

**TAT SENG PACKAGING GROUP LTD**

SUSTAINABILITY REPORT

**2019**



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# CHAIRMAN'S MESSAGE



## DEAR SHAREHOLDERS,

As we close off 2019, we look back fondly at Tat Seng Packaging Group Ltd and its subsidiaries (the “**Group**”) impactful year of growth and our continued pursuit of sustainable development. We have come a long way since our inception in 1968, and today we have become a leader in the corrugated packaging industry. With this success comes a huge responsibility to our customers and our planet. We strongly believe that thriving businesses of the future are those that put in conscious effort to take care of their people and the planet, in tandem with their business goals.

Our vision for sustainable growth is simple – to provide quality products and services to our customers while minimizing the negative environmental impact and increasing our positive social impact.

Ever since we obtained the ISO 14001 Standard for Environment Management System in 2004, I am proud to say that we have been continually seeking ways to improve the way we work and manage our impact on the environment. In late 2017, the Singapore Plant installed new wastewater treatment equipment to treat our industrial used water and dispose sludge through a local licensed waste collector. This effective implementation of wastewater management has stopped us from discharging any trade effluent into public sewers. We are heartened by our progress in this aspect and will continue to strive to do better in the years to come.

## CHAIRMAN'S MESSAGE

The Group is conscious of our responsibility in supporting our customers to move towards more sustainable patterns of consumption. Alongside the Singapore National Environment Agency (NEA)'s drive for packaging reporting, we have been stepping up our efforts in this space. We aim to work closely with NEA in collecting data on our packaging and in drawing up plans to reduce the amount of packaging waste. Together, we believe we can help Singapore to achieve its goal of becoming a Zero Waste Nation.

As we step into the next financial year, our world is also faced with the pressing challenge of the COVID-19 outbreak. In light of this COVID-19 pandemic, the Group will monitor the evolving situation closely, while taking all necessary precautionary measures to safeguard the health and safety of our employees, and complying with directives from the relevant local authorities. Nevertheless, corporations have a responsibility to continue to push for sustainability and implement the positive change that the world needs.

Our ambitions for the future are by no means small. We have big business goals to achieve, underpinned by our commitments to our people and planet. The Group will continue to work with our customers, employees and other stakeholders to support the UN Sustainable Development Goals (SDGs) and focus on SDG 12 – Responsible Consumption and Production & SDG 13 – Climate Action, where we can make the biggest contributions.

Part of the journey of growth includes learning from our stakeholders. As always, we welcome conversations on how we may improve our environmental, social and governance (“ESG”) factors, via email to [sr@tspg.sg](mailto:sr@tspg.sg).

### **DR ALLAN YAP**

Executive Chairman

# SUSTAINABILITY HIGHLIGHTS 2019

## The Group

**100%**  
of paper used in production is recyclable



## Tat Seng Singapore

**100%**  
of paper used in production was FSC Certified Paper



**20%**  
reduction in average electricity usage down from 2014

**22%**  
of Board Seats reserved for women.  
Made a commitment to the Company's Board Diversity Policy



**71%**  
increase in training hours per employee

**0**  
losses due to occupational disease and  
work-related fatalities



Received a **BATU (Building Construction & Timber Industries Employees' Union) Progressive Partner Award**, in recognition of the company's contributions towards good labour-management relations, workers' welfare and the Labour Movement's Initiatives for progressive practices.

# ABOUT THE COMPANY

Tat Seng Packaging Group Ltd (the “Company”) was incorporated in Singapore and has been publicly listed on the Main Board of Singapore Exchange since 2001. Hanwell Holdings Limited holds 63.95% in the shareholding of the Company. The CEO of the Company, Mr Loh See Moon, holds 15%.

Please refer to the FY2019 Annual Report for the list of top shareholders as at 16 March 2020.

## VALUES AND CODE OF ETHICS (102-16)



Diagram 2: Our Values & Code of Ethics

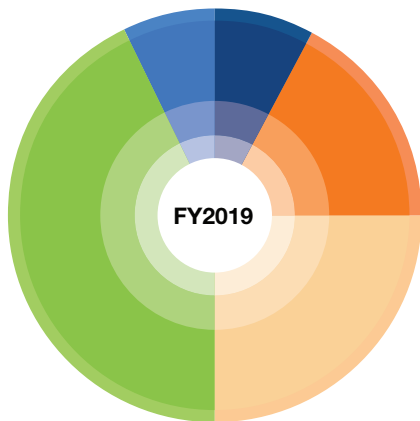
## OUR SOLUTIONS (102-2)

The Group manufactures and sells corrugated paper board and cartons, and other corrugated paper packaging products.

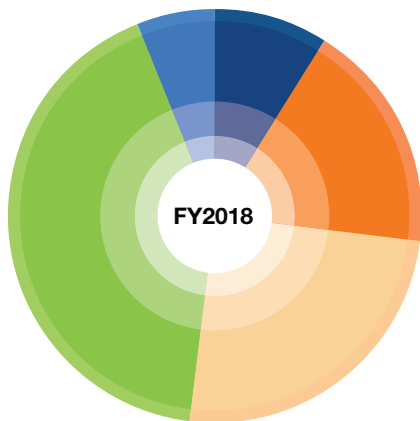
## ABOUT THE COMPANY

### INDUSTRIES WE SERVE (102-6)

Our clients are mainly multi-national corporations and local manufacturers in medical & healthcare, pharmaceutical & chemical industry, food & beverage industry, electronics & electrical industry, printing & converters and other industries.



Printing, Publishers & Converters	43%
Medical & Healthcare, Pharmaceutical & Chemical	25%
Electronics & Electrical	17%
Others	8%
Food & Beverage	7%



Printing, Publishers & Converters	42%
Medical & Healthcare, Pharmaceutical & Chemical	25%
Electronics & Electrical	18%
Others	9%
Food & Beverage	6%

Diagram 3: Sales Analysis by Customer Industry Sector for FY2019 and FY2018

# ABOUT THE COMPANY

## HQ LOCATION (102-3)

28 Senoko Drive Singapore 758214

## GEOGRAPHIC PRESENCE (102-4)

We have manufacturing facilities in Singapore and China (Suzhou, Nantong, Hefei and Tianjin).



Diagram 4: Where We Operate



# ABOUT THE COMPANY

## OUR SUPPLY CHAIN (102-9, 102-10)

Paper roll is the main raw material in our production. The major types of paper roll we use for the production of our products are kraftliner, kraft top liner, medium and white top liner.

In Singapore we mainly procure paper roll from paper suppliers who represent their principals located in Thailand, Malaysia, Australia, Indonesia and Taiwan. Our paper roll in China mainly come from paper mills in China.

There were no significant changes to our supply chain in 2019. The Group's policy is to continually ensure that all our supplies are purchased from sustainable sources. We suspend procurement from suppliers which are reported to have engaged in errant practices until there is reasonable assurance that the offending practice has been rectified.

## MEMBERSHIP OF ASSOCIATIONS AND EXTERNAL INITIATIVES (102-12, 102-13)

- Singapore Institute of Directors
- Singapore Business Federation
- Corrugated Box Manufacturers Association
- Singapore Manufacturing Federation
- Singapore Productivity Association
- Singapore-China Business Association
- Singapore Chinese Chamber of Commerce & Industry
- ISTA (International Safe Transit Association)
- Forest Stewardship Council (via Supplier)
- Tripartite Alliance for Fair & Progressive Employment Practices

Table 1: Membership of Associations and External Initiatives

# ABOUT OUR REPORT

This report presents the annual sustainability performance of the Group for the period 1 January 2019 to 31 December 2019 and has been prepared in accordance with GRI Standards. This sustainability report is ultimately endorsed by the Board of Directors (the “**Board**”).

Data in this report covers all of the Group, unless otherwise stated.

## SUSTAINABILITY TARGETS FOR 2020 (102-15, 103-3)



Diagram 5: Sustainability Targets for 2020

# OUR SUSTAINABILITY APPROACH

## OUR SUSTAINABILITY STRATEGY (102-29)



Diagram 6: Our Sustainability Framework

We hold firmly to operating sustainably as a business. The sustainable development of the Group represents our broader environmental and societal interests, beyond pure business interests. We integrate sustainability practices into our decision-making.

Our Board of Directors reviews business sustainability-related actions proposed by the senior management team and monitors the effectiveness of their implementation. This way, we ensure that our sustainability goals are closely integrated with our business objectives.

# OUR SUSTAINABILITY APPROACH

## SUSTAINABILITY GOVERNANCE (102-18)

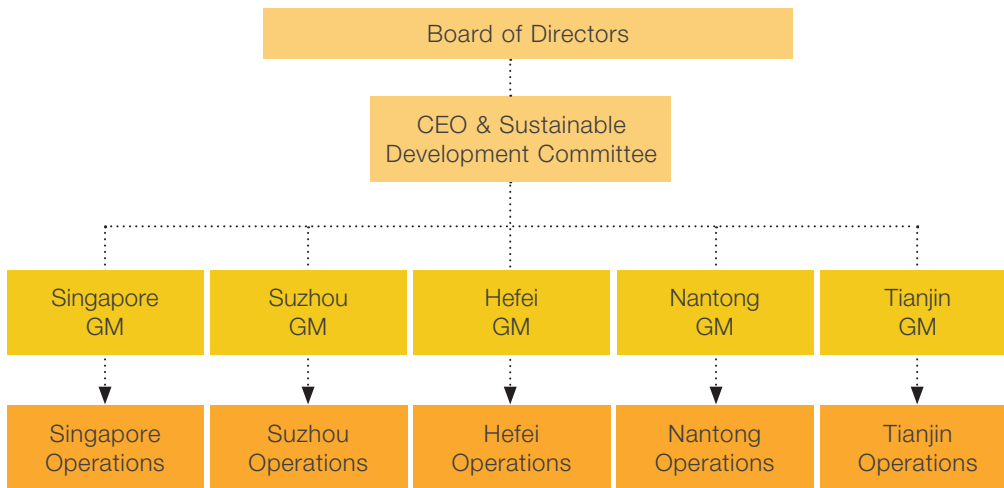


Diagram 7: Sustainable Governance in Our Group

## CORPORATE GOVERNANCE (102-18, 103-2)

The Group is committed to setting and maintaining high standards of corporate governance as well as promoting corporate transparency by adhering closely to the principles and guidelines set out in the Code of Corporate Governance 2018. One of the roles of the Board is to consider sustainability issues, such as environmental and social factors, as and when necessary, as part of its strategic formulation.

To ensure that specific issues are subject to considerations and review before the Board makes its decision, the Board has established a number of Board Committees to assist the Board in carrying out more effectively its oversight function. These Committees function within clear Board-approved written terms of reference. Such terms of reference will be reviewed by the Board and Board Committees on a regular basis to ensure their continued relevance and to enhance the effectiveness of these Board Committees.

The Board implemented a Board Diversity Policy in November 2019, reserving at least 10% of the total number of board seats for women. 22% of the Board seats are currently occupied by women.

# OUR SUSTAINABILITY APPROACH

## NOMINATING BOARD MEMBERS (102-24)

To ensure oversight of nominating board members, the Board has established a Nominating Committee (“**NC**”). The NC reviews Board composition annually to ensure there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board.

When a vacancy exists, the NC, in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. Candidates may be suggested by Directors or Management or sourced from external sources. Whilst mindful of related regulatory requirements, the NC considers prospective Board Members based on good character, merit, competencies, expertise, skills, track record, background and other qualities. To promote diversity, the NC will also give due consideration to gender, age, ethnicity, disability and geographic representation.

The NC will then make a recommendation to the Board for the appointment. The Board then appoints the most suitable candidate who must stand for re-election at the next Annual General Meeting (“**AGM**”) of shareholders.

## SUSTAINABLE DEVELOPMENT COMMITTEE (102-32, 103-2)

In 2017, the Group formed a committee to promote, monitor, and report on sustainability business practices. The committee reports to the Board and is represented by Managing Director/CEO, Mr Loh See Moon, and Executive Director, Madam Cheong Poh Hua. Full profiles of our directors are available on pages 8 to 12 of our Annual Report FY2019.

## CONFLICTS OF INTEREST (102-25, 103-2)

A Conflict of Interest policy and disclosure process is in place to protect the interests of the company. All disclosures are to be made to the HR Manager and the General Manager/Director. They will determine whether a conflict exists and how to proceed accordingly.

## INVESTOR RELATIONS POLICY (102-33, 103-2, 103-3)

The Investor Relations Policy was updated in November 2019 to outline our modes and frequency of communication and affirm our compliance with relevant regulations and recommended practices designed to provide our shareholder community access to timely and material information. We are committed to making timely, full and accurate disclosures in accordance with the listing rules of the Singapore Exchange Securities Trading Limited.

## OUR SUSTAINABILITY APPROACH

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### PERSONAL DATA PROTECTION POLICY

Your confidentiality and privacy is of our utmost concern and we have a Privacy Policy in place complying with the data protection principles provided under the Singapore Personal Data Protection Act 2012 (PDPA). This Privacy Policy applies to all employees, divisions, subsidiaries, associated, related and affiliated companies and any entities and/or prospective customers, suppliers and shareholders.

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### WHISTLE-BLOWING POLICY (102-17, 102-33)

In our commitment to uphold corporate governance best practices, we updated our whistle-blowing policy in January 2013. This policy outlines the scope, objectives, safeguards and reporting procedures for any suspected unethical or illegal acts.

Concerns about the Group's practices can be addressed to:  
Chairman of the Audit Committee  
c/o. Company Secretary of Tat Seng Packaging Group Ltd  
RHT Corporate Advisory Pte Ltd.  
30 Cecil Street #19-08  
Prudential Tower  
Singapore 049712

# STAKEHOLDER ENGAGEMENT

## ENGAGEMENTS WITH KEY STAKEHOLDER GROUPS IN 2019 ON KEY TOPICS AND CONCERNS (102-40, 102-42, 102-43, 103-1, 103-2)

We study international best practices to determine areas of sustainable development that may be relevant to the Group over the long term. We have the following goals in our stakeholder engagement activities:

- Understand stakeholder priorities and values in sustainable development.
- Align our goals and values with that of the stakeholder group.
- Improve on environmental, social and governance matters that our activities have impact on.

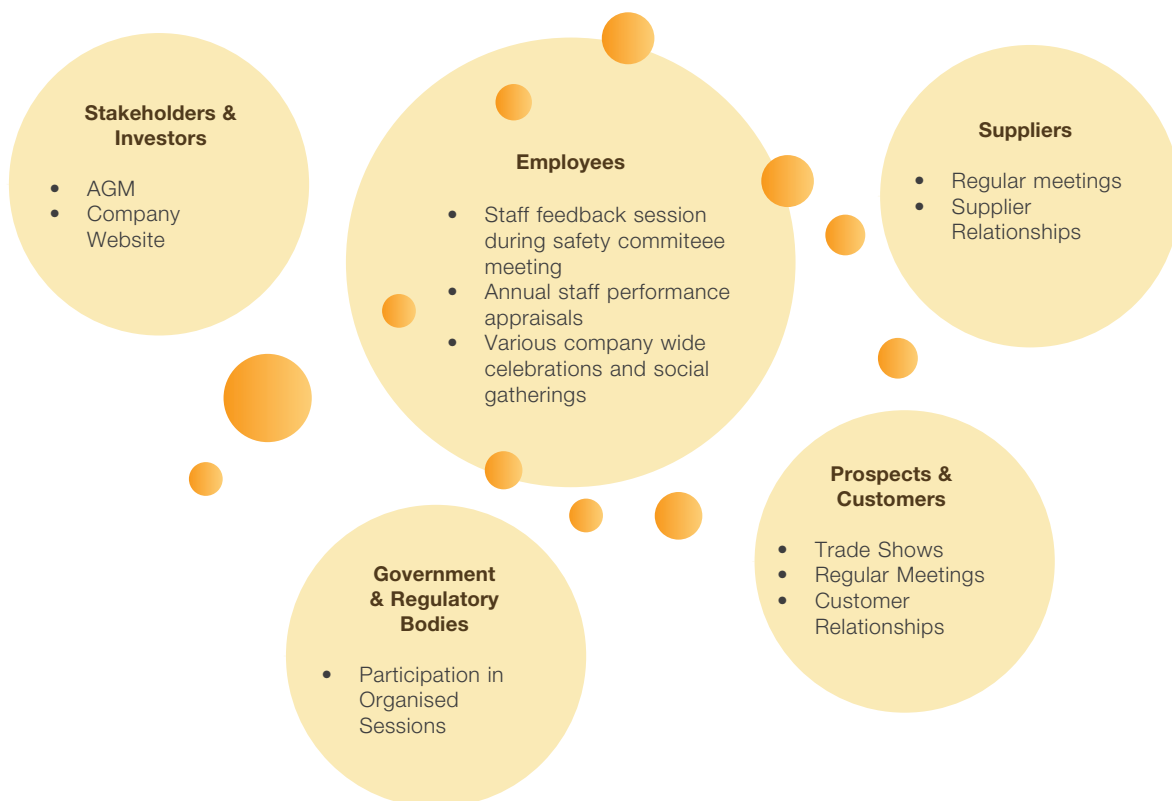


Diagram 8: How We Engage with Stakeholders

# STAKEHOLDER ENGAGEMENT

## MATERIALITY ASSESSMENT (102-42, 102-43, 102-44, 102-46, 103-1, 103-2, 103-3)

Carrying out a Materiality Assessment is the most important aspect of our sustainability strategy because it ensures we learn about the sustainability issues that concern our stakeholders and address them promptly, leading to a more robust and sustainable organisation.

2019's materiality assessment process included meetings with internal stakeholders such as employees and management, and an online survey. There was a difference in the order of importance of some of the materiality topics.

- a) Economic Issues moved from Position 5 in 2018 to Position 1 in 2019
- b) Occupational Safety and Health moved from Position 6 in 2018 to Position 2 in 2019
- c) Responsible Sourcing remained in Position 3

Disclosures in this report cover our Singapore and China manufacturing facilities in general. However, all topics reflected in the Material matrix only cover our Singapore Plant. Metrics applicable to GRI core disclosures are reported only if they are a good representation of the impact of our value chains.



Diagram 9: Materiality Assessment Reporting Approach and Framework



# STAKEHOLDER ENGAGEMENT

## MATERIAL MATRIX (102-44, 102-47)

The chart below represents internal and external stakeholders' sentiment on the importance of sustainability issues material to the Company relative to stakeholders.

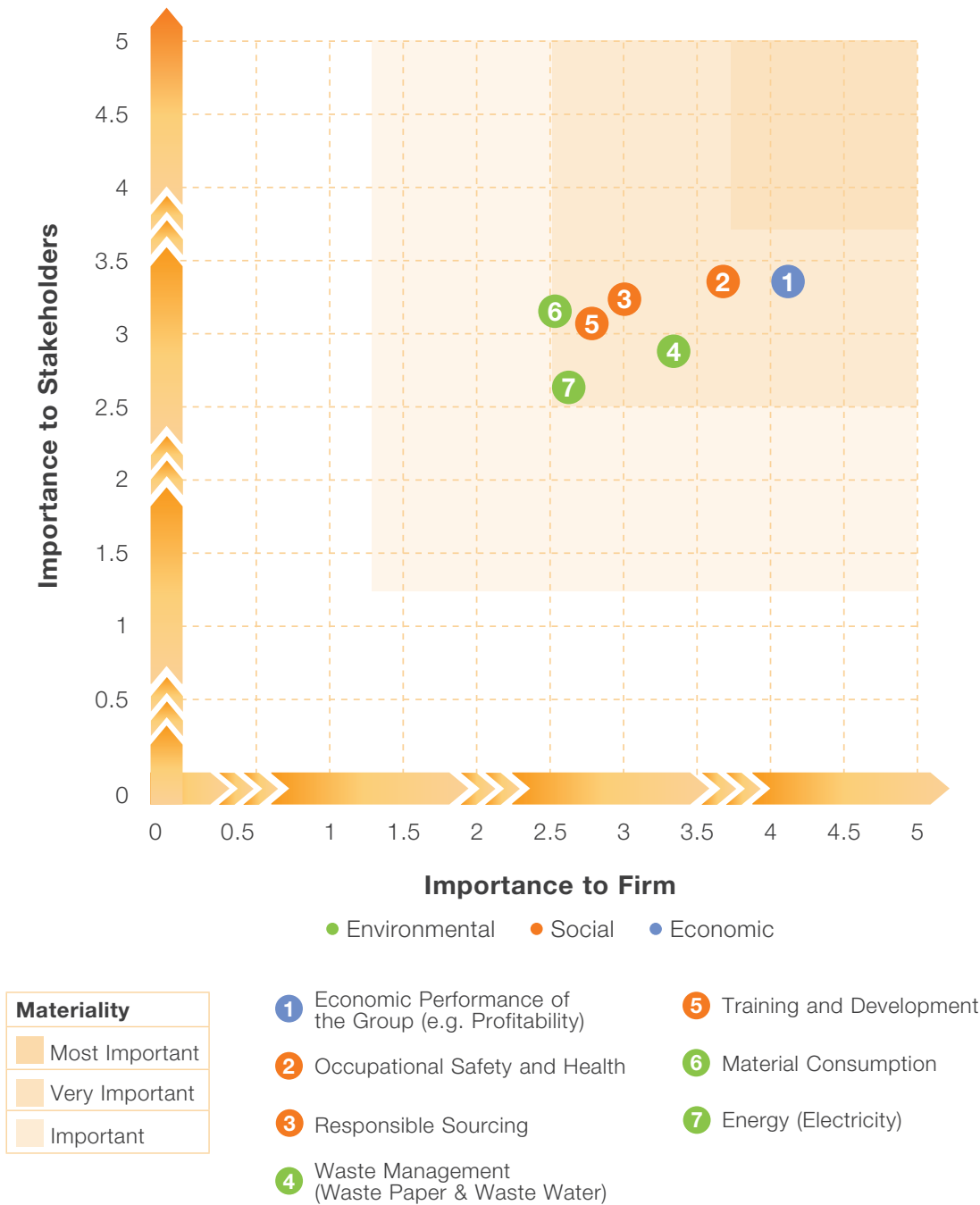


Diagram 10: Material Matrix

# ECONOMIC PERFORMANCE

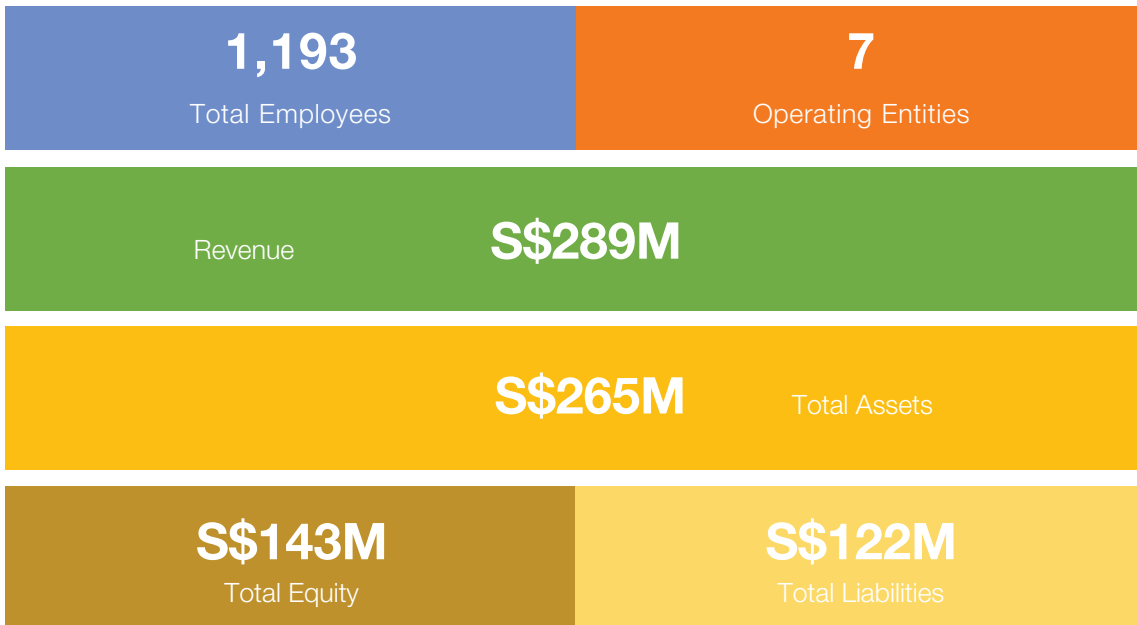


Diagram 11: Organisation Scale and Financial Position (Revenue, Assets, Equity and Liabilities Expressed in SGD Millions)

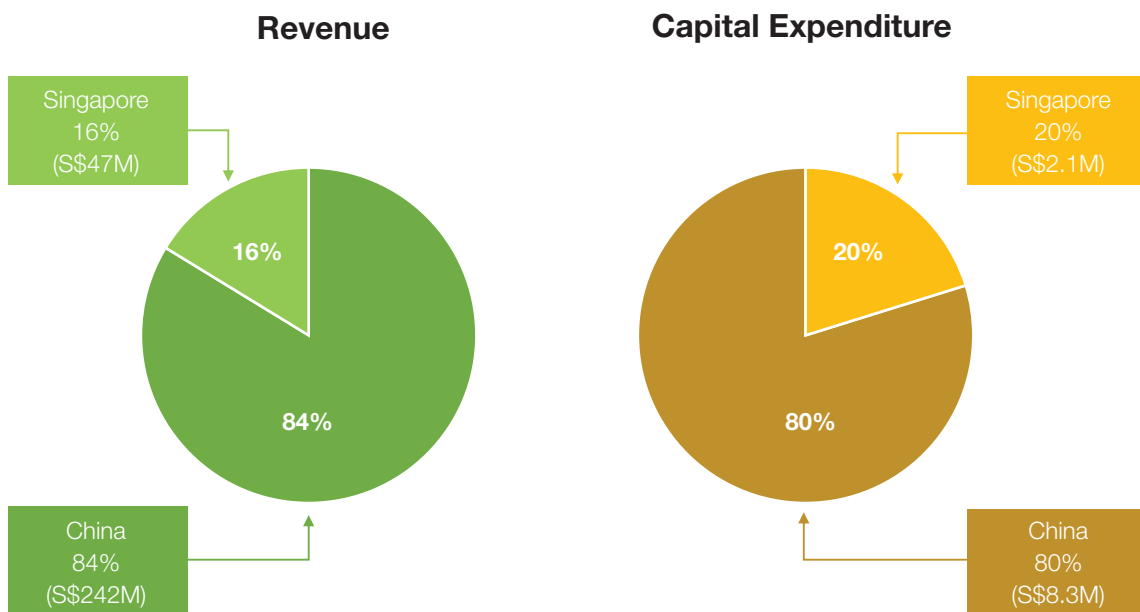


Diagram 12: Revenue and Capital Expenditure for Singapore and China Expressed in SGD Millions

# ECONOMIC PERFORMANCE

	S\$'000
<b>Direct Economic Value Generated</b>	
<b>Revenue, interest income &amp; disposal gains</b>	289,164
<b>Economic Value Distributed</b>	
<b>Operating costs</b> (Include cost of materials, product components & other operating costs)	226,270
<b>Employee wages and benefits</b> (Employee costs include salaries and benefits)	35,359
<b>Payments to providers of capital</b> (Include dividend & interest paid)	8,137
<b>Payments to governments</b> (Include net income taxes paid)	3,253
<b>Community investment</b> (Include voluntary donations to charity)	13
<b>Economic Value Retained</b>	
<b>Direct economic value generated less Economic value distributed</b>	16,132

Table 2: Direct Economic Value Generated and Distributed in SGD for 2019

# SOCIAL PERFORMANCE

## HUMAN CAPITAL (102-8A, 102-8B, 102-8E, 102-8F, 102-41, 401-3B, 405-1)

	Men	Women	Total
<b>Permanent</b>	649	384	1,033
<b>Contract</b>	110	50	160
<b>Group</b>	759	434	1,193

Table 3: Total Number of Employees by Headcount, by Gender

	Men	Women
<b>Management</b>	65%	35%
<b>Non-Management</b>	63%	37%

Table 4: Percentage of Employees by Employment Category

	≤20y	>20-30y	>31-40y	>41-50y	>51-60y	>60y
<b>Group</b>	2%	23%	29%	27%	15%	4%

Table 5: Percentage of Employees by Age

	% Recruitment	% Turnover
<b>Singapore</b>	1.8	1.6

Table 6: New Employee Hires &amp; Turnover in Singapore

In Singapore, 57% of employees are covered by Collective Agreements of BATU. In 2019 we received a BATU Progressive Partner Award in recognition of the company's contributions towards good labour-management relations, workers' welfare and the Labour Movement's Initiatives for progressive practices.

In Singapore, 3 employees took paternity leave in 2019.

Due to the nature of the Company, there is no significant seasonality in our workforce numbers and no significant work is performed by non-employees.

# SOCIAL PERFORMANCE

## TRAINING & DEVELOPMENT (103-2, 103-3, 404-1, 404-2, 404-3)

We endeavour to facilitate an environment where individuals can thrive professionally, by continually providing opportunities for upgrading skills and training. Internal and external training programmes for career development are organised to assist our employees to excel in their roles. Furthermore, we grant examination leave to all staff who undertake courses of study that are relevant to their profession, regardless of whether they are sponsored by the Company.

	2019			2018		
	Female	Male	Total	Female	Male	Total
<b>Average Hours Per Employee</b>	7.9	9.3	8.9	4.1	5.6	5.2

Table 7: Training Hours by Gender in Singapore

	2019			2018		
	Exec	Non-Exec & Below	Total	Exec	Non-Exec & Below	Total
<b>Average Hours Per Employee</b>	4.6	10.9	8.9	4.6	5.5	5.2

Table 8: Training Hours by Category in Singapore

In 2019, the total number of training hours almost doubled from 2018. The average hours of training per employee from 2018 also increased by 3.7 hours. This was due to further training taken up by employees who were from the Non-Executive or lower category.

External training was sponsored for 20+ employees. The course topics taken ranged from Facilitating Change, Software Development, IoT Applications in Supply Chain Management, PDPA to Strategic Leadership. After staff have attended training, they are encouraged to share what they have learned with their colleagues to help supervisors evaluate whether the same training should be rolled out to the rest of the staff in the future.

Regular performance and career development reviews are conducted twice a year. Our performance evaluation system provides an avenue for two-way feedback between our employees and their reporting superiors. This system allows us to recognise and reward employees for their contributions and motivate them toward performance improvement and career development. Where possible, we promote the employees who have demonstrated potential and have the relevant skills to fill vacant positions instead of recruiting externally. The appraisal process also actively identifies talents for future leadership roles on an ongoing basis.

We will continue to assist our employees in harnessing their talents for their own professional development. This, we recognise, will eventually benefit our organisation as well.

# SOCIAL PERFORMANCE

## COMMUNITY OUTREACH (413-1)

In 2019, we did the following to help local communities:-

- Sponsored 1 Scholarship towards the Diploma in Social Enterprise Management via Republic Polytechnic Education Fund
- Cash Donation to RHT's Rajan Menon Foundation Charity Golf 2019
- Sponsored employees to participate in the Singtel-Race Against Cancer organised by Singapore Cancer Society
- Cash Donation to charity in Nantong, China as financial aid for students from low-income families

## OCCUPATIONAL HEALTH & SAFETY (103-2, 103-3, 403-1)

In Singapore, workplace safety and health is regulated through the Workplace Safety and Health Act and Work Injury Compensation Act. As occupational hazards generally exist in a manufacturing environment, we consider workplace safety and occupational health a priority for our employees. Our health & safety guidelines highlight clear communication about workplace safety to eliminate hazardous incidents that may arise

Each employee is expected to observe all rules and regulations governing safety practices, use the safety equipment provided and practice safety at all times. Training and briefing are constantly provided at the Production level and communicated to new and existing employees to understand the rules and safety regulations before the start of each work day.

We acknowledge responsibility for the health and safety of all employees. We have the following in place:

### a) Workplace Safety & Health Committee (“WSHC”)

Includes various department supervisors who monitor, manage, and implement workplace safety practices. The committee meets at least once a month to develop, plan, organise, manage and improve on our workplace safety programs. The meeting is chaired by the committee chairman (also our Production Manager) and the committee secretary is a registered Workplace Safety & Health Officer.

### b) 5S Committee

Organise a monthly inspection to ensure that the concept of 5S – Sort (seiri), Set in Order (seiton), Shine (seiso), Standardise (seiketsu) and Sustain (shisuke) – is habitually practiced, and to commend the efforts of our staff in maintaining a tidy, clean and safe working environment within the organisation.

## SOCIAL PERFORMANCE

Total Workplace Safety and Health (“**Total WSH**”) is an integrated approach to managing safety, health and well-being in the workplace. This approach views a safe and healthy workplace as one that has workers and managers collaborating in a continual improvement process to protect and promote the health, safety, and well-being of all workers and the sustainability of the workplace.



Diagram 13: Implementing Total WSH Process

### PREVENTATIVE MEASURES (103-2, 103-3)

We have put in place numerous preventative measures to ensure safety of our employees.

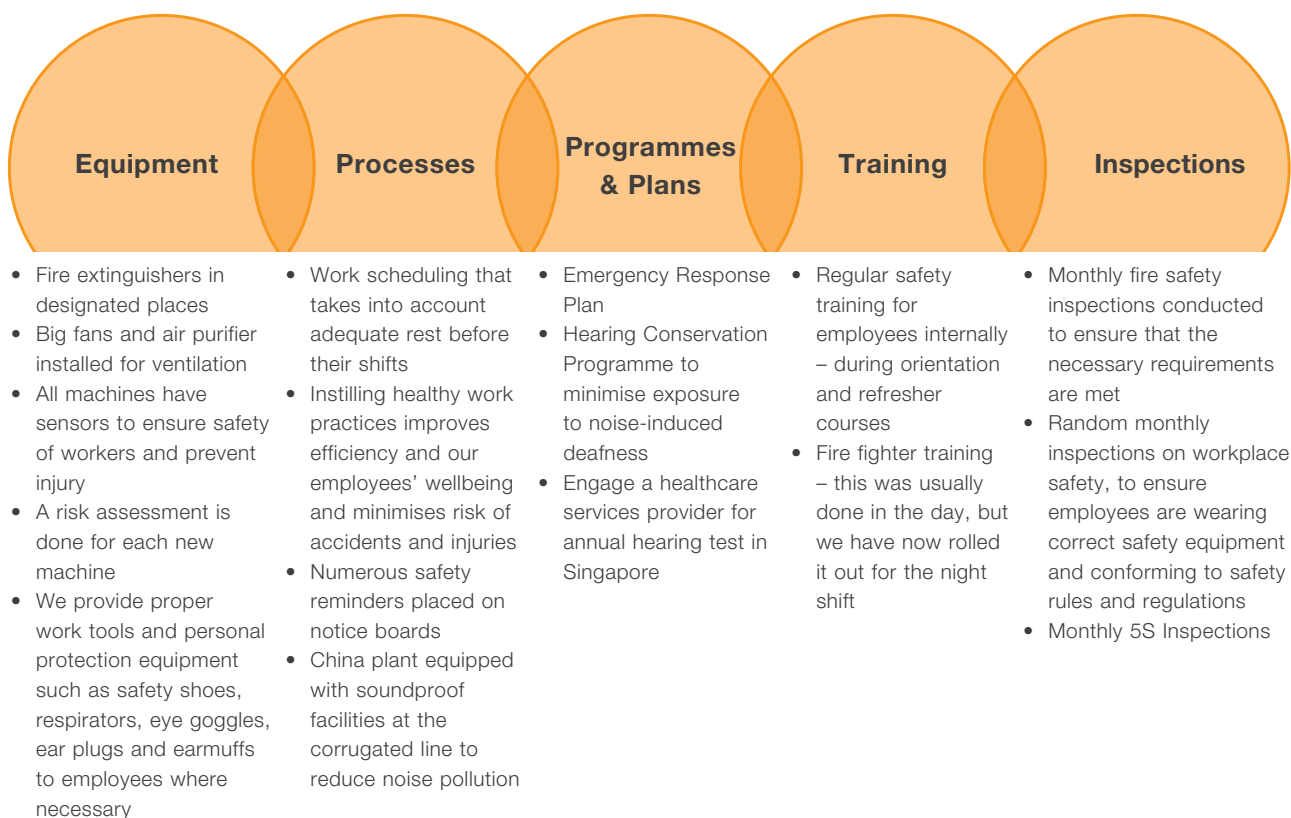


Diagram 14: Preventive Measures Taken to Create a Healthy & Safe Working Environment

# SOCIAL PERFORMANCE

## INJURY & OCCUPATIONAL DISEASE RATE (103-2, 103-3, 403-2)

A commitment to employee health, safety and well-being is embedded in our culture and shapes the design of our processes and products. We take a holistic approach, offering a wide variety of guides, training, programmes and benefits to promote employee health, safety and wellness. One such programme is the SATA Chest X-Ray Programme, ensuring treatment if any employee contracts tuberculosis. This helps in reducing incidence and risk of related diseases.

	2019		2018	
	Female	Male	Female	Male
<b>Occupational Disease Rate</b>	0	0	0	0
<b>No of work-related fatalities</b>	0	0	0	0
<b>No of non-fatal work injuries</b>	2	9	1	7
<b>Injury Rate<sup>1 a)</sup></b>	0.89	3.98	0.4	3.1
<b>Lost Day Rate<sup>1 b)</sup></b>	3.98	42.48	0.9	87.05

Table 9: Injury & Occupational Disease Rate for Singapore Employees. Please refer to footnote<sup>1</sup> for formula

According to Singapore Ministry of Manpower (MOM)'s Workplace Safety and Health (WSH) Report 2019, the nation recorded 39 workplace fatality cases. In comparison, we did exceptionally well in maintaining zero losses.

## ABSENTEE RATE (403-2)

Absentee means absent from work because of incapacity of any kind, not necessary as a result of work-related injury or disease, but excludes permitted leave absence such as holidays, examination leave, maternity leave or paternity leave and compassionate leave. The absentee rate is calculated as actual absentee days lost, expressed as a percentage of total days scheduled to be worked by the employees for the entire year.

Our absentee rate in Singapore has increased slightly from 1.7% in 2018 to 2.1% in 2019. This was correlated to the rise in injuries and increase in lost day rate for females.

We continue to encourage our employees to maintain a healthy lifestyle to help keep the absentee rate low.

1 a) Injury Rate = No of Workplace Accidents Reported x 200,000 hours worked/No of Man-hours Worked  
b) Lost Day Rate = No of Man Days Loss x 200,000 hours worked/No of Man-hours Worked



# SOCIAL PERFORMANCE

## EMPLOYEE ENGAGEMENT (103-2)

Engaging our employees is our way of showing our appreciation. This is also one of the ways we receive feedback from our employees. We recognise and appreciate the contribution of staff who have worked with us for many years by presenting awards during the Annual Company Dinner.

In 2019, Long Service Awards were presented to Singapore employees.

2019 Awards	No of Employees
10 years	9
20 years	6
30 years	4
40 years	1
50 years	1

Table 10: Total Number of Employees by Service Length Category

We also organised company events and activities to encourage staff engagement such as those during Lunar New Year, 7th month Dinner, Annual Company Dinner and Christmas.

## ENVIRONMENTAL PERFORMANCE

As the Group's raw materials significantly comprise of paper, our management has identified that paper waste management and supplier assessment for environmental impact are key material aspects for the Group's sustainable development.

We attained ISO 140001 Environmental Management System certification to help us guide and manage our environmental responsibilities. We are committed to reducing and preventing pollution to the environment, by implementing an effective Environmental Management System ("**EMS**") and Environmental Policy. Our EMS seeks to

1. Conserve energy and recycle our waste.
2. Use Ozone Depleting Substance (ODS) Free materials in our manufacturing processes.
3. Minimize the use of depletable natural resources.
4. Minimize the generation of waste and pollutants by our manufacturing process.
5. Comply with local environmental legislation and other requirements.
6. Continuously improve the performance of the environmental management system.

Our operation team regularly reviews our production process and equipment to minimise paper wastage, reduce energy and waste.



Paper waste is compacted into bales at our factory premise.

# ENVIRONMENTAL PERFORMANCE

## PAPER (103-2, 103-3, 301-1, 306-2)

Our raw materials mainly comprise of paper harvested from wood. Whilst wood is a renewable resource, paper can be recycled several times.

In 2019, our factories in China and Singapore consumed 267,277 tons of paper rolls. As we offer customised solutions, paper waste is unavoidable. Our paper shreds are automatically collected using conveyor belts under grooves on our factory floor. The wastepaper is then compacted into bales and sold to a local licensed wastepaper collector. The collector collects the wastepaper daily (from a skip bin they have provided), consolidates them and exports the wastepaper to overseas paper mills for re-manufacturing into various recycled paper and paper products.

In 2019, we met the targets in our Environmental Policy to keep paper wastage under 8.6% annually. We disposed 22,479 tons as waste, and that is equivalent to 8.41% of our total paper consumed, of which 100% of this waste was recycled.

## ENERGY (103-3, 302-1, 302-4)

We cultivate energy efficient practices in our operating plants and offices in Singapore. In 2019, our average electricity usage (kWh) per metric ton of actual paper produced per month was 90 kWh/mt – a 20% reduction from 2014. We attribute this to our energy conservation efforts which we have made in the last 5 years.

Our energy efficiency efforts also include:–

- a) By end 2019, replaced 5% of all 150w-200w Induction High Bay lamps to 80w-100w LED lights when old bulbs were used up.
- b) Installing skylights in Singapore operating plant to allow sunlight onto the production floor.
- c) Using natural gas for fuel in Singapore plant since 2017.
- d) Suzhou, Hefei and Tianjin plants in China are using steam as a source for fuel while two Nantong plants use natural gas for fuel.
- e) Ensuring all air-conditioning units are using R410A environmental friendly refrigerant.

For 2020, we will continue to work towards improving energy efficiency across all our plants and offices.

<sup>2</sup> <https://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling>

# ENVIRONMENTAL PERFORMANCE

## **WATER & EFFLUENTS (103-2, 306-1, 306-2, 306-4)**

The Group uses water during production of corrugated products, resulting in the release of industrial used water. We recycle the industrial used water for our manufacturing process where possible.

In Singapore, the discharge of trade effluent into the public sewers is regulated by the Public Utilities Board (PUB), which conduct regular checks on effluent discharge.

In late 2017, the Company was the first corrugated plant in Singapore and Asia to acquire an Evaporator system to treat wastewater. The Evaporator converts wastewater to vapour and the leftover sludge is disposed of by a licensed waste collector. Since mid-2018, we have stopped discharging industrial used water into public sewers in order to meet PUB's regulations.

As part of our risk-based approach to comply with Singapore PUB's Trade Effluent Regulations, our wastewater samples are regularly collected at the final discharge inspection chamber and analytically tested by an external local laboratory. In 2019, we have conducted wastewater analysis in March, August and November, and the test results are all within PUB's Allowable Limit.

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## **SUPPLY CHAIN MANAGEMENT (301-1)**

Most of our raw material is paper roll, produced from wood. In order to obtain paper, logging and deforestation are necessary. However, the process of logging and deforestation create long term loss to ecosystems. According to the World Wildlife Fund's *Climate, Nature and our 1.5° Change* report, logging to produce timber and pulp for global markets is the main driver of forest degradation.

We recognise that the nature of our business requires us to utilise a considerable amount of paper from all over the world.

Consumers across the world are increasingly concerned about protecting the environment and for them, the source of products they purchase is important. As such, we recognise that sustainable procurement is a prerequisite for our long-term sustainability.

# ENVIRONMENTAL PERFORMANCE

## SUSTAINABLE PROCUREMENT GUIDELINES (103-2, 103-3, 301-1, 301-2, 308-1)

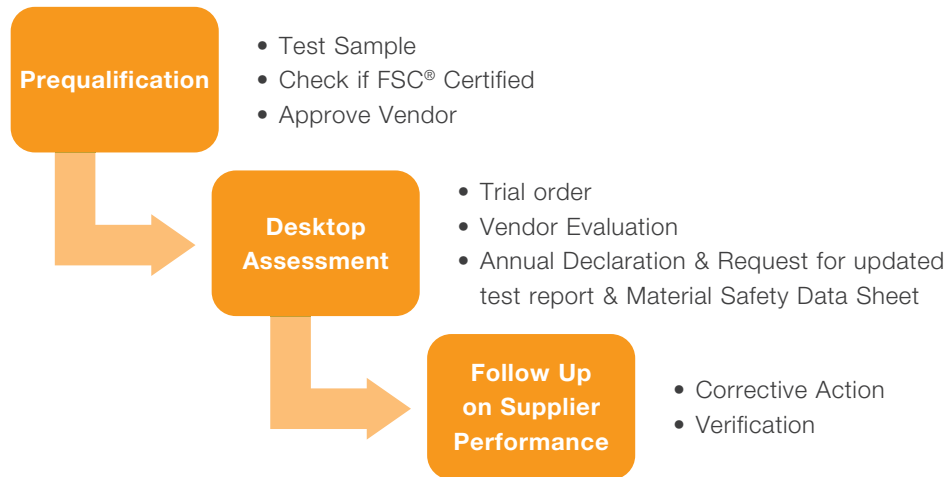


Diagram 15: Guideline for Sustainable Procurement

We screen all our suppliers thoroughly to meet our sustainability standards. We ensure we procure paper roll mainly 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. Adoption of the FSC® Chain of Custody means that the paper we use as raw material is unlikely to have been harvested illegally in violation of traditional or civil rights, or in a way that threatens high conservation value areas.

We also ensure we follow environmental guidelines when procuring suppliers. Furthermore, every year, we review our suppliers and their activities to ensure they meet our sustainability standards.

In 2019, the Company imported all the paper from FSC® Certified suppliers.

	2019	2018	2017	2016	2015
<b>FSC® Certified (%)</b>	100	90	88	79	65
<b>Non FSC® Certified (%)</b>	0	10	12	21	35

Table 11: Percentage of Supply of Certified vs Non-Certified Paper in Singapore

# GRI

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102-8e	Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).	19
102-8f	An explanation of how the data have been compiled, including any assumptions made	19
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# GRI

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**ACRA UEN**

197702806M

**Company Name | GRI 102-1**

Tat Seng Packaging Group Ltd

**Reporting Period | GRI 102-50**

FY2019

**Date of most recent previous report | GRI 102-51**

FY2018

**Reporting cycle | GRI 102-52**

Annually from 1st January to 31st December

**Contact | GRI 102-53**

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**GRI application | GRI 102-54**

This report contains Standards 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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