



ESSENTIALS FOR A
GOOD DAY

SUSTAINABILITY
REPORT **2017**

ROYAL UMBRELLA
FRAGRANT RICE
暹羅安培哪香米

SINGAPORE NO.1 SELLING RICE BRAND*

幸福可以很简单

Bonding through the quality in every grain.
Thank you for trusting us in nurturing
your family in our special way.



Ruth Kuo Miao
魏妙如
Ruth Kuo Miao
Singapore Singer-Songwriter



* Based On Nielsen Retail Audit Mar Dec 2016 For Total Rice In Singapore.



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**BOARD STATEMENT**

GENERAL STANDARDS DISCLOSURE

SPECIFIC STANDARDS DISCLOSURE

STRATEGY AND ANALYSIS

102-14

Statement from the most senior decision maker of the organization

DEAR STAKEHOLDERS,

We are a leading fast moving consumer goods (FMCG) ("Group") in Singapore that manufactures, markets, and distributes consumer essentials. Our FMCG distribution network is mainly in Singapore and Malaysia, as well as in China and other countries. Our top products are rice, oil, detergent, soy based foods and tissue paper, in addition to a wide portfolio of food and non-food, as well as ambient and chilled products. We also have two manufacturing facilities in Malaysia of paper products for personal hygiene such as tissue paper, and in Singapore for soy based food products such as Tofu.

INCREASING PRODUCT RANGE WITH SUSTAINABLE VALUE CHAIN

An international study conducted by Unilever reveals that a third of consumers are now choosing to buy from brands they believe are doing social or environmental good. This is especially true for consumers in emerging economies as these are the places where negative impact of unsustainable business practices, such as water and energy shortages, food poverty, and poor air quality is most felt.

The Group constantly seeks opportunities to bring more quality products to the consumer market, and this includes products from a sustainable value chain. We will continue our effort to create awareness of sustainable development practices with stakeholders.



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Community Development: Beautex's *Life is Beautiful* art competition organised in collaboration with the People's Association.

Sales of Unilever products that have integrated sustainability grew 50%¹ faster than the rest of the consumer goods giant in 2016. We have also observed a similar trend in its product portfolio. One of our top selling products, Royal Umbrella rice, is sourced from a reputable business partner with exemplary Good Agricultural Practices (GAP). Its brand story tells how adoption of GAP led to more stable income for small-holder farmers in addition to better environmental protection and improved crop yield. It is a story of sustainable business practices that go hand in hand with an improved business proposition. This improved business proposition includes greater brand equity for one of the world's top brand names and better risk management of raw material supply.

CHALLENGES

Our long term objective of increasing a product mix with greater integration of a sustainable value chain is not without difficulty. These challenges are sometimes related to a lack of consumer awareness. Our effort to support sustainable value chains is driven by product acceptance by customers.

OUTLOOK

The Group constantly seeks opportunities to bring more quality products to the consumer market, and this includes products from a sustainable value chain. We will continue our effort to create awareness of sustainable development practices with stakeholders. We began engaging end consumers through social media such as dedicated Facebook accounts for each one of our top brands as of March 2017. This is one of our platforms for creating public awareness about product responsibility and consumer health.

We also intend to conduct a rebranding exercise for one of our key brands, Beautex, a leading brand for personal hygiene paper products. Its revitalised image will be one initiative to more aptly reflect the Group's integration of sustainable development practices by creating greater public awareness of sustainable value chains.

The Board considers sustainability issues, especially social responsibility, as part of the Group's strategic formulation. As a fast-moving consumer goods company, product responsibility for customer health and safety is the primary material aspect of our sustainable development integration. At our tissue paper products manufacturing arm, workplace safety and supplier assessment for environmental impact are the key material aspects.

As stakeholders are placing increasing emphasis on sustainable development integration, the Group is allocating more resources on the management and monitoring of material aspects that impact our sustainable development integration.

Dr Allan Yap

Executive Chairman

Hanwell Holdings Limited

¹ <https://www.unilever.com/news/Press-releases/2017/unilevers-sustainable-living-brands-continue-to-drive-higher-rates-of-growth.html>

BOARD STATEMENT

► GENERAL STANDARDS DISCLOSURE

SPECIFIC STANDARDS DISCLOSURE

ORGANIZATION PROFILE

102-3	HQ Location	348 Jalan Boon Lay, Singapore 619529			
102-4	Geography	Hanwell Holdings Limited (“Hanwell”) has significant presence in 2 countries. It has offices and manufacturing facilities in Singapore and Malaysia.			
102-5	Legal Form	Hanwell has been publicly listed on the Main Board of Singapore Exchange since 25 October 1990.			
102-7	Organization Scale	Number of employees	771		
		No. of key operating subsidiaries	9		
		Revenue	S\$464,017,015		
		Total Debt	S\$61,445,819		
		Total Equity	S\$336,562,693		
102-8	Workforce		Male	Female	Sub-total
		SINGAPORE	186	99	285
		MALAYSIA	189	297	486
		Total Employees	375	396	771
		SINGAPORE	Male	Female	Sub-total
		Permanent Employees	156	96	252
		Contract Employees	30	3	33
		Singapore Employees	186	99	285
		MALAYSIA	Male	Female	Sub-total
		Permanent Employees	180	291	471
		Contract Employees	9	6	15
		Malaysia Employees	189	297	486

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE ◀

SPECIFIC STANDARDS DISCLOSURE

102-10 Significant Changes	In Singapore, we recently modernized our manufacturing operations for soy bean food products shifting it to a new factory block next to our headquarters in Jalan Boon Lay. The new facility became operational in July 2017. In Malaysia, we are expanding our production facility for tissue paper products. We expect our new facility to be operational in Q4-2018.
102-11 Precautionary Principle	The Group's policy is to continually ensure that all our supplies are purchased from sustainable sources. We suspend procurement of fast moving consumer goods as well as raw materials from suppliers which are reported to have engaged in errant practices until there is reasonable assurance that the offending practice has been rectified.
102-12 External Initiatives	ISO 9001 Quality Management ISO 14001 Environment Management Hazard Analysis and Critical Control Point (HACCP) Forest Stewardship Council - Chain of Custody (FSC-CoC)
102-13 Membership of Associations	Singapore Institute of Directors Singapore Business Federation Singapore Retailers Association Singapore National Employers Federation Singapore Manufacturing Federation

BOARD STATEMENT

► GENERAL STANDARDS DISCLOSURE

SPECIFIC STANDARDS DISCLOSURE

ETHICS AND INTEGRITY

102-16 Values and Code of Ethics

CORPORATE CITIZENSHIP PROGRAM

The Group has a long history of active community development work as we believe it is important to help the less fortunate. We have committed ourselves to a corporate citizenship program to positively impact the communities we serve – be it needy families, the elderly poor, or other less fortunate groups of people.

In our four decades of providing consumer essentials, we have been a regular sponsor of a multitude of grass root events organized by the People's Association, under Singapore's Ministry of Culture, Community and Youth. Such sponsorships are a strategic part of our business model that enable us to contribute to community development and social cohesiveness, and enhance public awareness of our household brands.

We actively collaborate with government agencies and our business partners to organize community development programs that range from art competitions that provide a platform for artistic expression by school children, fund raising for persons with disabilities, rice donation, to meal boxes for the elderly poor.

FOREST STEWARDSHIP COUNCIL CHAIN OF CUSTODY

Our tissue paper manufacturing facility, TIPS Industry (M) Sdn. Bhd., is committed to the FSC® Chain of Custody. The top management of the factory has ensured that the factory is not involved in the following practices:

- Direct or indirect involvement in illegal logging or trading 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 operations.
- Violation of International Labor Organization (ILO) Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.

DRIVEN BY INTERNATIONAL STANDARDS

Operation of the Group's manufacturing subsidiaries is driven by international manufacturing standards such as ISO 9001 Quality Management, ISO 14001 Environment Management as well as HACCP, ISO 22000 and other food safety systems.



Community Development: The Group's tissue products unit Tipex raises money for The Straits Times School Pocket Money Fund from the sale of limited-edition Beautex tissue boxes, which featured winning designs by six primary school pupils from an annual art contest. Twenty cents from the sale of each box goes to the fund.

ANTI-CORRUPTION

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

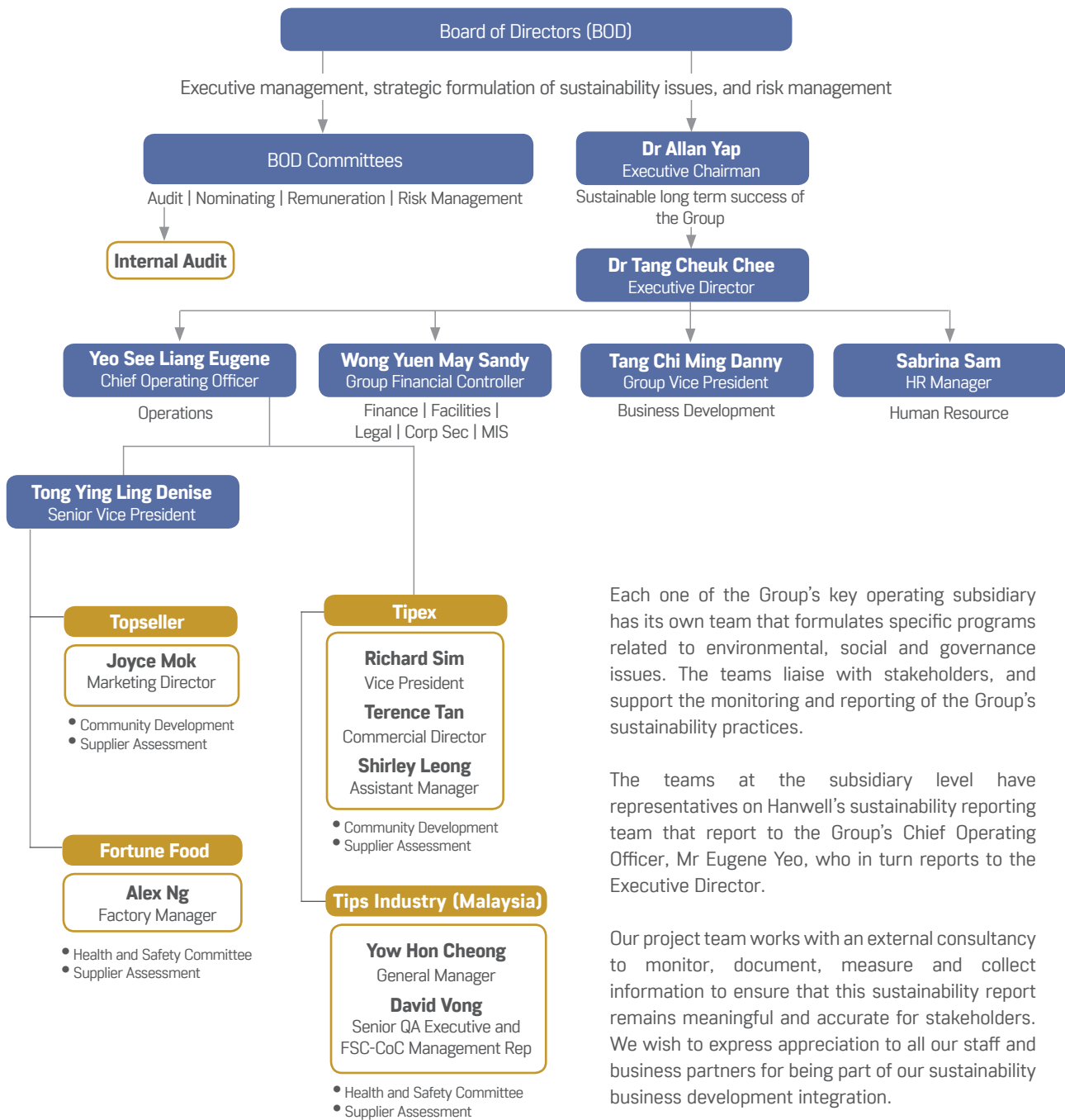
BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE ◀

SPECIFIC STANDARDS DISCLOSURE

GOVERNANCE

102-18 Sustainability Governance Structure



BOARD STATEMENT

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STAKEHOLDER ENGAGEMENT

102-40 | Stakeholder Groups

Regulators
Employees
Shareholders
Statutory Boards E.g. People's Association
Civil Society E.g. retail consumers
Customers E.g. supermarkets and hotels
Suppliers E.g. rice mills and manufacturers
Local Communities
Industry Bodies E.g. Forestry Stewardship Council



Collaboration with Stakeholders: Hanwell and CP Intertrade collaborated closely to develop Royal Umbrella into Singapore's best selling rice brand. Above: Members of supplier's sustainable development team.

102-42

Basis of Identification and Selection of Stakeholders to Engage

- Stakeholder engagement is a daily part of our business in the course of our cooperation with manufacturers, suppliers, corporate buyers such as NTUC Fairprice, and government bodies to deliver a diverse range of consumer essentials.
- When engaging each stakeholder group, we consider the group's impact on the demand for our products, as well as the staff and investment resources involved. The order in the 102-40 list represents how we often prioritize stakeholders.

102-43

Approach to Stakeholder Engagement

- We typically engage each stakeholder group annually, be it through trade exhibitions or customer surveys with follow-on activities on a case by case basis. Each key operating subsidiary has various community development programs, and many of these programs are carried out annually.
- We collaborate with external stakeholders to promote the integration of sustainable practices in the value chains of our wide range of fast moving consumer goods.
- Our manufacturing facilities conduct annual customer surveys to solicit feedback on product quality, on-time delivery, after-sales service, and our product pricing.

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Key Topics and Concerns

Rice, oil, paper, and soybeans are among the more important raw materials in our business. There are upstream activities undertaken by external stakeholders that are critical to the overall supply chain sustainability of the natural resources from which our products are derived. Key topics include sustainable agricultural and production practices related to rice farming, farmer's livelihood, food safety, and forest conservation.

We are looking into the following areas of stakeholder interest:

- Innovation
- Reduction in packaging
- Advocacy and assistance for partner organizations to adopt best practices
- Greater staff welfare

BOARD STATEMENT
GENERAL STANDARDS DISCLOSURE ◀
SPECIFIC STANDARDS DISCLOSURE

MATERIAL ASPECTS AND BOUNDARIES

REPORTING APPROACH AND FRAMEWORK

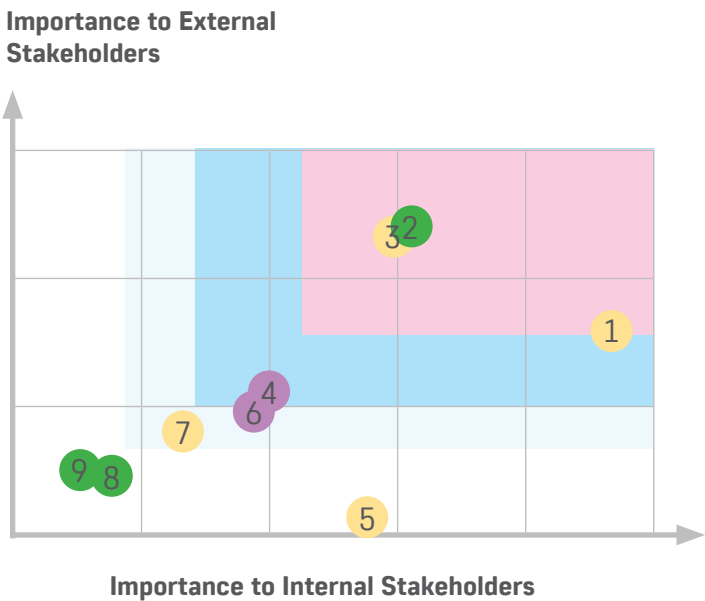
We refer to the Global Reporting Initiative (2016) (“GRI”) as a framework for disclosure inclusion. Disclosures revolve around the value chains in our key business segments including Topseller, Tipex, and Fortune Food Manufacturing. We have prioritized our scope of reporting as follows:

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

TOPIC BOUNDARIES

We aim to create public awareness about the sustainable value chains behind our key brands. Metrics applicable to GRI core disclosures are reported only if they are a good representation the impact of our value chains. For example, we do not report the percentage of suppliers assessed for social impact because many of them have relatively low impact on cost of goods sold and business revenue. Rather, we focus on discussing the management approach of principal suppliers based on each one’s upstream social and environmental impact and downstream business impact through the Group.

MATERIALITY CHART



Materiality	Rank Percentile
Most Important	> 75th
Very Important	50th to 75th
Important	25th to 50th

1	Customer Health & Safety
2	Management of Natural Resources
3	Product Labeling
4	Anti-Corruption
5	Workplace Health and Safety
6	Governance & Transparency
7	Contribution and Donation to Community
8	Energy Efficiency
9	Water Consumption

Data Source: Hanwell Holdings Limited’s stakeholder engagement survey conducted in October and November 2017.

Social Governance Environment

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MATERIAL ASPECTS AND BOUNDARIES

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Material Topics



Boundaries of Environmental and Social Impact



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SPECIFIC STANDARDS DISCLOSURE ◀

SUSTAINABLE RICE PRODUCTION

102-1 | Key Subsidiary: Topseller Pte Ltd

102-2 | Activities, Primary Brands, Products, Services

Topseller is a distributor and brand developer of consumer essentials as follows:

Food: Royal Umbrella rice, Golden Peony rice, Gitangkim rice, Okome rice, Taj Ponni rice, Harmuni rice and oil, Golden Circle oil and Soyelite oil.

Non-food: Promax detergent, Singpo detergent and TP706 dishwashing liquid.

102-4 | Countries of Operation
102-6 | Markets Served
102-9 | Supply Chain

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

103-1 | Why Good Agricultural Practices are important

Rice is the Group's top selling fast moving consumer product category and Royal Umbrella is our best-selling brand of rice. The rice supply chain starts with the preparation of land and seed and ends with the consumption of the rice on the table. It includes all of the economic activities undertaken between these phases including processing, delivery, wholesaling and retailing.

The key risk factors to this supply chain include:

- Sustaining the environmental integrity of arable land to ensure the soil is productive.
- Farmers' ability to access means of production.
- Farming practices to ensure food safety.

103-2 | How we manage the impact of Good Agricultural Practices

As a marketing and distribution business for fast moving consumer goods, it is the Group's strategy to educate consumers on aspects of the value chain that affect their ultimate purchasing decisions. We aim to use this sustainability report as a platform for stakeholders as well as consumers to understand issues at stake in the value chain of a staple such as rice.

It is intended to be part of a larger feedback loop that leads to better informed decision making by consumers. This will ultimately enhance our capability to improve product mix and add value to our product range.

This section focuses on good agricultural practices (GAP) and draws on guidelines published under United Nations reporting framework, Sustainable Assessment of Food and Agriculture Systems.



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SUSTAINABLE RICE PRODUCTION



Stakeholder Engagement: CP Intertrade's management with their stakeholders at World Harvest Day celebration.

Thailand is one of the world's largest rice exporting nations.

Rice is its most important crop and about 60% of Thailand's 13 million farmers grow it.

Thailand is one of the world's largest rice exporting nations. Rice is its most important crop and about 60% of Thailand's 13 million farmers grow it. However, many smallholder rice farmers struggle with volatile rice paddy prices, high cost of farming equipment, inability to afford fertilizers and pesticides, and risk of crop failure. Some of them sell the arable land that they own and make a living out of in order to pay off debt and eventually end up as manual laborers on large commercial farmlands.

ACCESS TO MEANS OF PRODUCTION

Farmers' ability to access means of production are critical to their ability to build a decent livelihood for themselves and their families. Means of production include knowledge, land, seeds, and equipment required for the farmer to meet the output level necessary to maintain a decent livelihood and cover his costs of production. Such costs include seed, fertilizer, pesticide, manpower, purchasing or renting equipment for farm operations to run efficiently and complete the harvest without facing debt loads that could destabilize the farm's operation. If there is no protection of farmers' capability for production, food security is compromised and the upstream supply of paddy for rice production will be at risk.

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SUSTAINABLE RICE PRODUCTION



In Singapore, Royal Umbrella has been awarded the annual Reader's Digest Trusted Brands for 14 years running.

In 1986, Hanwell Holdings Limited (formerly known as PSC Corporation Ltd) wanted to distribute jasmine rice, a long-grain strain of fragrant rice, from CP Intertrade in Thailand (the rice processing arm of Asia's largest agribusiness conglomerate Chaoren Pokphand). In those days, few Thai products were labelled in English. Hanwell worked with its rice processing partner to identify an English brand name for jasmine rice imported from Thailand. Hanwell and CP Intertrade eventually decided to use "Royal Umbrella" as the brand name to distribute Thai Hom Mali rice to English speaking consumer markets. The brand name was subsequently translated into other languages.

Today, Royal Umbrella Thai Hom Mali rice has become Thailand's top export brand. CP Intertrade processes different sub-brands of rice according to the diverse cultural palates of each market. The quality of rice paddy that is trucked into its processing facilities, state-of-the-art production equipment, a strong marketing and distribution network, as well as strong R&D all play a part in the success of this brand name.

Engaging farmers to adopt GAP is the first stage of this success story. The Royal Umbrella Hom Mali rice supply chain starts from providing farmers with top grade grains for planting and culminates in international rice tasting competitions such as the World Best Rice award organized by the World Rice Conference. Royal Umbrella Hom Mali rice bagged the World Best Rice award which was held in the Philippines in 2009. In Singapore, Royal Umbrella has been awarded the annual Reader's Digest Trusted Brands for 14 years running - from 2004 to 2017. Recently, it won the Platinum award in 2017.

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE

► SPECIFIC STANDARDS DISCLOSURE

STAKEHOLDER INTERVIEW

Rice Value Chain: How paddy from smallholder Thai farmers becomes rice on dining tables in over 100 countries.

“Crop yield improves after farmers switch to the **Good Agricultural Practices** that we provide training and support for.”

Rice value chain stakeholder:

Mr Thiti Lujintanon

Executive Vice President,
Rice Business CP Intertrade



DECENT LIVELIHOOD FOR SMALLHOLDERS

Mr Thiti Lujintanon, Executive Vice President, Rice Business, CP Intertrade, explained how the company worked with farmers to implement GAP.

“We started recruiting farmers to be members of our sustainability rice farming program in 2012 to promote good agricultural practices. The program was very successful in securing for us a reliable supply of high quality Hom Mali rice paddy as well as improving the income of farmers who joined our GAP co-operative,” said Mr Lujintanon.

The rice processing company works with government officials from Thailand’s Rice Department to educate farmers on GAP that protect the environment. “Hom Mali rice is our top product category.

Our co-operative farmer membership for Hom Mali rice has more than doubled over the past 5 years (from 400 farmers in 2012 to 3,500 farmers currently). The size of arable land farmed by our members has multiplied 5 times to about 30,000 acres over the same period because it truly helps farmers. We have also seen similar success with our Japonica rice co-operative program. We are targeting to expand the arable farmland under our GAP co-operative this year.

“Farmers are typically able to improve their crop yield by 5% after switching from traditional farming methods to the GAP methods that we provide training and support for. We are targeting to expand this differential in crop yield to 10%. That will help the farmers more.

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SPECIFIC STANDARDS DISCLOSURE ◀

STAKEHOLDER INTERVIEW



Stakeholder Engagement: Hanwell's brand management team with rice supplier in food tasting of different rice variants.

"We are confident of good crop yield. The government gives our member farmers priority in irrigation assistance should there be a drought. We undertake to buy 100% of our members' harvest. Our offtake prices vary according to rice grade. For top grade Hom Mali unmilled rice paddy, we pay 3% above the market price," he said.

MANAGING CROP SUPPLY RISK

"We get better paddy for the premium that we pay to our member farmers. When we remove the husk from the rice paddy, we get a higher yield of full grain rice that makes the grade. Without GAP, we have experienced problems with broken grains which we had to reject as by-products.

All in all, paying the premium for a guaranteed yield makes better business sense in terms of cost of goods sold. Because the premium is marginal, it is something that end-consumers can afford and have been willing to pay for. "Our production process is now rigorous enough to trace each bag of rice to the group of farmers the paddy is sourced from. Without the farmer membership co-operative program, we would not know where our rice paddy comes from," said Mr Lujintanon.

"Sourcing paddy from a farmer membership co-operative program enables us to guarantee there is no adulteration in rice variant as well as food safety for consumers," he said.

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BOARD STATEMENT
GENERAL STANDARDS DISCLOSURE
SPECIFIC STANDARDS DISCLOSURE ◀

SOYBEAN FOODS

- 102-1

Key Subsidiary: Fortune Food Manufacturing Pte Ltd
- 102-2

Activities, Primary Brands, Products, Services

Fortune Food Manufacturing Pte Ltd (“Fortune Food”) specialises in the production of soya bean-based products such as tofu and tau kwa.

- 102-4
102-6
102-9

Countries of Operation
Markets Served
Supply Chain

Using the finest soybeans from North America, products are manufactured daily in our HACCP certified production facility in Singapore and delivered to local supermarkets, F&B retail outlets, as well as general trade outfits such as provision shops and minimarts in Singapore via our chilled delivery trucks.

Our production process consumes about 1,000 metric tons of raw soybeans per year.

- 416

Assessment of health and safety impact of product categories

- 103-2

How we maintain high food safety standards

- 103-1

Why food safety is important

Foodborne diseases can be a widespread public health problem and even adversely impact the economy as seen during the SARS outbreak. Thanks to the stringent regulation by the Agri-Food & Veterinary Authority of Singapore (AVA), Singapore enjoys one of the lowest incidences of foodborne disease outbreaks compared to the rest of the world.

The Group views any incident of food contamination seriously as this will affect our reputation, brand value, sales, and even bottom line in the event of product recall.

We have a robust system in place to prevent incidences of food contamination.

We work closely with AVA to ensure that all our food products meet stringent quality and safety standards. Our factory has attained certification for Hazard Analysis and Critical Control Points (HACCP).

All the food products manufactured by Fortune Food are assessed for improvement in the following life cycle stages:

- Development of product concept
- Factory process certification
- Manufacturing and production
- Storage, distribution, and supply

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE

► **SPECIFIC STANDARDS DISCLOSURE**

FORTUNE FOOD MANUFACTURING



Each product item goes through a metal detector machine.



Quality Assurance Checkpoint

DEVELOPMENT OF PRODUCT CONCEPT

- We use grade one non-genetically modified soybeans from North America.
- We invest in infrastructure and process certification to combine the freshness of food market produce with the safety and hygiene of modern food technology.
- We aim to provide consumers with soybean products that are fresh, processed to retain high nutritional value, value-for-money, and delivered in hygienic vacuum packaging.

FACTORY PROCESS CERTIFICATION

- We provide clean uniforms and aprons for all employees who work in our production area. They are required to change into these uniforms upon entry into the production area and may only change into their own clothes when they leave at the end of their work shift.
- Our food handlers are not allowed to wear jewellery or wrist watches in the production area. They are required to wear hair nets, mouth masks, and gloves.
- Visitors are required to wear our safety and hygiene hair nets and shoes before entering our production area.
- The gantry for entry into our production area is preceded by a touch-free hand wash and sanitizer. Visitors are required to wash and sanitize their hands before entering our production area.
- We use about 5,000 plastic crates. All crates returned to our factory after delivery are washed and disinfected daily.

MANUFACTURING AND PRODUCTION

- All our food products undergo pasteurization after manual handling and packaging.
- After packaging, each product item goes through a metal detector to ensure that there are no such physical hazards inside.
- Every day, samples are taken from each completed batch of food products for quality assurance check.

STORAGE, DISTRIBUTION, AND SUPPLY

- Upon arrival at our factory, pasteurized eggs are immediately stored in chillers at temperatures that prevent bacteria growth
- Our production premises is built with 8 chiller truck exit doors to ensure seamless product delivery between our food storage cold room to chiller trucks.

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE

SPECIFIC STANDARDS DISCLOSURE ◀

GOALS

FRESH FOOD

SAFE FOOD

CLEANLINESS

SAVE WATER

SAVE ELECTRICITY

WORK SAFETY



Sustainable Development integration team members from Fortune Food Manufacturing, L-R:

Left to Right Back Row

Chin Jie Rong	QA/QC & R&D Technician
Koh Jing Yun	QA/QC R&D Technician
Justin Mak	Assistant Production Manager
Cui Guo Hua	Assistant Production Supervisor
Ang Hock Bian	Production Superintendent
Lim Cheap Loong	Operation Support Officer
Ong Soon Peng	Warehouse and Rice Packing Assistant Supervisor

Left to Right Front Row

Nicole Pau	QA/QC & R&D Technician
Michelle Chew	QA/QC & R&D Senior Executive
Nicole Chong	Purchaser
Eileen Ho	Senior Material Planner
Bernard Ong	Maintenance Manager
Alex Ng	Factory Manager
Denise Tong	Senior Vice President
Quek Lee Lee	Brand Manager

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE

► SPECIFIC STANDARDS DISCLOSURE

TISSUE PAPER

102-1 | Key Subsidiary: Tipex Pte Ltd

102-2 | Activities, Primary Brands, Products, Services

102-4 | Countries of Operation
 102-6 | Markets Served
 102-9 | Supply Chain

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 being exported to New Zealand, Brunei, Australia, Vietnam, Maldives, India and Egypt.

We have a factory in Malaysia held 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.

Tipex produces and distributes tissue paper products of household brands such as Beautex, Mood, Hibis, Comfy and Parity.

Its consumer tissue paper range includes facial box tissue, pocket tissue, handkerchief, bathroom tissue, and kitchen towel. Its commercial products include napkins, serviettes, hand towels, bathroom tissue, as well as dispensers.

It also distributes washroom hygiene products like cleaning agents and dispensers, baby and adult diapers. Brands include Pet Pet, Fitti baby diapers, as well as Certainty adult diapers in Singapore. In 2013, Tipex was appointed as the exclusive distributor of a reputable Australian household brand – MR. CLEAN in Singapore.



TISSUE PAPER

403

Workplace Health & Safety

103-1

Why it is important to manage Occupational Health

The noise level generated by our paper cutting machines may result in hearing loss of a worker handling these machines if his naked ear is exposed to the noise over a long period. There is also a significant amount of particulate airborne paper fibers that are by-produced in the course of cutting paper. We have a committee that looks into the Occupational Health and Safety (OH&S) of our factory.



Occupational Health: Ear plugs are personal protection equipment for our workers who operate cutting machines.

103-2

How we manage Occupational Health

POLICY

Workers' welfare is a high priority in our organizational value system. We review our OH&S policy every year during the Environmental Management Review to ensure its suitability and adequacy in the context of all possible changes to our operational, legal, and other obligations. We have an open door policy that serves as a channel for worker to air grievances.

RESOURCES

- All our factory workers are required to wear personal protection equipment such as mouth masks and ear plugs.
- We have provided an eye-wash station for any workers that suffers from eye irritation.

COMMITMENT

- Take effort to identify, assess and control hazards and risks in the workplace
- Establish and communicate an OH&S system involving our employees
- Continually improve our OH&S performance
- Comply with all relevant OH&S laws affecting our industry
- Conduct self-audits to review our policy, objectives, targets, and our performance against these measures
- Make available this policy to any interested parties.

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE

► SPECIFIC STANDARDS DISCLOSURE

TISSUE PAPER

103-1 | Why Workplace Safety is important

RESPONSIBILITY

Paper is easily combustible. At our factory, we have a sizable inventory of jumbo paper rolls, work-in-progress as well as finished goods for tissue paper, toilet rolls, kitchen towels and restaurant napkins products. We therefore view the risk management of fire hazards to be of primary importance. We adopt the ISO 14001 Environment Management System to manage this risk.

103-2 | How we manage the impact of Workplace Safety

POLICY

- All areas within our factory compound are strictly non-smoking, with the exception of an open air space behind the guardhouse that is about 30 meters away from the production and storage building. We made provision for smokers by putting up a clear sign identifying the area that is designated for them.
- Vehicles are only allowed to refill diesel at a designated area about 100 meters away from the production and storage areas. Chemical spillage kits of sand buckets are available at the diesel refill area.
- We have a designated assembly point for headcount check in the event of emergency or fire.

RESOURCES

- ABC dry powder, CO2, fire extinguishers, fire hydrants, hose and hose reels are spread out in the production and storage areas. Floor plans that clearly mark out the locations of our fire-fighting equipment are visibly displayed at different locations in our production and storage areas.
- Speed limit signs are displayed to remind forklift operators not to exceed 5km/hour.
- Exit signs are clearly marked on the floor, as well as on floor plans that are displayed on walls.
- First-aid kits are made easily accessible by workers.



TISSUE PAPER

416

Customer Health & Safety

103-1

Why Product Safety is important

RESPONSIBILITY

Our products such as tissue paper and napkins are usually used for personal hygiene. If product hygiene systems are not strictly implemented, hazards may arise from the use of our tissue products.



Product Safety: Workers wear face masks and gloves to ensure product sanitary hygiene.

103-2

How we manage the impact of Product Safety

POLICY

- We adopt food safety management systems to assure consumers that our products meet high sanitary standards. For example, we apply HACCP practices for food safety in our packaging line where required, such as for restaurant napkins.
- To minimize pollution, vehicles that call on our premises are not allowed to idle for more than 3 minutes before being required to switch off their engines.

ACTION

- We have 7 plastic packaging suppliers from Malaysia, and one from Indonesia. We also have 3 paper packaging suppliers in Malaysia. All these suppliers have received ISO 9001 Quality Management certifications as well as ISO 14001 Environment Management or Good Manufacturing Practice (GMP) certifications.
- The ink used for printing on customized restaurant serviettes is water-based and has been lab-tested to ensure there is no toxicity. All chemicals are cleared by our purchasing department before being allowed in our factory premises.
- We require our suppliers to send samples of plastic packaging and ink to be lab-tested to ensure there is no toxicity in our raw material supply chain.

BOARD STATEMENT

GENERAL STANDARDS DISCLOSURE

► SPECIFIC STANDARDS DISCLOSURE

TISSUE PAPER

308

Supplier Environmental Assessment

103-1

Why sustainable paper procurement is important

103-2

How we manage the impact of sustainable paper procurement

RESPONSIBILITY

Most of our raw material is paper, and that is produced from wood. Deforestation, the clearance of forests for conversion of land to a non-forest use, accounts for almost the same carbon emissions as the entire world's transport sector and is a major driver of biodiversity loss.

Many of our customers now require our paper products to be certified by the Forest Stewardship Council (FSC®).

POLICY

We use only paper procured from FSC® certified suppliers. The certification system allows us to identify, purchase and use wood, paper and other forest products produced from well-managed forests and/or recycled materials. We have adopted its Chain of Custody system.

We have 8 paper roll suppliers – two from China, two from Vietnam, two from Indonesia, one from Taiwan, and one from Malaysia. Most of the material for our packaging boxes are from recycled sources.



TIPS Industry (Malaysia) sustainable development team, L-R:

David Vong	Senior QA Executive and FSC-CoC Management Rep
Yow Hon Cheong	General Manager
Sieow Hock Ang	Senior Purchasing Executive
Norizal Bin Mokhtar	Assistant QC Supervisor
Siti Noor Hidayah	Senior Store Officer
Lily Toh	Accounts & HR Manager
Chew Li Yen	Sales & Production Planning Manager

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DISCLAIMER

To the best of our knowledge, the Group has not identified any incidence of non-compliance in its activities related to the following aspects during the period under review.

GRI Standard Disclosure

Environmental Compliance	307-1	Environmental laws and regulations
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling
Customer Privacy	418-2	Substantiated complaints concerning breaches of customer privacy and losses of customer data
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area

Reporting Period GRI 102-50	FY2017
Date of most recent previous report GRI 102-51	N.A.
Reporting cycle GRI 102-52	Annually from 1 January to 31 December
Contact GRI 102-53	El Lee, staff@financialpr.com.sg
GRI application GRI 102-54	This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2016).
External assurance policy GRI 102-56	The disclosures in this report are not externally assured.



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