customers and business partners can contact Hanwell's Data Protection Officer by mail, email and phone on matters concerning their personal data with Hanwell.

Anti-Corruption

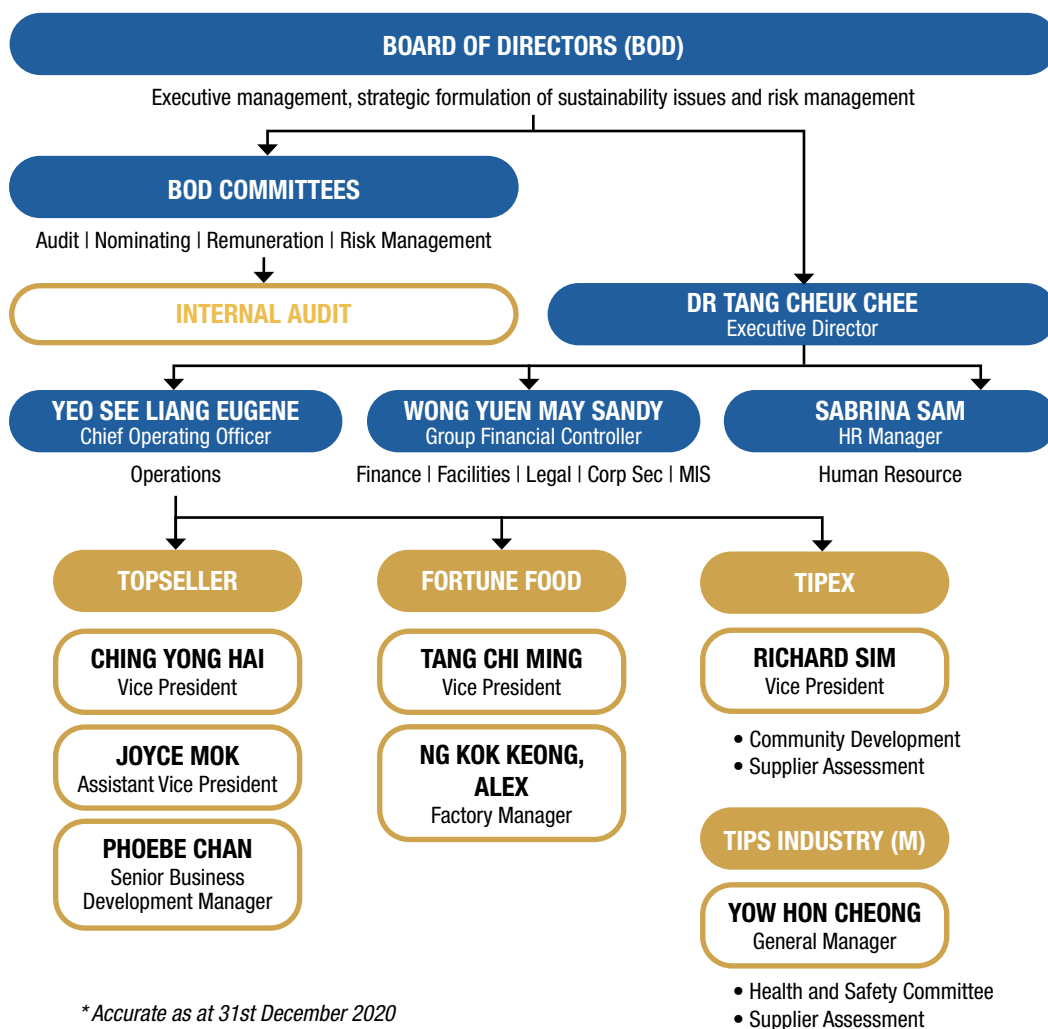
The Group's Code of Conduct for its directors, management and employees strictly prohibit involvement in corruption activities such as the acceptance of or giving bribes.

Whistle Blowing Policy

At Hanwell, we are committed to a high standard of business ethics and compliance. We established a Whistle Blowing Policy to provide a platform for employees and external parties to raise concerns and confidential feedback while offering them reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith. For more information of our policy, please refer to: <http://www.hanwell.com.sg/whistle-blowing-policy.html>

**Mr Goi Seng Hui was appointed as Chairman (Non-Executive) of the Board on 8th March 2021.*

*Sustainability Governance Structure (102-18, 102-19, 102-29)



Each Group's key operating subsidiary has its own team that formulates specific programmes related to environmental, social and governance issues. The teams liaise with stakeholders and support the monitoring and reporting of the Group's sustainability practices.

For the reporting period in FY2020, the teams at the subsidiary level have representatives on Hanwell's sustainability reporting team that report to the Group's Chief Operating Officer, Mr Eugene Yeo, who in turn reports to the Executive Director.

Our project team works with an external consultancy to monitor, document, measure and collect information to ensure that this sustainability reports is meaningful and accurate for stakeholders. We sincerely thank all our staff and business partners for being part of our sustainability business development integration.

Post FY2020 Sustainability Governance Structure

On 8 March 2021, Mr Goi Seng Hui was appointed to the Board as Chairman (Non-Executive).

Change in leadership

Both Dr Tang Cheuk Chee and Mr Yeo See Liang (albeit Mr Yeo still remains as Chief Operating Officer of the Company) ceased as Executive Directors of the Company on 29 April 2021. Subsequent thereto, on 10 May 2021, Mr Chu Heng Hwee was appointed as Chief Executive Officer ("CEO") of the Company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources, acting as the main point of communication between the board of directors and operations as well as fronting the Company in terms of investor relations and corporate communications. Going forward, the CEO has oversight of the Company's Sustainability Governance Structure.

STAKEHOLDER ENGAGEMENT

(102-40, 102-42)

Stakeholder Groups

Principle 13 of the Code of Corporate Governance 2018

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. A sustainability governance framework was put in place to identify, engage with, and manage the material environment, social and governance factors important to stakeholders and to the Group.

As a leading FMCG company listed on the Singapore Exchange, the Company prides itself in its ability to create sustainable value through numerous business activities with our stakeholders. Sustainability, in the manner to which the Company conducts its day-to-day dealings with customers, suppliers, employees and society, has consistently been one of the key corporate values motivating and inspiring us to do our best. Accordingly, this Sustainability Report would be announced through SGXNet in May 2021.

The Corporate Governance Report 2020 alongside this Sustainability Report, together with the Annual Report 2020, aims to provide comprehensive and transparent reporting of the Group's overall objectives and performance to the Company's stakeholders. The Company welcomes feedback on this Sustainability Report and its sustainability performance. Please address all feedback to Investor Relations, which can be found at the Company corporate website at the URL [http:// www.hanwell.com.sg](http://www.hanwell.com.sg) that is maintained to communicate and engage with stakeholders.

More information on the Company's material stakeholders, sustainability efforts (including its strategy and key areas of focus), and performance can be found in the Company's Sustainability Report uploaded at the Company's corporate website.

The key stakeholders that we engage are the groups that our business has a significant impact on, and those with a vested interest in our operations. By assessing the significance and impact of their interest on our businesses, we have identified eight key stakeholder groups.



Approach to Stakeholder Engagements (102-44, 102-43)

The table below provides an overview of the mode and frequency of our engagements with our stakeholders as well as the issues and concerns they have raised. They were conducted in compliance with COVID measures throughout the year.

Stakeholders	Mode and Frequency of Engagement	Issues & Concerns
Employees	Regular staff meetings and dialogue sessions online	Competitive rewards and recognition
	Orientation programmes for new employees online	Occupational health safety & well-being
	Staff engagement online events	Opportunities for career progression
Customers (eg hotels & supermarkets) & Civil Society (eg retail consumers)	Customer service hotline and online	Enquiry on product safety and quality Customer service Customer experience
Shareholders	Although the Company does not have an investor relations team, the Executive Chairman and Executive Director are responsible for the Company's communication with shareholders. Shareholders access the Company's announcements and annual reports through the Company's website at http://www.hanwell.com.sg .	Including: Annual reports Financial performance Dividend pay-out Sound business strategies Risk management Governance and transparency
Regulators	Regular virtual update sessions	Include: Sustainable sourcing Food safety and security Fair and affordable prices Compliance with industry standards and food quality standards
Suppliers (eg rice mills and manufacturers)	Supplier e-visits and audits	Stable, long-term business relations
Industry Bodies (eg Forest Stewardship Council)	Active participation in various industry sustainability-related forums	Policies and processes in procurement
Statutory Boards	Relevant project and engagement meetings	Healthy ingredients and products for consumers
Local Communities	NKF Project 我爱你 (520) - Join our Fight Against the COVID-19 Pandemic Donation to Care Corner Thanking the Unsung Heroes - The Comfort & TransCab Drivers	Giving back to society

Materiality Matrix (102-49)



Data Source: Hanwell Holdings Limited's stakeholder engagement survey conducted from July to August 2019

Material Aspects and Boundaries (102-46, 102-47, 102-49, 103-1)

MATERIAL TOPIC	PILLAR	BOUNDARY		
		TOPSELLER	TIPEX	FORTUNE FOOD
Responsible Sourcing	Supply Chain Sustainability	√	√	√
Employee Welfare	Our People, Our Asset	√	√	√
Learning & Development	Our People, Our Asset	√	√	√
Food Quality & Safety	Commitment to customers & community	√	-	√
Product Labeling	Commitment to customers & community	√	√	-
Corporate Citizenship	Commitment to customers & community	√	√	-

OUR PEOPLE, OUR ASSET

Countries of Operation ⁽¹⁰²⁻⁴⁾

In this section, we look at the material topics as a whole group – Hanwell and its subsidiaries, Topseller, Tipex and Fortune Food in Singapore and Malaysia.

knowledge to work more efficiently and be future-ready. With opportunities to upskill, they are more likely to remain loyal and grow together with us, and in the same breath, help to align talent management with our corporate strategies.

Learning and Development ^(404-1, 404-2, 404-3)

We invest in our employees by offering structured programmes that provide training that is tailored their needs. These progressions equip them with relevant

Average Hours of Training Per Year Per Employee ⁽⁴⁰⁴⁻¹⁾

Below is the breakdown of employee training by gender and by employee category.

Average Training Hours – Male vs Female vs Total

SINGAPORE	HANWELL	♂ MALE	♀ FEMALE	TOTAL
	Training Hours	334	219	553
	Headcount	163	98	261
	Average Training Hours	2	2	2

MALAYSIA	HANWELL	♂ MALE	♀ FEMALE	TOTAL
	Training Hours	869	817	1,686
	Headcount	204	284	488
	Average Training Hours	4	3	3

Average Training Hours – By Staff Category

SINGAPORE	HANWELL	NON-EXEC	EXEC	MANAGEMENT	TOTAL
	Training Hours	85	238	229.5	552.5
	Headcount	151	79	31	261
	Average Training Hours	1	3	7	2

MALAYSIA	HANWELL	NON-EXEC	EXEC	MANAGEMENT	TOTAL
	Training Hours	1,150	435	101	1,686
	Headcount	384	67	37	488
	Average Training Hours	3	6	3	3

Programmes for Upgrading Employee Skills, Transition Assistance Programmes and Performance Review (404-2, 404-3)

We conduct the Training Needs Analysis (“TNA”) to tighten the competency gaps for departments and plan for employee’s training programmes around relevant up-skilling opportunities. In doing so, it aligns employees’ competencies, job function and the company’s strategies.

Our trainings is generic with a focus on technical skills-based training which helps our staff develop holistically, attuning effortlessly to new job demands. Examples of the courses we provide include PDPA as well as the Workplace Safety & Health.

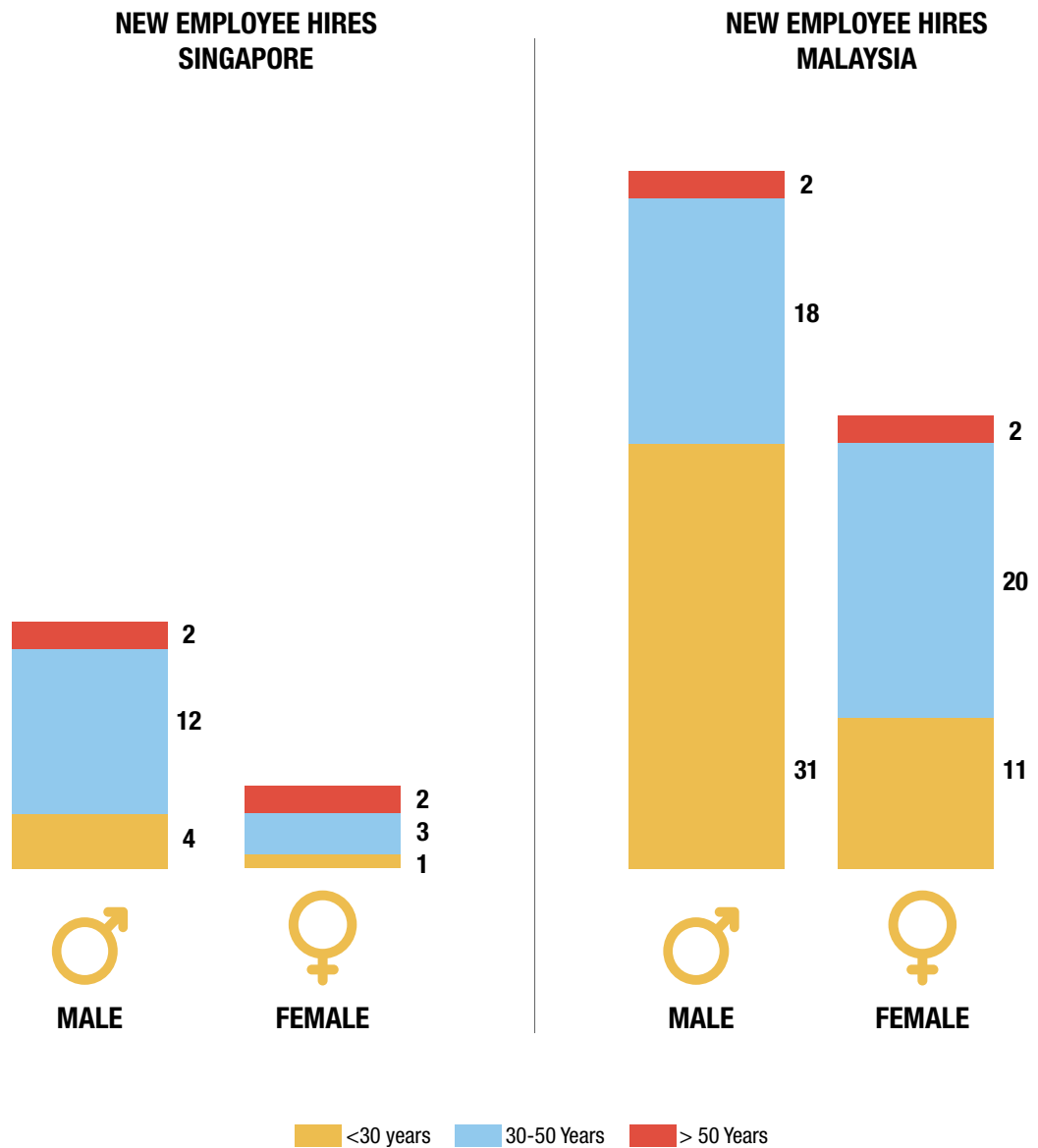
To support scholastic upgrading, we sponsor fees for employees who wish to further their studies. Depending on the circumstance and their need, the sponsorships may be partial or full.

In the event of a company restructuring, we also provide our employees with transition assistance programmes. Other than the severance pay package, where the service length of the affected employee is taken into account, we engage the assistance of e2i to help our affected Singaporeans and Singapore Permanent Resident workers on employment opportunities and their training needs. Affected employees can tap into the programmes and initiatives to better understand their career options and/or take up employability skills courses for upgrading.

Our employees receive regular feedback from their supervisors on their work performance and we have a 100% participant rate in our annual performance review for all employee categories.

New Hires (401-1)

In 2020, we hired 108 new employees in Singapore and Malaysia, accounting for 22.2% of new employees from Singapore and 77.8% from Malaysia.



Leave and Benefits (401-2, 401-3)

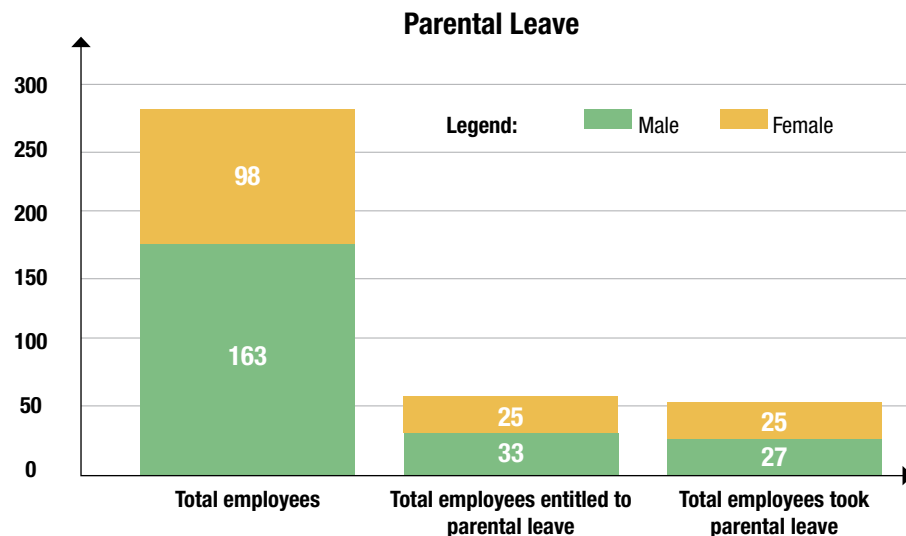
In Singapore, the standard benefits are provided to temporary staff and part-timers who have worked with us for at least three consecutive months. The benefits include:

1. Insurance: Group Personal Accident Insurance (including death and total permanent disability), Group Hospital & Surgical insurance, Work Injury Insurance, Group Business Travel Insurance.
2. Medical
3. Statutory leave (e.g. maternity, paternity, shared parental leave)
4. Exam leave for employees who are pursuing part time studies
5. Flexible benefits. With a diverse composition of employees, our flexible benefits plans allow for every individual to choose the benefits that best suit their needs at the various different stages in life.

An example of our benefits includes the claiming of holiday expenses to spend quality time with their family. In alignment with our workplace health initiative, health screening and gym membership is also available for claims.

6. Workplace Health + Funding Programme. This is a programme initiated by the Health Promotion Board ("HPB"), where employees used to participate in workout sessions like yoga, kick boxing and Zumba in the office every Thursday but had ceased since early 2020 due to the COVID-19 outbreak.
7. Flexible working hours. We provide flexible working hours to accommodate their studies for employees who are studying part-time.

All eligible employees are entitled to parental leave. Our Return to Work Rate and Retention Rate is 92% and 100% respectively.

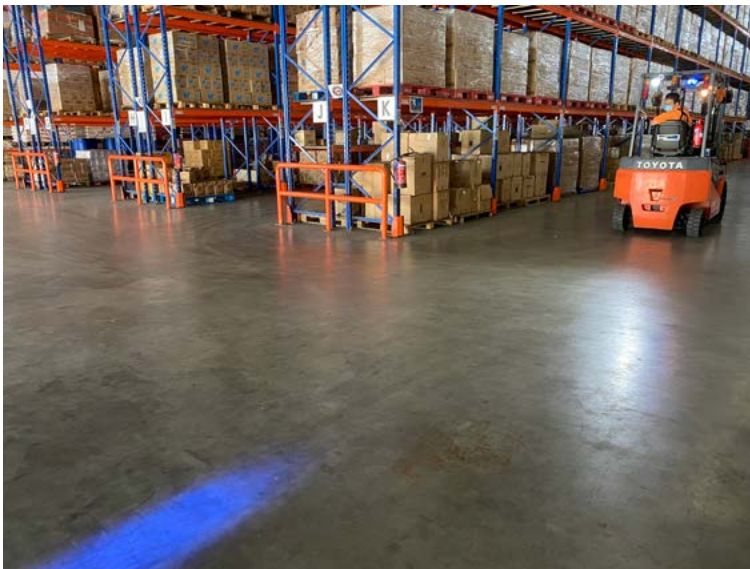


a. Total number of employees who were entitled to parental leave, by gender.	Female: 25 staff	Male: 33 staff
b. Total number of employees who took parental leave, by gender.	Female: 25 staff	Male: 27 staff
c. Total number of employees who returned to work in the reporting period after parental leave ended, by gender.	Female: 23 staff	Male: 27 staff
d. Total number of employees who returned to work after parental leave ended and were still employed 12 months after their return to work, by gender.	Female: 23 staff	Male: 27 staff
e. Return to work and retention rates of employees who took parental leave, by gender.	Return to work rate: Female 92%; Male 100% Retention Rate: Female 92%; Male 100%	

Workplace Safety

The health and safety of our employees are our utmost priority and we continue to ramp up our efforts in workplace safety. To prevent workplace injuries, we invested in back support belts for employees who lift heavy items and blue safety lights were installed in our forklifts and reach trucks. At Fortune Foods, production staff now don steel toe gumboots for added protection

In 2019, our Singapore office's pilot programme of using drones to conduct bi-annual stock check was operationally successful in reducing the duration of stock-taking, manpower costs and workplace injury. Improvements were implemented as drones were upgraded and monitored.



COVID-19

Our employees' health and safety remain on the top of our priorities as we push to sustain our businesses during this pandemic.

Measures:

- Work-from-home arrangements and empowering staff with the necessary tools
- Social distancing and monitoring measures to ensure safety of employees such as temperature screenings throughout the day
- Rigorous cleaning and disinfecting of the offices, manufacturing and warehousing facilities that are open

Technologies:

Replacement for Fingerprint Door Access Devices
Our human resources team had activated employee cards for our employees to access our office space, replacing the former Fingerprint Door Access service to reduce contact points.

High Volume Low Speed (HVLS) fan

HVLS fans are efficient and cost-effective in ventilating warehouses. They maintain good air quality, making it more comfortable for our employees working at our warehouses. In Singapore, we installed 6 HVLS fans in our Rice Stockpile and 2 fans in our Dry Warehouse to combat the heat and humidity as employees don their masks throughout the day.

Hiring Special Needs (413-1)

Our corporate citizenship initiative saw a tie up with Association for Persons with Special Needs ("ASPN") to provide employment opportunities for the less fortunate. Since joining Fortune Food back in 2014, two special needs employees have thrived and are currently part of our permanent staff count. ASPN conducted a sharing session for relevant Fortune Food Manufacturing staff to help them understand the working styles and needs of their colleagues from ASPN. We are glad to report that both of them have coped well with the work-from-home arrangements.

OUR ENVIRONMENT, OUR RESPONSIBILITY



Reducing Carbon Footprint (302-1,

302-2, 302-3, 303-4, 305-2, 305-5)

We continue to be mindful of our environmental footprint, actively monitoring and working towards reducing our carbon footprint. The Group diligently tracks our energy and water consumptions over the years to minimise wastage:

Environmentally Friendly Vehicles

In 2020, we replaced nine of our existing trucks with new Euro VI Emission Standard trucks – six chilled 12-footer trucks under Topseller and one 10-footer truck under Tipex.

We have a total of 19 new Euro VI Emission Standard trucks with 13 chilled 12-footer trucks under Topseller, two 24-footer trucks, two 14-footer trucks and three 14-footer truck and one 10-footer truck under Tipex.



Ozone Friendly Aircon Condenser

We replaced our existing R22 aircon condenser to a more environmentally friendly R-410A condenser which is more energy-efficient. As the production of the R22 is being phased out, spare parts may become niched to being obsolete, posing a challenge for future sourcing and pricing. It would be more cost-effective to have them replaced.

Solar Panel (305-5)

To increase our use in renewable energy and reduce our dependency on fossil fuel consumption, Photovoltaic ("PV") panels were installed on Singapore office rooftops, currently supplying electricity to three blocks on our premise. The installation of solar panels helps us offset an equivalent of 606'410 kg CO₂ in one year* or an equivalent of 27,564 trees**.

*0.4313kg CO₂/kWh x 1'406'000kWh = 606'410kg CO₂

** assuming 22kg of CO₂ per tree annually

 ENERGY CONSUMPTION	2020	2019	2018	2017	2016
Natural Gas Heating (kWh)*	3,389,760	2,537,351	2,376,785	2,636,581	3,363,106
Electricity (kWh)	2,266,445	2,666,798	2,081,397	2,566,379	2,678,415
Solar Power (kWh)	1,038,437	1,056,407	838,423**	-	-
Total Energy Consumption (kWh)	6,694,642	6,260,556	5,296,604	5,202,960	6,041,521
Energy Intensity (kWh/S\$'000)	14.1	15.9	10.6	11.2	15.1

* Method of calculation: Google Currency Converter at 1MMBtu = 293.07 kWh.

** Based on figures as obtained between 7th May 2020 and 31st December 2020. Figures indicated are gross and include a portion exported to SP Group.

 WATER MANAGEMENT	2020	2019	2018	2017	2017
Water Withdrawal (cubic meters)	25,992	30,658	44,252	51,519	65,389
Water Discharged (cubic meters)	17,675	20,764	31,011	45,319	31,790

Method of calculation: US Environmental Protection Agency.

BUSINESS SEGMENT

KEY SUMMARY - TOPSELLER PTE LTD ⁽¹⁰²⁻¹⁾



Activities, Primary Brands, Products, Services ⁽¹⁰²⁻²⁾

Topseller is a distributor and brand developer of consumer essentials for the following brands:

Food:

Royal Umbrella rice, Golden Peony rice, Gitangkim rice, Okome rice, JA rice, Shinmei rice, OriGrains rice, Taj Ponni rice, Taj Basmati Rice, Harmuni rice and oil, Golden Circle oil and SoyLite oil, and Pauls Milk.

Non-food:

Promax detergent, Singpo detergent, TP706 dishwashing liquid, and Lion products ranging from detergents, oral care, baby care, beauty care and home care.

Countries of Operation ⁽¹⁰²⁻⁴⁾, Markets Served ⁽¹⁰²⁻⁶⁾, Supply Chain ⁽¹⁰²⁻⁹⁾

Topseller's distribution network covers supermarkets, grocery stores, caterers, institutions, ship chandlers, hotels, restaurants, food courts, hawker centres and online retailers in Singapore.

Our main rice supplier is Charoen Pokphand Intertrade ("CP Intertrade") from Thailand.

The Importance of Good Agricultural Practices ⁽¹⁰³⁻¹⁾

Rice is the Group's top selling FMCG product category with Royal Umbrella being our best-selling rice brand.

Global food supply chains are ever evolving, and it becomes increasingly complicated to track the source of food, given the different layers of the supply chain. Food traceability has also become increasingly important, depicted by three main reasons. Firstly, where food safety is concerned, companies should be able to quickly trace through the supply chain to ascertain the source of a food product. With public health and lives at stake, we believe that it is critical to do so effectively because it directly affects the livelihoods of industries, companies and employees. Secondly, more consumers are demanding transparency and accountability of their food: from where their food is sourced, how its growth and manufacturing is made sustainable, how they are transported, and even down to the nutrition content. Ultimately, as we deep dive into our supply chain, we can mitigate risks better.

Our main rice supplier, CP Intertrade, has successfully invested and improved its supply chain performance through switching up its suppliers and processes, training employees, and setting up monitoring and reporting mechanisms. CP Intertrade works closely with rice-growing communities among many initiatives to ensure their rice is grown sustainably. Their production process is fully compliant with GAP+ (Good Agricultural Practices Plus). GAP+ helps farmers upgrade their knowledge and skills in rice production and raise their standards of living, ultimately improving the quality of rice.

STANDARD	DIMENSIONS COMPARISON																																																																																			
	SITE SELECTION	PLANTING MATERIAL / METHOD					CROP MANAGEMENT					PEST MANAGEMENT					MACHINERY MAINTENANCE / CALIBRATION					HARVEST AND POSTHARVEST				FOOD SAFETY				PROFITABILITY / GRAIN YIELD				GOOD GOVERNANCE / TRACEABILITY				LEGAL COMPLIANCE				LABOUR RIGHT				HEALTH AND SAFETY				STAKEHOLDER ENGAGEMENT				CAPACITY BUILDING / TRAINING				SUGGESTION / COMPLAINT				WATER MANAGEMENT				SOIL CONSERVATION				ENERGY / GHG EMISSION				BIODIVERSITY / ECOSYSTEM				WASTE MANAGEMENT				BY-PRODUCT MANAGEMENT		
	SUSTAINABLE FARMING SYSTEM						ECONOMIC SUSTAINABILITY						SOCIAL SUSTAINABILITY						ENVIRONMENTAL SUSTAINABILITY																																																																	
G.A.P. (THAI)																																																																																				
Global G.A.P.																																																																																				
UNILEVER: SAC																																																																																				
Farm Sustainability Assessment SAI PLATFORM																																																																																				

- Fully met with rigorous detail (100%)
- Partial met and/or lacking in information (60-99%)
- Not met (0 - 30%)

Responsible Sourcing (103-2)

Our 12 rice suppliers span across the world, from USA to India, Thailand, Vietnam and Japan. Thailand supplies the bulk of our rice stock and we work with our Thai suppliers closely. We keep them up to date on consumer and governmental requirements so that they are prepared for the changing needs. For example, our Thai rice suppliers are looking into using biodegradable plastics for their packaging.

We screen new suppliers to ensure they abide by the necessary food safety requirements such as Hazard Analysis and Critical Control Points (“HACCP”), British Retail Consortium (“BRC”) Global Standards, ISO9000. Our procurement officers also do on-site visits to review the safety and cleanliness of the factories, understand how they maintain hygiene standards in the premises and do thorough checks on staff welfare.

Hanwell has been working closely with our long-term main rice supplier CP Intertrade in Thailand in

the topics of food traceability and good agriculture practices. The Nahkon Luang Factory is certified under Good Manufacturing Practice (“GMP”) from SGS (Thailand), HACCP and ISO 9001: 2008.

CP Intertrade also embarked on the Royal Umbrella Sustainability Rice Cultivation Campaign. Improving the well-being and livelihood of Thai Hom Mali rice farmers. Since 2016, the project has helped their community’s sustainability by ensuring that all the agricultural products from the rice farmers are quality controlled, environment-friendly and sold at a fair market price. The project aims to promote Agriculture Practice under GAP PLUS (Good Agriculture Practice Plus). The system is certified by the Rice Department, the Ministry of Agriculture and Cooperative. It has also been recognised for Quality Control, Food Safety, and Greenhouse gas emission reduction. To date, we have worked with 6,279 agriculturists in the project covering a total land area of 153,527 Rai.

Product Labeling (417-1)

We remain committed to educating our consumers on various aspects of the value chain so that they can make informed choices and be empowered through their purchase.

We are proud to report the traceability of our Thai Hom Mali rice. The rice's DNA Tested is verified and consumers are assured that our rice do not contain adulterants. Customers may scan the QR code on our packaging for more information about our rice and its traceability, .

In addition to the QR code, our packaging also bears product information as well as the logo of the Best Rice Award from the World Rice Conference, a prestigious award that we received from the Department of Foreign Trade (Thailand). It is our hope that this will provide our customers with an assurance on our product quality and standards.



Umbrella Rice and 250ml bottles of Golden Circle Sunflower Oil.

Care for Local Communities (413-1)



NKF Project 我爱你 (520) - Join our Fight Against the COVID-19 Pandemic

We supported the National Kidney Foundation ("NKF") in their Project 我爱你 (520) by providing 168 bottles of 500ml TP706 Hand Sanitiser to the patients at two dialysis centres located at Bukit Merah Dialysis Centre and The Singapore Buddhist Lodge – NKF Dialysis Centre. To show our appreciation, we also gave every nurse at the centres a bottle each, totaling 24 bottles. These nurses had worked extra hard at the centres during the lockdown and went the extra mile to safeguard the patients' health.

Donation to Care Corner

Established since 1981, Care Corner Singapore is a non-profit organisation that has 33 service centres island-wide. They serve the isolated and disadvantaged in Singapore through extensive services such as helping families in need, youths at-risk, special needs children, children from low-income families, seniors and counselling needs. We donated a total 1,500 packets of 500g Royal



Thanking the Unsung Heroes – The Comfort & TransCab Drivers

We donated 7,500 packets of 500gm Royal Umbrella Rice and 500ml bottles Golden Circle Vegetable Oil to the taxi drivers in June 2020. The CEO of ComfortDelGro Taxi, Mr Ang Wei Neng, personally saw to the distribution which was conducted at Sin Ming, Singapore and the activation was subsequently published in the local newspapers Lianhe Zaobao, dated 27 June 2020.



BUSINESS SEGMENT

KEY SUMMARY - FORTUNE FOOD MANUFACTURING PTE LTD ⁽¹⁰²⁻¹⁾



Activities, Primary Brands, Products, Services ⁽¹⁰²⁻²⁾

Fortune Food Manufacturing Pte Ltd (**"Fortune Food"**) specialises in the production of an extensive range of tofu, ranging from Traditional Chinese Tofu, Japanese Silken Tofu, Egg Tofu to Tau Kwa. These tofu varieties are marketed under the brand name of Fortune.

Countries of Operation ⁽¹⁰²⁻⁴⁾, Markets Served ⁽¹⁰²⁻⁶⁾, Supply Chain ⁽¹⁰²⁻⁹⁾

Fortune Food uses the finest beans from North America and eggs from local farms to produce our soya bean-based products. Our Singapore manufacturing facility is FSSC22000 certified. Our products are sold in local supermarkets, F&B retail outlets and general trade outlets like provision shops and minimarts.

Food Quality and Safety ⁽⁴¹⁶⁻¹⁾

We recognise food safety as one of our customers' primary concerns. With the ever-changing food habits, complex supply chain and globalisation of our food supply, it is critical to strengthen food safety systems between suppliers and manufacturers. The Group views any incident of food contamination very seriously. We are mindful that our reputation, customer's confidence, and loyalty is at stake should a product be recalled. Our brands will take a hit which ultimately translates into financial losses.

Fortune Food adheres to stringent food safety standards and complies with relevant food safety regulations. From raw material management, to production and process control, and finished goods assurance, we apply our quality standards based on a set of best practices and industry standards. Our factory in Singapore has attained the certification for HACCP and Food Safety System Certification ("FSSC") 22000.

To maintain food quality and safety, as well as the flexibility to improve our product recipes and formula, we set up an alternative manufacturing plant in Johor Bahru, Malaysia. Having full control of our manufacturing facility enable us to efficiently cater to the evolving demand and needs of our customers more effectively.

The quality of our food ingredients is key to food safety. Foods and the ingredients in food products are increasingly grown, processed and consumed in different locations around the globe. We place stringent measures in selecting and picking only the best ingredients. Our beans from farms in North America are non-GMO certified and our eggs are locally farmed in Singapore. Our procurement officers conduct regular visits to the chicken farms to inspect the health of the chicken and quality of chicken feeds.

Considering the ageing population and the continual fight against diabetes, the Singapore government has been actively encouraging healthy living. Over the years, the Health Promotion Board (**"HPB"**) has created numerous initiatives and schemes to encourage Singaporeans to eat healthily. One such initiative is the 'Healthier Choice' symbol on packaged food products. This symbol identifies the products are a healthier option so consumers may make a more informed choice about their diet. Many of our tofu products have been marked as healthier choice products and all our products are preservative-free. In view of rising consumer awareness of the importance of good health, improved standards of living, as well as our government's increasing emphasis on healthy eating, Fortune Food introduced several healthier choice products. One such product is our cholesterol free tofu product with DHA from vegetarian sources.

Responsible Sourcing (204-1)

Local production is an important secondary strategy in ensuring food supply resilience for Singapore. Today, our local farms produce 10% of the fish, 13% of the vegetables and 27% of the eggs we consume in Singapore. The Singapore Food Agency (“SFA”) has set the target for local foods to meet 30% of Singapore’s nutritional needs by 2030. Fortune Food continues to support local farmers to help achieve the “30 by 30” vision.

The eggs for our egg tofu are locally produced. One of our suppliers received the Certified Humane label by the American non-profit organisation Humane Farm Animal Care (“HFAC”). The eggs are responsibly produced and ethically farmed. All eggs produced from Singapore farms are free from antibiotics as Singapore disallows the use of antibiotics on hens.

We help to sustain the local farming community and reduce our carbon footprint by purchasing eggs from local farmers. This aids our food traceability which boosts our customers’ confidence and allows us to manage our supply chain.

Product Labeling (417-1)

It is important that consumers understand the nutritional benefits of the food products they buy as it empowers them to make informed food choices. In response to regulatory requirements and consumer expectations, our product packaging provides transparent and easy-to-understand product information.

The Healthier Choice Symbol (“HCS”) on packaged food products indicates that they are healthier options. Food products awarded the HCS are generally lower in fat, sodium and sugar, and are higher in calcium and in dietary fibre. We work closely with Health Promotion Board as an industry partner in the Healthier Choice Symbol Programme. 22 of our tofu products attained the Healthier Choice Symbol¹.

¹<https://www.hpb.gov.sg/food-beverage/healthier-choice-symbol>

BUSINESS SEGMENT

KEY SUMMARY - TIPEX PTE LTD (102-1)



Activities, Primary Brands, Products, Services (102-2)

Tipex is one of the major distributors of consumer tissue paper products in Singapore. We own the local leading tissue paper brand Beautex, manufactured by its subsidiary Tips Industry (M) Sdn Bhd in Malaysia. Three new products were introduced in 2020: Beautex Lotion Tissues, Beautex Antibacterial Tissues and Beautex Disposable Cloth-Like Kitchen Towel. Besides Beautex, Tipex also owns tissue paper brands Ichiryu, Mood, Hibis, Comfy and Parity.

Countries of Operation (102-4), Markets Served (102-6), Supply Chain (102-9)

Tipex's distribution network covers supermarkets and hypermarkets, general retail trade, pharmacies, medical halls and institutions in both Singapore and Malaysia. In addition, Tipex's products are exported to New York in USA, Netherlands, New Zealand, Brunei, Australia, Vietnam, Maldives, India and Philippines.

We have a factory in Malaysia under Tips Industry (M) Sdn Bhd, a wholly owned subsidiary of Tipex. The factory procures paper rolls and converts them into packaged tissue paper products.

Responsible Sourcing and Caring for the Environment (103-2)

Over the years, the recurring haze has cast a spotlight on sustainable sourcing for paper companies. We are fully aware that the pulp and paper industry play a critical role in shaping forests worldwide, as pulpwood is grown in a vast range of landscapes and societies. Living up to our responsibilities as an environmentally sensitive company, we take steps to ensure that all our supplies are purchased from sustainable sources. We buy paper that comes either from well-managed forests or from recycled material. Most of our virgin pulp jumbo roll suppliers are ISO 9001, ISO 14001 and FSC-COC certified.

Forest Stewardship Council ("FSC") is an independent, non-profit organisation that promotes the responsible management of the world's forests. It provides an assurance that products such as wood and paper have been harvested in a socially and environmentally responsible manner. FSC Chain-of-Custody certification traces the path of products from the initial source, through the supply chain and up to the end user.

Sourcing our paper sustainably directly contributes to environmental sustainability while strengthening our supply chain and building trust among consumers. Being environmentally conscious throughout our supply chain demonstrates our commitment to help prevent the loss of biodiversity and climate change caused by deforestation and will not harm the forests in our sourcing process.

Tips Industry Malaysia currently works with eight FSC pulp paper suppliers from the Southeast Asia region. We also purchase recycled paper from suppliers in the region. To ensure the authenticity of their claims, we request that suppliers produce official documents (e.g. Product certificate of analysis).

We treat the disposal of waste seriously as improper disposable methods can harm the environment and health of the community. At our Malaysian factory, we identify and classify waste into different categories. For waste containing hazardous elements or compounds, we dispose them as per Malaysia's DOE – Environmental Quality (Scheduled Wastes) Regulation 2005.

At Tips Industry Malaysia, we believe the best method for the environment is in controlling and minimising paper waste. We adhere strictly to the ISO14001 Environmental Management System & local environmental rules and regulations.

Product Labeling (417-1)

Our logos on our packaging inform consumers about our forest management certification schemes. According to a survey done by YouGov in November 2017, 56% of Singaporeans believe businesses have a responsibility to prevent environmental damage². This research indicates a considerable proportion of consumers giving weight to a brand's ethics when making purchasing decisions. To ensure that paper, our main raw material, is from a sustainable source, we only buy FSC certified pulp paper. Other than product descriptions and usage of products, the FSC certification logo is displayed on our packaging to give our consumers peace of mind when they purchase Beautex products.

² <https://sg.yougov.com/en-sg/news/2018/01/04/businesses-and-environmental-damage/>

Care for Local Communities (413-1)

Art Competition and Philanthropy (201-1)

Beautex's 12th "Life is Beautiful" Art Competition was unfortunately cancelled due to COVID-19. To continue and encourage a participative and positive community spirit, Beautex launched a newly designed special edition of Charity Box tissues, "Together, we will fight for a healthier nation". Our fundraising efforts will see 20 cents donated to

Community Chest Singapore for every pack of 5 boxes sold at retail stores.

The support goes towards empowering the lives of the vulnerable, including five causes – children with special needs and youth-at-risk, adults with disabilities, families, persons with mental health conditions and vulnerable seniors. The operating and fundraising costs of the Community Chest are sponsored by Tote Board so 100% of our donations go towards those in need. Beautex raised \$15,000 from this initiative. Since 2009, Beautex's campaign has been growing in contribution value and to date, we have donated more than \$250,000 to various charities.

New Production Facility in Malaysia

Our new factory in Malaysia complies with the following requirements/ standards:

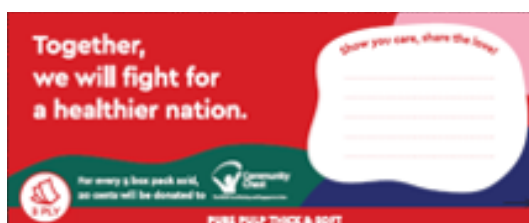
- ISO9001:2015 (Quality Management System)
- ISO14001:2015 (Environmental Management System)
- ISO22000:2005 (Food Safety Management System)
- HACCP (Hazard Analysis and Critical Control Points)

Product Responsibility

Sustainability Criteria in Supplier Selection ensures all of our pulp papers for tissue papers are from FSC certified sources.

Tipex will be able to increase our production output with this new facility to meet the increasing demands of the consumers. In addition to creating job opportunities, it will also provide better and safer working environment to our workers. At the same time, the new environment will help to improve product safety.

We also helped improve the road conditions for the community by extending road tarmac on routes leading to our new factory. This reinforces safer road conditions for users, especially at night.



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