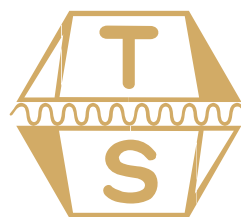


SUSTAINABILITY
REPORT 2020



TAT SENG PACKAGING GROUP LTD

TABLE OF CONTENTS

OUR MISSION	02
BOARD STATEMENT	03
ABOUT THE COMPANY	04
ABOUT OUR REPORT	08
RESPONDING TO COVID-19	09
SUSTAINABILITY HIGHLIGHTS IN FY2020	12
SUSTAINABILITY GOALS FOR FY2021	13
OUR SUSTAINABILITY APPROACH	14
STAKEHOLDER ENGAGEMENT	15
MATERIALITY MATRIX	16
RESILIENCE THROUGH GOVERNANCE	18
RESILIENCE THROUGH ECONOMIC CONTRIBUTION	21
RESILIENCE THROUGH CONNECTING PEOPLE	23
RESILIENCE THROUGH ENVIRONMENTAL DESIGN	29
GRI CONTENT INDEX	33

OUR MISSION

Our mission for sustainable development integration is to provide corrugated paper packaging solutions through the adoption of international best practices that positively impact stakeholders in our supply chain.

BOARD STATEMENT

(GRI 102-14)

DEAR SHAREHOLDERS,

In the wake of COVID-19, the company faced unprecedented challenges and difficulties. Through determination and teamwork, we were able to overcome most of them. I therefore would like to express my gratitude to our shareholders, the Board of Directors (the "**Board**"), the Management, all our employees in Singapore and China, our suppliers and, of course, our customers for staying the course with us. We will remember what we have gone through together for years to come.

Since the beginning of the crisis that was posed by the outbreak of COVID-19, safeguarding the well-being of our employees and keeping them safe in our facilities has always been our top priority. We took all necessary steps to stay sustainable in every sense of the word. Even though our Group's balance sheet was healthy and we continued to enjoy ample credit lines, we remained vigilant financially by exercising prudent cost controls and conserved cash. As we need to continuously guard against the considerable risks posed by the pandemic, we have further strengthened our business continuity plan ("**BCP**") to ensure that we can sustain our operations in times of crisis and extended its scope to cover all key processes for better effectiveness and efficiencies.

We have indeed come a long way since our inception in 1968 to become the leader that we are today in the corrugated packaging industry. To ensure that we can continue to lead in our industry, we are committed in doing the right things for the planet, our people and our communities. We are therefore humbled to have been awarded the Forest Stewardship Council ("**FSC**") Certification for all our subsidiaries in China. We have also pledged to commit to obtaining the same recognition for our Singapore entities in the near future.

Our aim remains to provide quality products and services to our customers while minimizing any negative impact on our environment. We also want to make a positive impact by improving our recycling methods for paper and wastewater as well as through other initiatives. While we continue to work towards our agreed sustainability goals, we also believe that there are always more aspects that we can look into. For instance, our subsidiary, Hefei Dansun Packaging Co., Ltd. adopted a two-stage activated carbon absorption process which helps to treat the waste gases that originated from the volatile organic compounds, allowing the treatment of exhaust gas conforms with the national emission standards. Hence, we will continue to explore new technology or new ways of doing things that we can implement or adopt into our practices to further improve our sustainability performance.

Sustainability is at the heart of our business model. Incorporating sustainability goals in our business growth plans means that we need to provide the relevant training for our employees. We do that by offering both external and internal courses, as well as encouraging all employees to seize such opportunities to grow professionally and mentally. It is indeed our belief that people development is core to our continuous success.

COVID-19 has ushered in a new era of innovation with unprecedented speed. It has uncovered opportunities to redefine our workplace, innovate new technologies, and create value that can transform our industry and our environment. It is time to adopt advanced technology and introduce automation with urgency. It is time to take action together and respond to the biggest challenges of our time. With this, we will emerge from this crisis even stronger.

Thank you for being there for us. We welcome suggestions on how we can further improve our environmental, social and governance ("**ESG**") factors. Please sent them to us via email at ir@ts.sg.

Lien Kait Long
Non-Executive Chairman

ABOUT THE COMPANY

ABOUT THE COMPANY (GRI 102-1, 102-5)

Tat Seng Packaging Group Ltd (the “**Company**”), ACRA UEN Number 197702806M, 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 page 126 of the Annual Report FY2020 for the list of top shareholders as at 15 March 2021.

HQ LOCATION (GRI 102-3)

28 Senoko Drive
Singapore 758214

GEOGRAPHIC PRESENCE (GRI 102-4)

We have manufacturing facilities in Singapore and China (Located in Jiangsu Province, Anhui Province and Tianjin). These companies are collectively referred to as the “**Group**”.

- Tat Seng Packaging Group Ltd (the “**Company**”)
- United Packaging Industries Pte. Ltd. (“**UPI**”)
- Tianjin Dansun Packaging Co., Ltd. (“**TJDS**”)
- Nantong Hengcheng Paper Industry Co., Ltd. (“**NTHC**”)
- Nantong Tat Seng Packaging Co., Ltd. (“**NTTS**”)
- Hefei Dansun Packaging Co., Ltd. (“**HFDS**”)
- Tat Seng Packaging (Suzhou) Co., Ltd. (“**TSSZ**”)



Diagram 1: Where We Operate

ABOUT THE COMPANY

VALUES AND CODE OF ETHICS (GRI 102-16)



Diagram 2: Our Values & Code of Ethics

OUR SOLUTIONS (GRI 102-2)

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

ABOUT THE COMPANY

INDUSTRIES WE SERVE (GRI 102-6)

Our clients are primarily multi-national corporations and local manufacturers from the printing and converters industry, medical and healthcare, pharmaceutical and chemical, electronics and electrical, as well as the food and beverage industries.

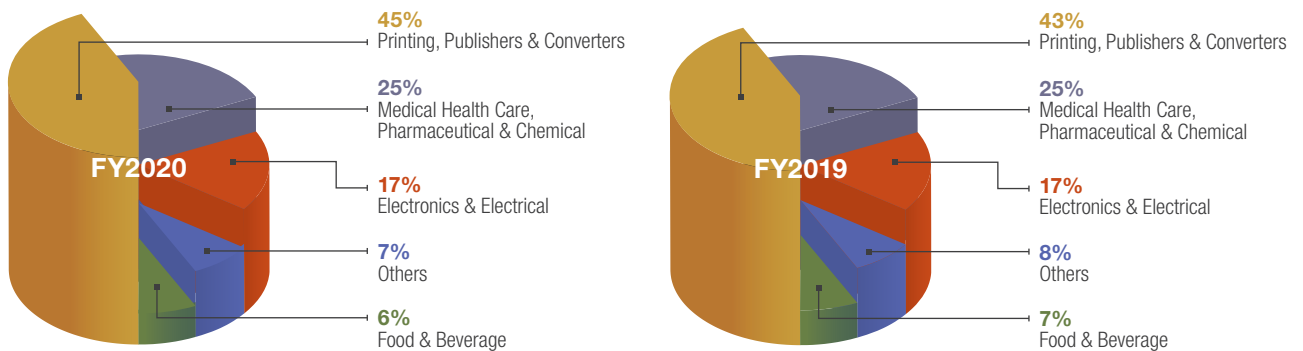


Diagram 3: Sales Analysis by Customer Industry Sector For FY2020 and FY2019

ABOUT THE COMPANY

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

The key raw material in our production is paper roll and the predominant types we use are kraftliner, kraft top liner, medium and white top liner. In Singapore we procure paper roll from overseas suppliers. Our paper roll in China mainly originates from paper mills in China.

There were no significant changes to our supply chain in 2020, while the Group has expanded its raw material sources via import. The Group takes pride to continually ensure that all our supplies are purchased from sustainable sources. Suppliers who are reported to have engaged in errant practices are immediately suspended until there is reasonable assurance that the offending practice has been rectified in accordance with the ethical and legal forestry operations and sourcing of wood or forest products.

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

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

Table 1: Membership of Associations and External Initiatives

ABOUT OUR REPORT

REPORTING STANDARDS

This Report has been prepared using an international reporting framework Global Reporting Initiative's ("GRI") Standards 2016 and SGX-ST Listing Manual (Rules 711B).

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 the Group's material concerns and the management of its impact. This sustainability report is ultimately endorsed by the Board.

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

REPORTING SCOPE AND PERIOD (GRI 102-50, 102-51, 102-52)

All information, including data, statistics and targets, are with regard to the Group's operations, unless stated otherwise.

Reporting Period: FY2020

Date of most recent previous report: FY2019

Reporting cycle: Annually from 1st January to 31st December

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.

CONTACT (GRI 102-53)

SR Team






ir@ts.sg

RESPONDING TO COVID-19

COVID-19 has brought unusual and unpredicted challenges to all businesses. The Group expects the operating environments of both Singapore and China to remain challenging in the near-term, with demand for goods and services softening.

Nevertheless, the Group remains committed to our current ESG strategies. We will closely monitor the ever-changing business landscape and keep shareholders informed of any material impact on our business as and when they arise. The Group retains a healthy balance sheet and ample credit lines to support and finance its operation and investment activities. At the same time, we will take all necessary precautionary measures to safeguard the health and safety of our employees while complying with directives issued by the local authorities.

COVID-19 MITIGATING MEASURES

<p>Customers</p>  <p>To sustain our product and service portfolio and increase top-line revenues, contactless services will be optimised.</p>	<p>Supply chain</p>  <p>To maintain multiple paper sources amid the COVID-19 pandemic and make effort to expand other sources which are FSC certified that will minimise disruptions and can better support our supply chain.</p>	<p>Managing process and procedures</p>  <p>Our decision-making framework and approach will be further enhanced for greater autonomy and efficacy whilst integrating sustainability practices.</p>
<p>Technology</p>  <p>Digital transformation will be inculcated and further accelerated to equip operational platforms and tools that may be applied for staff on a work-from-home (“WFH”) scheme.</p> <p>WFH employees work remotely and this becomes a new norm.</p>	<p>Employees</p>  <p>It is our top priority to put in place the key preventive measures to safeguard the well-being of our employees and to keep them safe in our facilities. BCP in response to the COVID-19 outbreak have been incorporated, to minimise disruption of company operations and to ensure that business remains viable during the virus outbreak.</p>	

COVID-19 PREVENTIVE MEASURES

Since the beginning of 2020, the COVID-19 epidemic has quietly spread, pulling at people’s heartstrings. We quickly complied with the prevention and control requirements imposed by the governments in Singapore and China to reduce the risk of our employees being infected. Listed below are some of the key preventive measures that we adopted:

- Took appropriate precautionary measures in accordance with the latest advisories published by the local authorities.
- Appointed dedicated teams to conduct regular checks, coordinate and monitor the measures and compliance at workplace.
- Conducted daily temperature screening, health declaration and tracking of records at the workplace.
- Distributed face masks and hand sanitizers to our employees.
- Set up alternate workstations to split up teams; staggered working hours and implemented rotating shifts.
- Staggered the schedule for dining and practised social distancing.

RESPONDING TO COVID-19

- Employees were urged to adopt good personal hygiene practices and exercise precautions at all times.
- Employees and visitors were made to observe safe distancing rules and put on masks at all times.
- Briefing and training have been conducted for employees on how to prevent and control.
- Deferred employees' business travel as strict border measures have been imposed by the relevant Authorities to curb COVID-19 infections.
- Employees were strongly encouraged to take the COVID-19 vaccination.
- Deferred company activities that involved large group gatherings until further notice.
- Provided adequate IT infrastructure for work-from-home employees.
- Maintained good housekeeping and cleanliness of the workplace premises.
- Carried out regular disinfection of high contact areas with a disinfectant known to kill COVID-19.
- Conducted business meetings, including Annual General Meeting ("**AGM**") of the Company via virtual means instead of physical meeting.
- Our China subsidiaries performed preventive disinfection of imported containers of paper material.

It is crucial that everyone remains vigilant to avoid a resurgence of community cases. Therefore, the Group continues to carry out and update its COVID-19 preventive measures according to the guidelines and best practices that are published by the relevant authorities and ensure that our employees are kept informed of any new updates.

THE STRENGTHENING OF BCP DURING THE COVID-19 PANDEMIC

Ensuring business continuity is our core responsibility to our customers and general public as some of our packaging products are supplied to customers in the industries of medical, health care and pharmaceutical. The products that are produced by these customers are vital to everyday life and public health. As the situation unfolded, securing the raw materials needed to keep serving our customers became a top priority.

During the year, the pandemic caused a critical shortage of containers, shipment delays, evolving export restrictions and changes to laws and regulations that created challenges for our paper roll procurement. In response to this, we expanded our raw material sources so as to ensure that we can continue to be supplied by reliable suppliers with FSC certification and to minimize the risk of disruption to our supply chain.

During the year, we focused on initiatives that further strengthened our BCP so as to ensure continuity of operations in times of crisis. We also extended the scope of our BCP to cover all key processes to mitigate business risks. Furthermore, we also engaged our internal auditors to perform an audit of our business continuity management process to review the adequacy and compliance of the BCP.

RESPONDING TO COVID-19

SUPPORTING OUR STAKEHOLDERS DURING THE COVID-19 PANDEMIC

The Group fully participated in the fight against the epidemic within the scope of its operations, proactively finding out the actual needs of various stakeholders during this period, and cooperated with stakeholders including employees, customers, suppliers, and shareholders. We took the initiative to act, to support our stakeholders, to fulfil our corporate social responsibility and to stay vigilant during the pandemic outbreak.

In Singapore, some of our Malaysian employees were affected by their country's Movement Control Order during the COVID-19 outbreak. To protect the well-being of our employees and to stabilise our workforce, we converted part of our office site into a Temporary Living Quarters for this group of employees. We provided necessary arrangements for accommodation and met their daily needs while they continued to work.

For the China-based subsidiaries, employees from other provinces were encouraged with monetary incentives not to return to their hometown during Chinese New Year. An additional on-the-job work subsidy was granted to such employees who worked during Chinese New Year.

As an essential part of the supply chain, our Singapore's entities were able to continue the operation to support essential customers during the period of the circuit breaker. Our China subsidiaries have also gradually resumed their production after the extended Chinese New Year holiday and continued supplying to customers. Even though it was challenging, we continued to make on-time payments to suppliers to ensure that they continued to supply us without interruption.

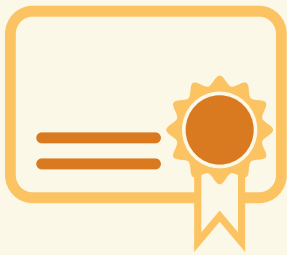
It was the first time that we conducted our AGM via virtual means instead of a physical meeting. To safeguard the well-being of our shareholders, we encouraged them to participate in the meeting by submitting their questions and casting their votes in relation to any of the resolutions tabled for approval at the AGM before the stipulated deadline. We addressed their questions prior to the AGM and uploaded the Company's responses on the SGXNet and the Company's website.

In addition, our Singapore entities also donated to the Community Chest to support the COVID-19 Courage Fund during FY2020, doing our part to lend a hand to the vulnerable groups who are affected by the pandemic.

SUSTAINABILITY HIGHLIGHTS IN FY2020

All information, including data, statistics and targets, are with regard to the Group's operations, unless stated otherwise.

Obtained FSC Certification



- All China entities have obtained certification
- UPI – in progress



Procured average of **75%** from FSC certified suppliers of paper materials

Commitment to our Environmental Policy

- Achieved paper wastage ratio **<8.6%** of total annual paper consumption
- Recycled **>90%** of our paper waste



Energy efficiency has been maintained for Singapore operations



Maintained a track record of **0** occupational disease rate and **0** work-related fatalities for Singapore operations



UPI is awarded the PLAQUE OF COMMENDATION for the good work done in helping workers to achieve the 3Ws – better wages, better welfare and better work prospects.



The rate of injuries for Singapore operations has reduced in 2020

SUSTAINABILITY GOALS FOR FY2021

All information, including data, statistics and targets, are with regard to the Group's operations, unless stated otherwise.

SUSTAINABILITY TARGETS FOR 2021 (GRI 102-15, 103-3)



To certify UPI under FSC Chain of Custody

To maintain average of **75%** supply from FSC certified suppliers of paper materials



To maintain or further increase average hours of training per employee

Commitment to our Environmental Policy:

- To maintain paper wastage ratio **<8.6%** of total annual paper consumption



- To recycle **>90%** our paper waste

To maintain a track record of **0** occupational disease rate and **0** work-related fatalities for Singapore operations



Diagram 5: Sustainability Goals for FY2021

OUR SUSTAINABILITY APPROACH

OUR SUSTAINABILITY STRATEGY (GRI 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 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.

STAKEHOLDER ENGAGEMENT

ENGAGEMENTS WITH KEY STAKEHOLDER GROUPS IN 2020 ON KEY TOPICS AND CONCERNS (GRI 102-40, 102-42, 102-43, 103-1, 103-2)

We examine international best practices to determine areas of sustainable development that may be relevant to the Group in the long haul. Our stakeholder engagement activities comprise of the following goals:

- Understanding stakeholder priorities and values in sustainable developments,
- Aligning our goals and values with that of the stakeholder group, and
- Improving on environmental, social and governance matters that our activities have impact on.



Diagram 7: How We Engage with Stakeholders

MATERIALITY MATRIX

MATERIALITY ASSESSMENT (GRI 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. The assessment ensures we learn about the sustainability issues that concern our stakeholders and that they are addressed promptly for a more robust and sustainable approach.

The materiality assessment process this fiscal year included internal stakeholders' meetings involving employees and management, and an online survey. There were no differences in the order of importance of some of the materiality topics.

Additionally, two more United Nations Sustainable Development Goals SDG7 "Clean Energy" and SDG12 "Responsible Consumption and Production" were adopted and embedded into our business practices for 2020. This involves setting and committing to clear, relevant and measurable long-term targets.

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 entities. Metrics applicable to GRI core disclosures are reported only if they are a good representation of the impact of our value chains.

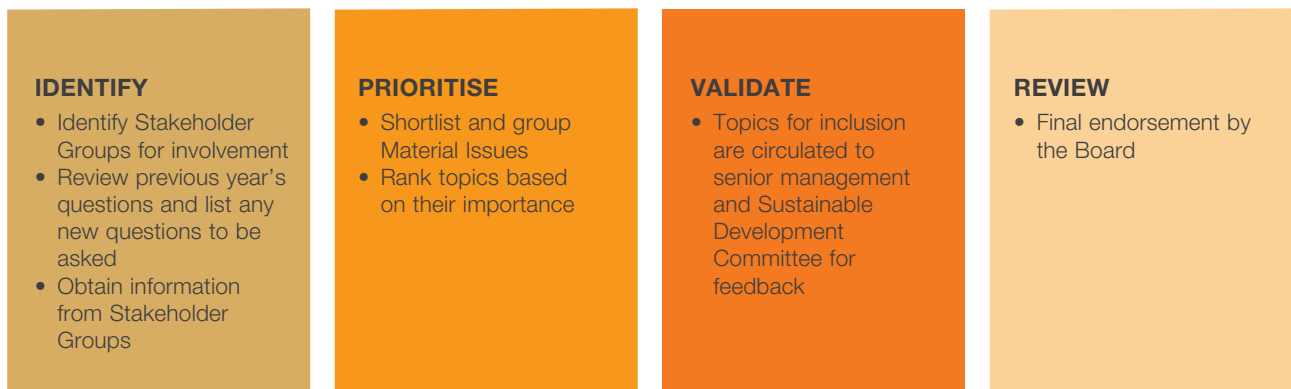


Diagram 8: Materiality Assessment Reporting Approach and Framework

MATERIALITY MATRIX

MATERIAL MATRIX (GRI 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.

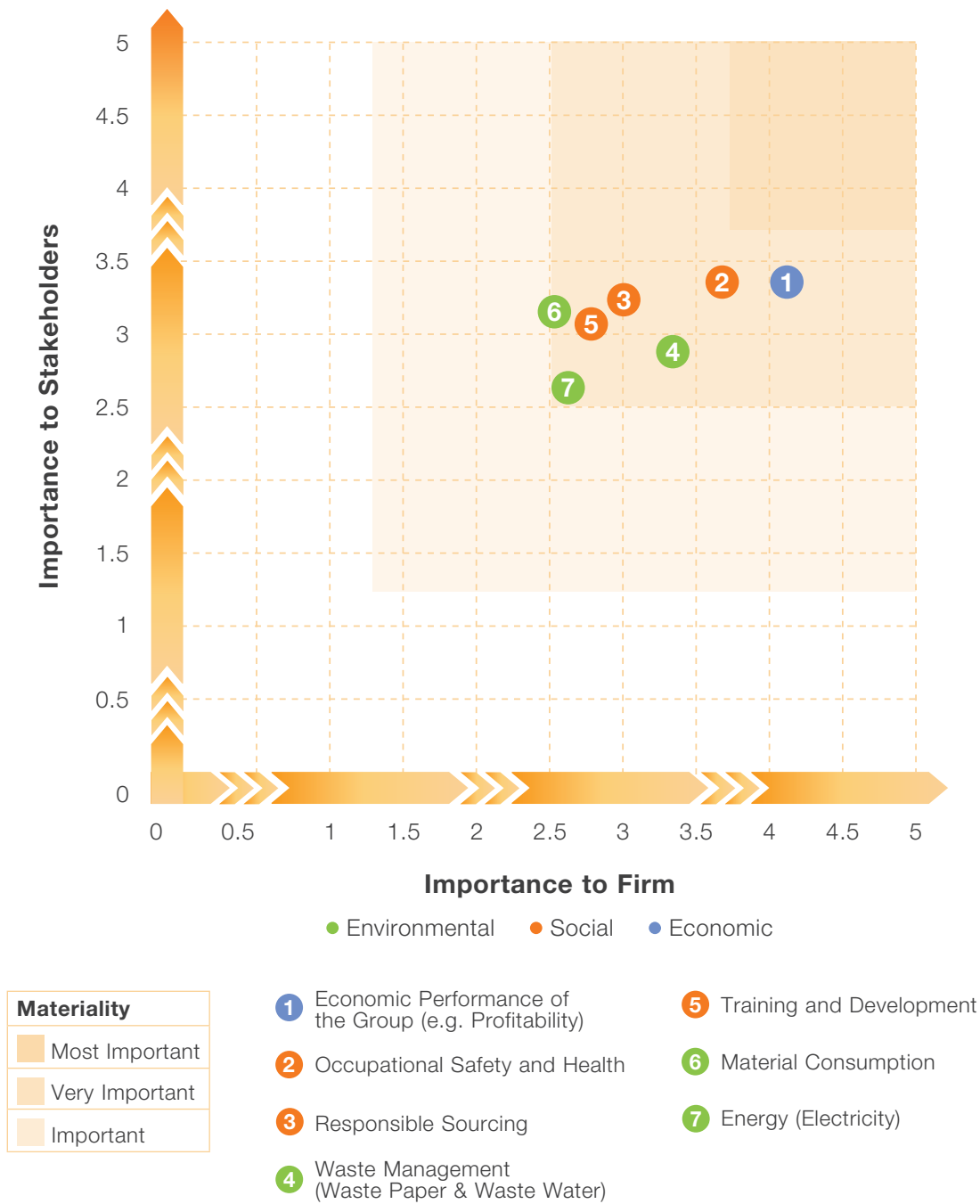


Diagram 9: Material Matrix

RESILIENCE THROUGH GOVERNANCE

SUSTAINABILITY GOVERNANCE (GRI 102-18)

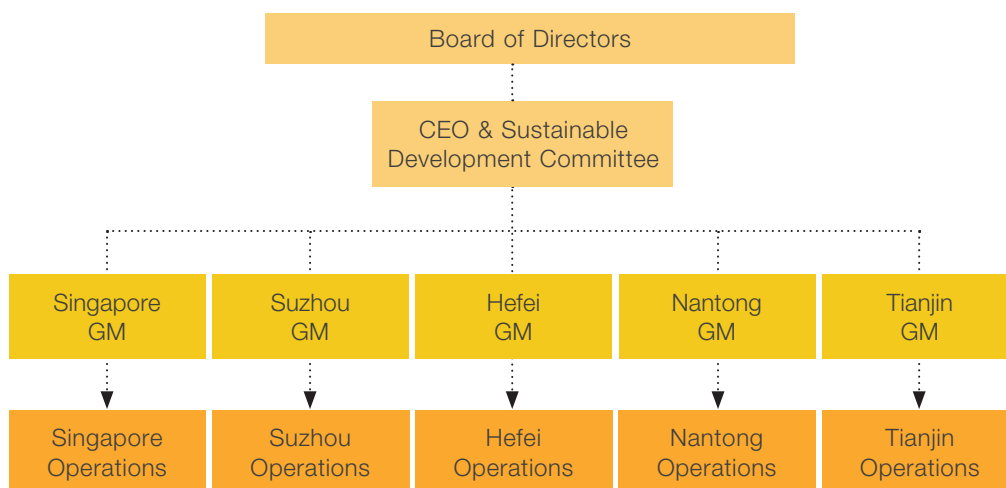


Diagram 10: Sustainable Governance in Our Group

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

The Sustainable Development Committee, set up in 2017 by the Group, promotes, monitors, and reports 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 9 to 12 of our Annual Report FY2020.

NOMINATING BOARD MEMBERS (GRI 102-24)

To ensure oversight of nominating board members, the Board has established a Nominating Committee (“**NC**”). The NC reviews Board composition annually, assuring an appropriate mix of expertise and experience. This provides the Management with the benefits of having a diverse perspective of issues that are brought before the Board.

When a vacancy opens up, 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, 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. In turn, the Board appoints the most suitable candidate who must stand for re-election at the next AGM of shareholders.

RESILIENCE THROUGH GOVERNANCE

CORPORATE GOVERNANCE (GRI 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 that the Board plays 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, a number of Board Committees were established to assist the Board in carrying out its oversight function more effectively. These Committees function within clear written terms of reference that have been approved by the Board. Such terms of reference will be reviewed by the Board and Board Committees on a regular basis to affirm 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. 16.7% of the Board seats are currently occupied by women as at the date of this report.

CONFLICTS OF INTEREST (GRI 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 Human Resource Manager and the General Manager/Director. They will determine whether a conflict exists and proceed according to the best practice.

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

The Investor Relations Policy was updated in November 2019 to outline our modes and frequency of communication. It affirms 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.

PERSONAL DATA PROTECTION POLICY

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.

RESILIENCE THROUGH GOVERNANCE

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

In our commitment to uphold corporate governance best practices, we updated our whistle-blowing policy in February 2021. This policy outlines the scope, objectives, safeguarding 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
In.Corp Corporate Services Pte. Ltd.
30 Cecil Street #19-08
Prudential Tower
Singapore 049712

RESILIENCE THROUGH ECONOMIC CONTRIBUTION

ECONOMIC PERFORMANCE OF THE GROUP (GRI 102-7)

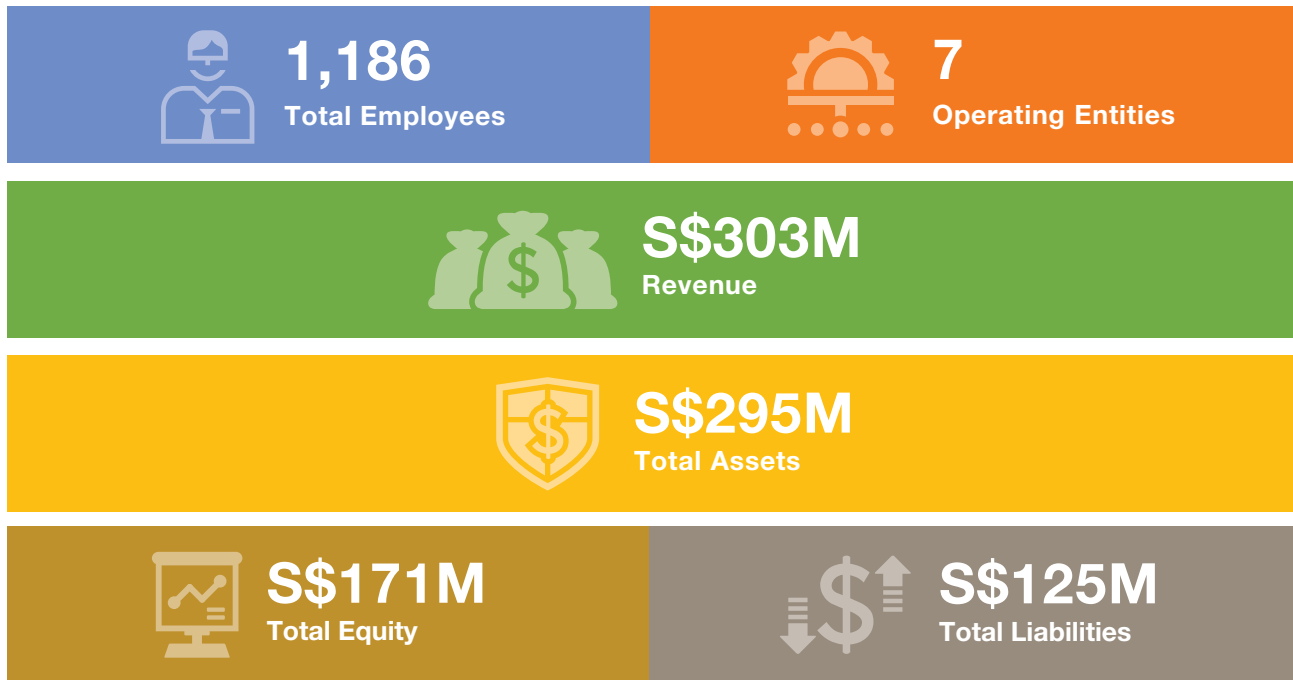


Diagram 11: Organisation Scale and Financial Position (Revenue, Assets, Equity and Liabilities are expressed in SGD Millions)

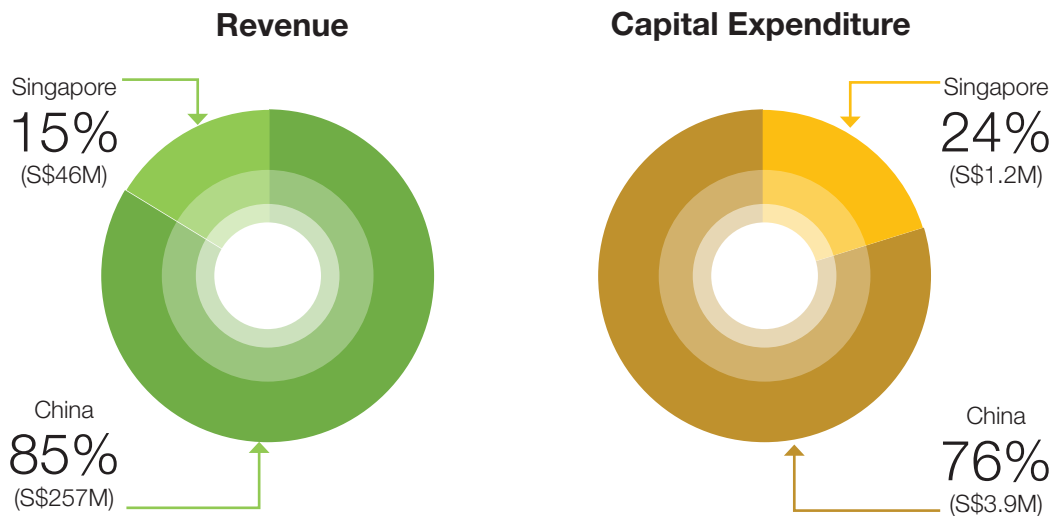


Diagram 12: Revenue and Capital Expenditure for Singapore and China (Expressed in SGD Millions)

RESILIENCE THROUGH ECONOMIC CONTRIBUTION

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (GRI 201-1)

	S\$'000
Direct Economic Value Generated	
Revenue, interest income & disposal gains	303,441
Economic Value Distributed	
Operating costs (Include cost of materials, product components & other operating costs)	229,583
Employee wages and benefits (Employee costs include salaries and benefits)	36,725
Payments to providers of capital (Include dividend & interest paid)	5,702
Payments to governments (Include net income taxes paid)	3,895
Community investment (Include voluntary donations to charity)	13
Economic Value Retained	
Direct economic value generated less Economic value distributed	27,524

Table 2: Direct Economic Value Generated and Distributed in SGD for FY2020

RESILIENCE THROUGH CONNECTING PEOPLE

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

In Singapore, we achieved zero workplace fatality case and have driven responsible safety behavior among our employees. Protecting our employees is a core value. We take care of ourselves and each other so everyone goes home safely at the end of every day.

In FY2020, we continued to focus on:

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.

Total Workplace Safety and Health (“**Total WSH**”) is an integrated approach to manage 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.

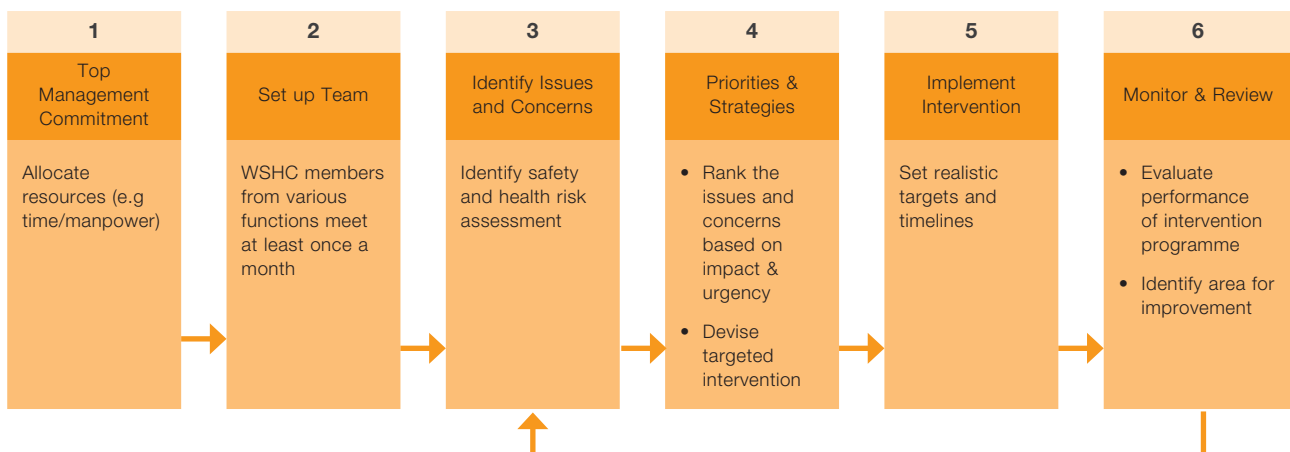


Diagram 13: Implementing Total WSH Process

RESILIENCE THROUGH CONNECTING PEOPLE

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

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

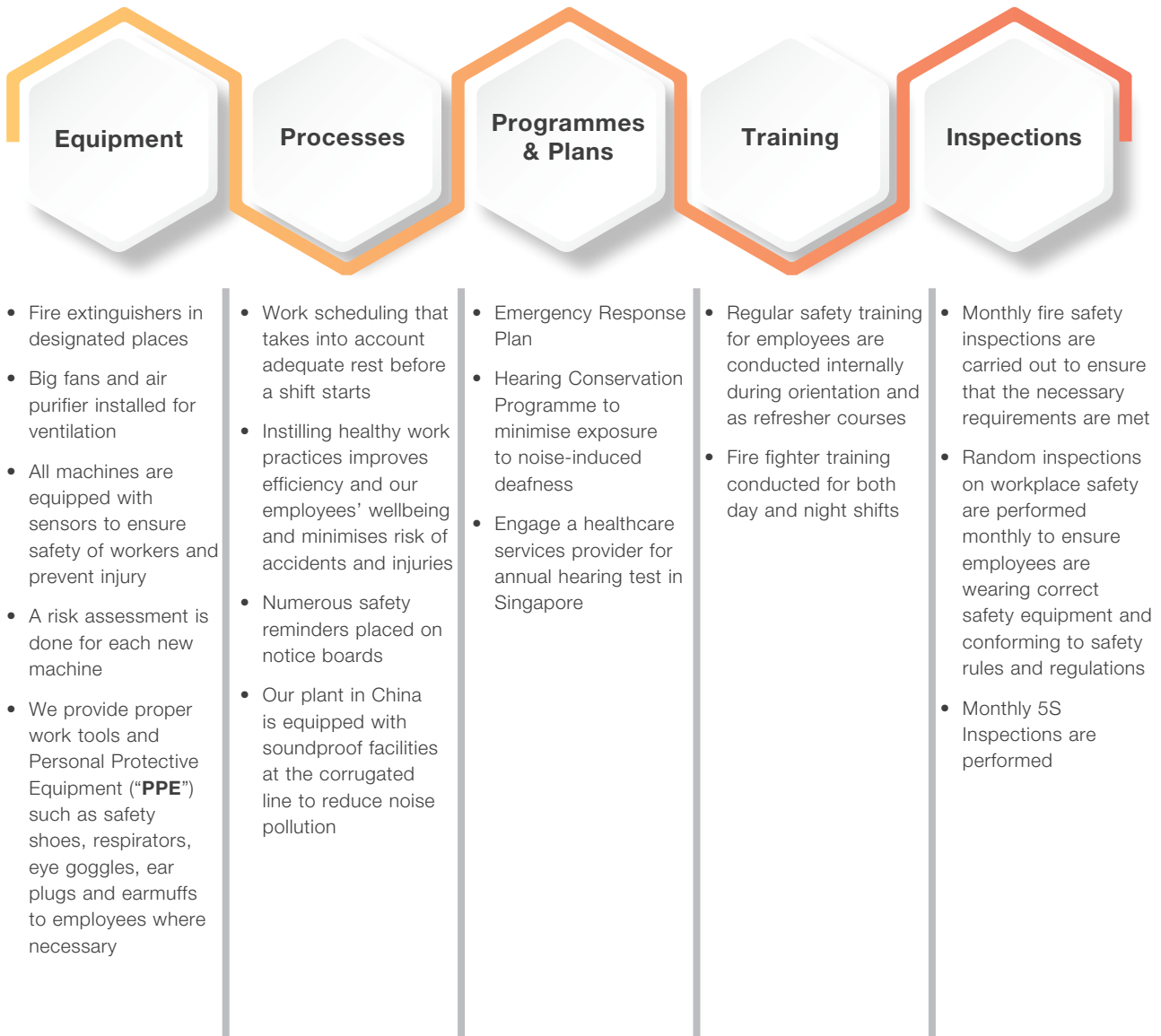


Diagram 14: Preventive Measures Taken to Create a Healthy & Safe Working Environment

RESILIENCE THROUGH CONNECTING PEOPLE

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

	Men	Women	Sub-Total
Permanent	645	357	1,002
Contract	101	83	184
Total	746	440	1,186

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

	Men	Women
Management	59%	41%
Non-Management	63%	37%

Table 4: Percentage of Employees by Employment Category

	≤20y	>20-30y	>31-40y	>41-50y	>51-60y	>60y
Group	1%	21%	28%	28%	18%	4%

Table 5: Percentage of Employees by Age

	Recruitment	Resignation
Singapore	11%	19%

Table 6: New Employee Hires & Turnover in Singapore

The Group respects our employees' right to join, or form a labour union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with the labour union representatives.

In Singapore, 57% of employees are covered by Collective Agreement of BATU. As part of May Day Award 2020, UPI was awarded the Plaque Of Commendation for the good work we have performed in helping workers achieve in 3Ws- better wages, better welfare and better work prospects.

In Singapore, there were total 19 employees took child care leave and 2 employees took paternity leave in 2020.

RESILIENCE THROUGH CONNECTING PEOPLE

Our China entities take guidance from the Union Law that allows employees to be represented by trade unions for collective bargaining. We strive to create a progressive working environment to give our employees a wider and holistic representation.

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

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

We invest in training and development because we believe that as the capabilities of our employees increase, so does the Company. The training path will make the engaged co-workers feel more empowered to contribute to innovative solutions that advance our responsible packaging goals.

During the COVID-19 pandemic in 2020, training has changed dramatically with the distinctive rise of e-learning via digital platform implemented globally. However, for Singapore entities, training for manual workers whereby physical attendance is needed has been reduced mainly due to the stringent Safe Management Measures taken in place for safe distancing and prevent from spreading of virus.

Nevertheless, we will continue to provide our employees opportunities to harness their skills and talents for their own professional and mental development. This, we recognise, will eventually benefit our organisation as well.

	2020			2019		
	Female	Male	Total	Female	Male	Total
Average Hours Per Employee	1.3	1.3	1.3	7.9	9.3	8.9

Table 7: Training Hours by Gender in Singapore

	2020			2019		
	Executive	Non-Executive & Below	Total	Executive	Non-Executive & Below	Total
Average Hours Per Employee	1.0	1.4	1.3	4.6	10.9	8.9

Table 8: Training Hours by Category in Singapore

RESILIENCE THROUGH CONNECTING PEOPLE

COMMUNITY OUTREACH (GRI 413-1)

In 2020, we did the following to help local communities:

- Sponsored one Scholarship to the Republic Polytechnic Education Fund in supporting of academic awards for the students
- Sponsored employees to participate in the SingTel-Race Against Cancer (Virtual Run) organised by Singapore Cancer Society
- Cash Donation to Singapore's COVID-19 Courage Fund which provides assistance to the vulnerable groups who are affected by the pandemic

INJURY & OCCUPATIONAL DISEASE RATE (GRI 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 to offer 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, guaranteeing treatment if any employee contracts tuberculosis. This reduces incidence and risk of related diseases.

	2020		2019	
	Female	Male	Female	Male
Occupational Disease Rate	0	0	0	0
No. of work-related fatalities	0	0	0	0
No. of non-fatal work injuries	1	2	2	9
Injury Rate⁽¹⁾	0.44	0.89	0.89	3.98
Lost Day Rate⁽²⁾	0.93	33.72	3.98	42.48

Table 9: Injury & Occupational Disease Rate for Singapore Employees. Please refer to footnote¹ for formula

Based on Singapore Ministry of Manpower (MOM)'s Workplace Safety and Health (WSH) Report 2020, the total workplace fatal injuries was 30 cases, lesser than 39 cases recorded in 2019.

(1) Injury Rate = Number of Workplace Accidents Reported x 200,000 hours worked/Number of Man-hours Worked

(2) Lost Day Rate = Number of Man Days Loss x 200,000 hours worked/Number of Man-hours Worked

RESILIENCE THROUGH CONNECTING PEOPLE

ABSENTEE RATE (GRI 403-2)

Absentee means absent from work because of incapacity of any kind, not necessarily 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.

Absentee rate in Singapore increased from 2.1% in 2019 to 6.6% in 2020. This was mainly due to COVID-19 travel restrictions taken in place, thus affected employees (Malaysians) were placed on no paid leave (NPL)/leave of absent (LOA) during the lock-down period enforced by Malaysia Government.

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

We also reward good attendance by giving employees a monthly incentive.

EMPLOYEE ENGAGEMENT (GRI 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 members who have dedicated their time with us over the years.

In 2020, Long Service Awards were presented to Singapore employees.

2020 Awards	No of Employees
10 years	6
20 years	3
30 years	5

Table 10: Total Number of Employees by Service Length Category

2020 has been a difficult year for everyone. With many teams working remotely, communication and bonding between colleagues were being restrained. Therefore, employee engagement activities such as company dinner and festival celebrations during COVID-19 have been called off.

RESILIENCE THROUGH ENVIRONMENTAL DESIGN

MATERIAL CONSUMPTION

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. All our China subsidiaries have attained Forest Stewardship Council (FSC) certification, an independent assessment which accredited our management of practices to be in compliance with the internationally recognised standards of the FSC and in accordance with the correct social, economic and environmental standards. Our Singapore plants are also in the progress of obtaining the same recognition in the near future.

The Company, UPI, TJDS, HFDS and TSSZ have attained ISO 14001 Environmental Management System ("EMS") certification that guides and manages our environmental responsibilities. We are committed to reducing and preventing pollution to the environment, by implementing an effective EMS and Environmental Policy. Our EMS seeks to:

1. Conserve energy and recycle our waste.
2. Minimise the use of depletable natural resources.
3. Minimise the generation of waste and pollutants by our manufacturing process.
4. Comply with local environmental legislation and other requirements.
5. Continuously improve the performance of the environmental management system.

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

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

In 2020, our factories in China and Singapore consumed 277,288 tons of paper rolls. As we offer customised solutions to our customers paper waste is inevitable as it is generated from the manufacturing process. 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 that they provide, consolidates them, and exports the wastepaper to overseas paper mills for re-manufacturing into various recycled paper and paper products.

In 2020, we met the targets in our Environmental Policy to keep paper wastage under 8.6% annually. We sold 22,911 tons of wastepaper, and that is equivalent to 8.26% of our total paper consumed, achieving our goal of recycling >90% of our wastepaper.

RESILIENCE THROUGH ENVIRONMENTAL DESIGN

SUPPLY CHAIN MANAGEMENT (GRI 301-1)

Most of our raw material is paper roll, produced from wood. To obtain paper, logging and deforestation are necessary, and the process creates long term loss to ecosystems which becomes vulnerable. According to the Climate, Nature and our 1.5°C Future report that was published by the World Wildlife Fund, 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 more conscious of protecting the environment and being aware of the product source makes an impact of their purchase. On this grounds, we recognise that sustainable procurement must continue to be a prerequisite for our long-term sustainability.

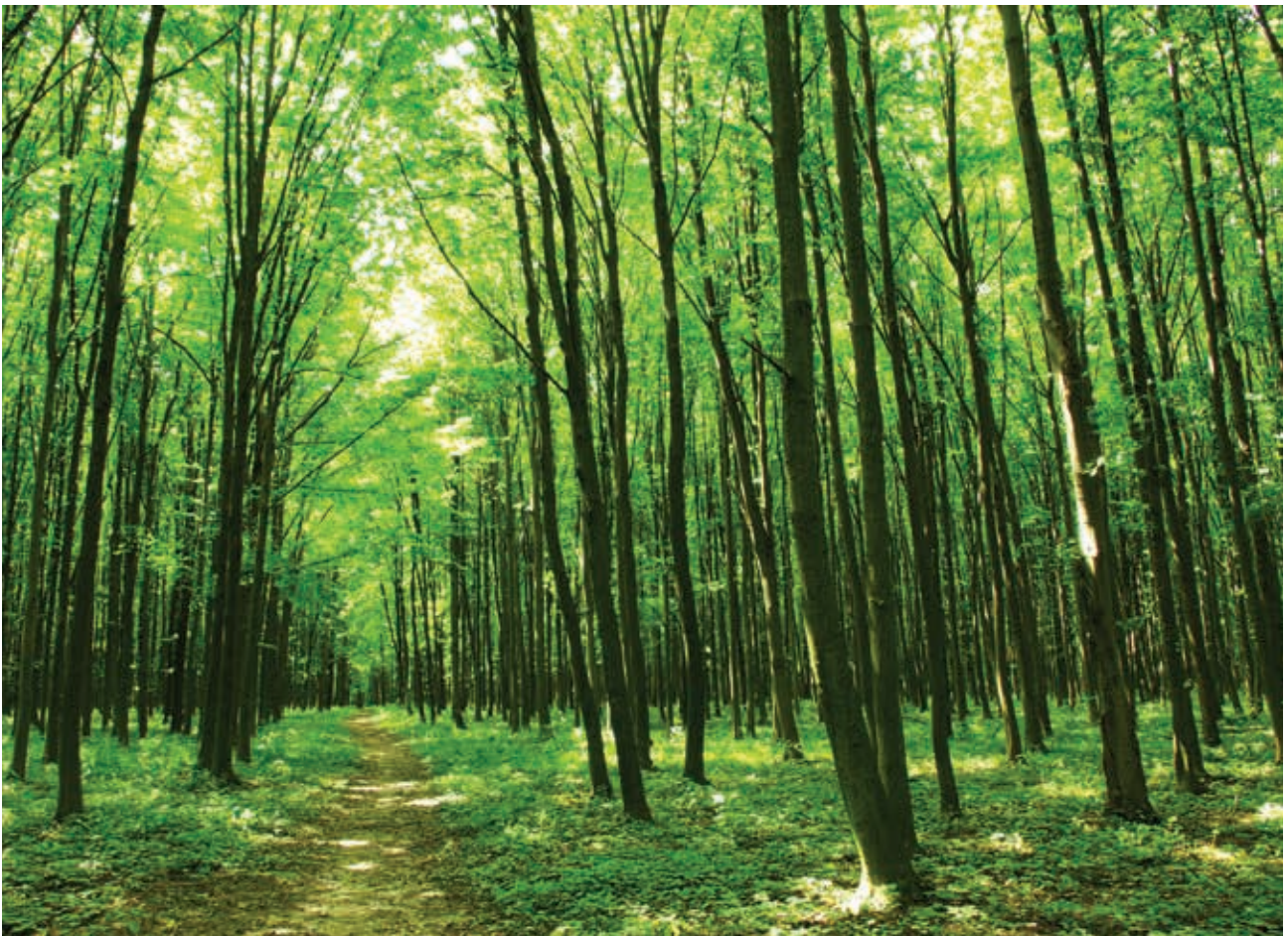


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RESILIENCE THROUGH ENVIRONMENTAL DESIGN

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

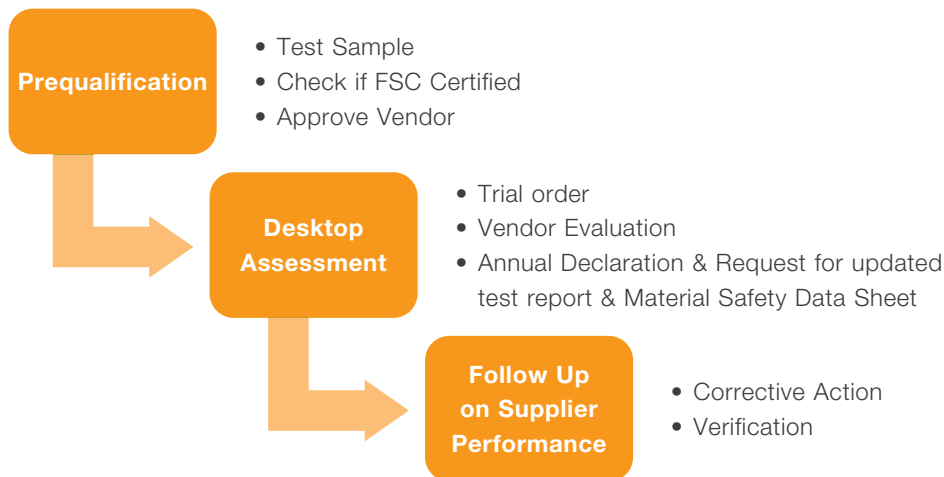


Diagram 15: Guideline for Sustainable Procurement

To meet our sustainability standards, we screen all our suppliers thoroughly to guarantee our paper roll procurement are primarily 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 threatens high conservation value areas in any way.

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

In 2020, the Group procured an average of 75% from FSC certified suppliers of paper materials and we are committed to responsible sourcing and will continue to do so.

	Group
FSC Certified Suppliers	75%
Non FSC Certified Suppliers	25%

Table 11: Percentage of FSC Certified Supplier vs Non FSC Certified Supplier

RESILIENCE THROUGH ENVIRONMENTAL DESIGN

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

In 2020, our Singapore plant has recorded an average monthly electricity usage of 90 kWh per metric ton of actual paper usage. The average electricity consumption has been maintained while our production output has slightly increased by 1% compared to 2019.

We continue to foster our energy efficiency practices in all our operating plants and offices:

- a) 25% of high bay lamps have been replaced by 100w LED high bay lamps for Singapore factory.
- b) Install of skylights in all operating plants to allow sunlight onto the production floor.
- c) While TSSZ, HFDS and TJDS are using steam supplied by external source for fuel, NTTS and UPI use natural gas for fuel to achieve a cleaner environment.

Moving forward, we will continue to work towards improving energy efficiency across all our plants and offices. The Company also starts looking into solar energy in order to reduce carbon footprint in the near future.

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

The Group uses water during production of corrugated products, as part of the supporting processes. We conserve water through recycling, reuse, and improvements to our manufacturing processes. In conformance with local regulatory requirements, all our plants are equipped with wastewater treatment facilities to treat wastewater before discharge. Leftover sludge is collected and disposed of by licensed waste contractors.

In Singapore, we engaged licensed laboratory organisation to conduct domestic wastewater analysis regularly. This is aligned to our risk-based approach to comply with Public Utilities Board's Trade Effluent Regulations.

TSSZ has also upgraded the wastewater treatment facilities with the installation of automatic dosing device and automatic mud pump in order to facilitate the smooth treatment process. In addition, the sewerage pipelines have been upgraded to prevent the wastewater pollution from water leakage and mitigate the risk of non-compliance.

The Group will be continuously vigilant in the effort of promoting environmental awareness throughout all subsidiaries, and to avoid damage to the environment. Conserve natural resources through prevention, reuse, recycle, and the use of optimized manufacturing operations.

GRI

CONTENT INDEX

GRI Standard	Disclosure	Page Number
General Disclosure		
GRI 102: General disclosures 2016	Organisational Profile	
102-1	Name of the organization	4
102-2	Activities, Brands, Products, and Services	5
102-3	Location of headquarters	4
102-4	Location of operations	4
102-5	Ownership and legal form	4
102-6	Markets served	6
102-7	Scale of the organization	21
102-8	Information on Employees and other workers	25
102-8a	Total number of employees by employment contract (permanent and temporary), by gender	25
102-8b	Total number of employees by employment contract (permanent and temporary), by region	25
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).	25
102-8f	An explanation of how the data have been compiled, including any assumptions made	25
102-9	Supply chain	7
102-10	Significant changes to the organization and its supply chain	7
102-12	External initiatives	7
102-13	Membership of associations	7
Strategy		
102-14	Statement from the most senior decision maker of the organisation	3
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	5
102-17	Mechanism for advice and concern about ethics	20

GRI

CONTENT INDEX

GRI Standard	Disclosure	Page Number
General Disclosure		
Governance		
102-15	Key impacts, risks and opportunities	13
102-18	Governance Structure	18, 19
102-24	Nominating and selecting the highest governance body	18
102-25	Conflicts of interest	19
102-29	Identifying and managing economic, environmental and social impacts	14
102-32	Highest governance body's role in sustainability reporting	18
102-33	Communicating critical concerns	19, 20
Stakeholder engagement		
102-40	List of stakeholder groups	15
102-41	Collective bargaining agreements	25
102-42	Identifying and selecting stakeholders	15, 16
102-43	Approach to stakeholder engagement	15, 16
102-44	Key topics and concerns raised	16, 17
102-45	Entities included in consolidated financial statements	Please refer to Annual Report
102-46	Defining report content and topic boundaries	16
102-47	List of material topics	17
102-50	Reporting period	8
102-51	Date of most recent report	8
102-52	Reporting cycle	8
102-53	Contact point for questions regarding the report	8
102-54	Claims of reporting in accordance with the GRI Standards	8
102-55	GRI content index	33 – 36
102-56	External Assurance	8

GRI CONTENT INDEX

GRI Standard	Disclosure	Page Number
Material Topics		
GRI 103: Management Approach 2016		
Supply chain management		
103-1	Explanation of the material topic and its boundary	15, 16
103-2	The management approach and its components	15, 16, 18, 19, 23, 24, 26, 27, 28, 29, 31, 32
103-3	Evaluation of the management approach	13, 16, 19, 23, 24, 26, 27, 29, 31, 32
GRI 200: Economic		
201	Economic Performance	
201-1	Direct economic value generated and distributed	22
GRI 300: Environmental		
301	Materials	
301-1	Materials used by weight or volume	29, 30, 31
301-2	Recycled input materials used	31
302	Energy	
302-1	Energy consumption within the organisation	32
302-4	Reduction of energy consumption	32
306	Effluents and waste	
306-1	Water discharge by quality and destination	32
306-2	Waste by type and disposal method	29, 32
306-4	Transport of hazardous waste	32
308	Supplier Environmental Assessment	
308-1	New suppliers that were screened using environmental criteria	31

GRI

CONTENT INDEX

GRI Standard	Disclosure	Page Number
Material Topics		
GRI 400: Social		
401	Employment	
401-1	New employee hires and employee turnover	25
401-3b	Total number of employees that took parental leave, by gender	25
403	Occupational Health and Safety	
403-1	Workers representation in formal joint management-worker health and safety committees	23
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related facilities	27
404	Training and Education	
404-1	Average hours of training per year per employee	26
404-2	Programs for upgrading employee skills and transition assistance programs	26
404-3	Percentage of employees receiving regular performance and career development reviews	26
405	Diversity and Equal Opportunity	
405-1	Diversity of governance bodies and employees	25
413	Local communities	
413-1	Operations with local community engagement, impact assessments, and development programs	27



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