



# NEW TOYO

International Holdings Ltd

## SUSTAINABILITY REPORT

# 2019



# CONTENTS

<b>1</b>	Message from the Board of Directors	<b>21</b>	Environment
<b>2</b>	About New Toyo	<b>22</b>	Water
<b>3</b>	Our Sustainability Ethos	<b>22</b>	Materials
<b>4</b>	How We Create Value Sustainably	<b>23</b>	Energy and Greenhouse Gas Emissions
<b>6</b>	About This Report	<b>24</b>	Community
<b>7</b>	Sustainability Key Highlights	<b>24</b>	Charitable Donations and Sponsorship
<b>9</b>	Our Approach	<b>24</b>	Our Community Engagement
<b>10</b>	New Toyo's Sustainability Strategy	<b>25</b>	Responsible Sourcing
<b>10</b>	Governance	<b>25</b>	Ethics in Business Dealings
<b>11</b>	Risk Management	<b>25</b>	Environment
<b>11</b>	Business Continuity Management	<b>26</b>	GRI Content Index
<b>11</b>	Ethical Standards		
<b>12</b>	Stakeholder Engagement		
<b>13</b>	Materiality		
<b>14</b>	Our Customers		
<b>15</b>	Our People		
<b>15</b>	Our Employees		
<b>15</b>	Employee Attrition and New Hire Rates		
<b>17</b>	Diversity and Equal Opportunity		
<b>17</b>	Anti-discrimination and Harassment-free Environment		
<b>17</b>	Grievance Mechanism		
<b>17</b>	Open Communication		
<b>17</b>	Training and Development		
<b>18</b>	Occupational Health and Safety		

# MESSAGE FROM THE BOARD OF DIRECTORS

**The business and sustainability of our Group are always based on the same methodology, a visionary approach that will accelerate the business to consistently achieve superior efficiency and quality for greatest customer satisfaction while protecting our stakeholders' interest.**

## *Dear Stakeholders,*

We maintain that being sustainable requires looking beyond productivity and profitability and taking the responsibility to leave the best legacy for future generations. A sustainable approach inclusive of an overall risk strategy on sustainability management encompasses environmental, social and governance matters and is the cornerstone of our Group's continuity. We proactively nurture our reputation in the regions where we operate to align with our vision. Sound practices follow our commitment to principles of sustainability, matching our customers' own focus on the importance of sustainability in their supply chains. This coincides with maintaining compliance with all applicable environmental laws and regulations, and results in our good reputation in stakeholder communities. Our responsible stewardship of the environment rests on this established sustainability framework and provides for our employees' welfare.

The promise to prioritise sustainability begins with initial production processes and represents our commitment to establish sustainability throughout the entire supply chain by working closely with all relevant stakeholders to mitigate ecological impacts and advance employee welfare in the Group.

We believe that environmental sustainability rests on effective planning and the responsible and efficient use of raw materials, directly reducing waste. The welfare of our employees and their safety and security are tantamount and hone our focus on ensuring the Group's success. Engaging in corporate giving and the empowerment of local communities positively influences our networks. This is of particular importance due to our low-cost based production plants located in ASEAN's fast-growing economies, such as Vietnam.

Overall, this sustainability report illustrates our approach to sustainability, from the implementation of our strategies in our business practices to the ways we encourage performance in the achievement of our targets. Further, our drive towards sound sustainability practices bolsters our capacity to engineer sustainable growth and returns in the present and future that are stable, strategic and sustainable.



# ABOUT NEW TOYO

With more than 40 years of experience, New Toyo has developed a reputation as a respectable value-added supplier of quality products and services. We continuously improve our productivity and match recent trends in the packaging business in order to become the supplier of choice for our customers.



## OUR VISION

To be the preferred supplier of consistently high-quality packaging materials

New Toyo International Holdings Ltd ("New Toyo") is a leading regional supplier and one of the largest players in the provision of high quality specialty packaging materials to the tobacco, food and beverage, wine, liquor and cosmetics industries in Asia Pacific. New Toyo was founded in 1975 and has been listed on the Mainboard of the Singapore Exchange since 4 April 1997. Headquartered in Singapore and with employees totalling 1,563, the business and its activities are located regionally to strategically serve local as well as global customers. The multiple facilities that form our solid manufacturing base are vital to our critical locations in four countries, Singapore, Malaysia, Vietnam and Dubai, thus providing local and immediate support to our customers in these markets. This enhances our Group's focus on fulfilling customer needs and perfecting the quality of our products.

New Toyo has two core business divisions:

The **Specialty Papers ("SP")** division focuses on providing laminated and/or coated paper and paperboards in reel form or in sheets for customers in the food and beverage, alcohol, tobacco and cosmetics industries. These products are primarily used in the packaging of cigarettes, food, beverages, wine and liquor, tissues and cosmetics, as well as for labelling and gift-wrapping.

The **Printed Cartons and Labels ("PCL")** division offers mainly gravure and lithography printing. Gravure printing is a specialised high-speed printing process used for the printing of high quality paper prints, mainly for cigarette packaging. Lithography or offset printing is mostly provided for the supply of folded cartons and labels for rapid selling consumer goods.

In addition, the Group has a trading business that centres on the sale of raw materials, paper products and equipment.

## OUR SUSTAINABILITY ETHOS

“ **To do our part to Safeguard our Environment and better the lives of Our People and the Communities where we Work and Live** ”

At New Toyo, we consistently enhance a proactive concept of the direction of our business. We evaluate how to conduct our business in the most productive manner and ways to engage individuals and bolster the effects of our activities such that the influence on future generations and their relationships to us is enhanced. We recognise that prioritising sustainability issues is crucial to our reputation in the market and to our bonds with key stakeholders.

**Our approach** to sustainability encompasses the supply chain in its entirety, from raw materials and conversion to the eventual provision of products for our customers. Effective planning forms the basis of improvements as we continuously review our processes. In this way, we reduce utilisation of the natural resources necessary to produce paper, paper board and aluminium foil.

We provide New Toyo's Supplier Code of Conduct policy (“Supplier CoC”) to our suppliers for their written acknowledgement as a way of stressing our sustainability principles and extending them throughout our supply chain, thus maintaining healthy and productive business contacts.

The Supplier CoC prompts our suppliers to consider sustainability as being more than simply a set of rules for compliance and encourages them instead to hold sustainability as an integral underlying principle guiding the conduct of business. The Supplier CoC offers guidelines on a range of issues, including ethics in business dealings, adherence to applicable laws and regulations and environmental stewardship.

In accordance with these principles, we validate that, according to our expectations, no product of ours has been restricted in any of the markets where we operate.

In summary, the correct conduct of business encompasses adopting the right attitude and mind-set to maintain ethical and responsible behaviour. For additional information on our management of raw materials and engagement with suppliers, please refer to Responsible Sourcing on page 25.



# HOW WE CREATE VALUE SUSTAINABLY

In our pursuit to deliver quality products and services, we believe in ensuring that sustainability underpins our entire supply chain, from the raw materials we use to the distribution of final products to our customers. By integrating sustainability throughout our manufacturing process, we aim to create value for our stakeholders through a safe and environmentally sound approach.

## 1. OUR INPUTS

### ● MATERIALS WE USE

#### **Base materials**

Through proactive planning, we are able to obtain base materials that are closest to the dimensions of our final products' specifications. This enables us to reduce wastage and, as a result, we consume fewer natural resources.

#### **Other raw materials**

We always encourage our customers to use water-based inks as they are more environmentally friendly.

### ● OUR EXPERTISE AND CAPABILITIES

Counting more than 40 years of experience, New Toyo has built an established reputation as a value-added provider of quality products and services. We are committed to upgrading our technology and developing our employees through thorough training programmes to improve productivity.

### ● OUR RELATIONSHIPS WITH CUSTOMERS

We build and nurture trusting, long-term relationships with our customers through a steadfast commitment to quality and customer service excellence.

### ● OUR SAFETY CULTURE

We prioritise employee safety and well-being by adopting measures aimed to reduce potential hazards and risks.



## 2. HOW WE MANAGE OUR MANUFACTURING PROCESS

### ● PEOPLE

#### **Personnel Planning**

Operational efficiency and productivity are enhanced through careful and effective planning and procedures.

#### **Job Scheduling**

Appropriate work scheduling allows us to provide adequate rest for staff between and before their shifts. Healthy work practices are distilled in the workplaces to increase efficiency while also enhancing employee well-being and reducing the threat of accidents and injuries.

#### **Electricity**

Machine maintenance is done at regularly scheduled intervals, aiming to minimise machine downtime and, in turn, lessen our carbon footprint. As our machineries utilise additional electricity when switching from a disconnected to a running mode, relative to running at a constant rate, reduced machine downtime enables us to minimise environmental impacts.

#### **Water**

As compared to the average manufacturing plant, our manufacturing facilities require less water; still, with our priority on environmental concerns at New Toyo, we are tracking our water consumption patterns with a goal of minimising water usage where possible.



### 3. HOW WE DISTRIBUTE

#### DELIVERY PLANNING

To decrease our carbon footprint, freight delivery is optimised by fully utilising container capacity and integrating tightly with our customers.

#### STRATEGICALLY LOCATED FACILITIES

Immediate support is provided to our customers through our strong manufacturing base and facilities strategically located in the Asia Pacific and Middle East regions. Our factories are positioned within arm's reach of our customers, thus cutting down on distances and travel times for product delivery, resulting in reduced costs and minimised environmental impact.

#### ON-TIME-IN-FULL DELIVERY

A need for last minute urgent deliveries is reduced by ensuring the timely and in full delivery of orders, thus reducing our environmental impact



#### QUALITY

Our production plants follow ISO 9001, thus guaranteeing quality products. Emphasising quality reduces consumption as fewer internal and external rejects result in savings on materials, energy, transport and labour needed for remedy and replacement.

#### WASTE MANAGEMENT

Licensed and locally registered contractors conduct waste disposal to ensure proper adherence to local laws and conditions.



#### PACKAGING

All products are securely packed and enclosed, which ensures that products retain their quality through the delivery process despite any exposure to the elements. Customers encounter fewer rejects, which reduces consumption of raw materials, energy, transport and labour costs for exchanging faulty products.

## VALUE WE CREATE



#### RESOURCE EFFICIENCY

Energy intensity ratio reduced by **7.0%**



#### CUSTOMER SATISFACTION

Maintained current customer satisfaction ratings at **4 out of 5**



#### JOB CREATION FOR LOCAL COMMUNITY

**94** new employee hires

# ABOUT THIS REPORT

**We honour the trust given to us by our stakeholders by exceeding regulatory compliance in our business sustainability. Our approach to sustainability accords with our customers' practices over four decades, stressing: honesty, integrity and a dedication to excellence.**

Since our first report published in December 2018 for the financial year 2017, our sustainability report has been an annual practice coinciding with the Annual Report. The reporting scope for financial year 2019 encompasses our four countries of operation – Singapore, Malaysia, Vietnam and Dubai respectively.

Our sustainability report is organised around the three focus areas of environmental, social and governance (“ESG”) topics that are most valued by our stakeholders. Detailed information on our material ESG topics and the ways our operations interact with society and the environment are provided in the following sections.

The present sustainability report deals with how the SP division is representative of our material ESG topics while our PCL division is detailed in a separate report by our subsidiary, Tien Wah Press Holdings (“TWPH”), as TWPH is listed on Bursa Malaysia and subject to Bursa’s sustainability reporting requirements<sup>1</sup>. The Trading division is also not included in this report as the business of the Trading division, being an intermediary in the buying and selling of materials, has little sustainability impact. Diligence is considered in periodic reviews of the materiality of the Trading division for inclusion in our sustainability reporting.

Feedback on our material ESG topics is procured from various stakeholders through our stakeholder engagement exercise emphasising stakeholder inclusiveness, completeness and balanced reporting. For more details, Please refer to our Materiality section on page 13.

To adhere to best practices, our sustainability reporting follows the Global Reporting Initiative (“GRI”) Standards framework as the framework offers clear specifications that guarantee reporting accuracy and facilitate benchmarking our performance against peers. Our sustainability reporting accords with the GRI Standards: Core Option. As with reports of previous years, we have not sought external assurance though this option is considered going forward where necessary and prudent. Sustainability continues to be continuously integrated throughout our organisation, and we work to embed key sustainability-related metrics into our management systems. Future efforts will further deepen our sustainability reporting by keeping abreast of the changing business environment and safeguard our organisation’s long-term sustainability by adopting relevant KPI.

To see all complete and transparent aspects of our Group’s performance across environmental, social and economic domains, this report should be considered alongside with our New Toyo’s 2019 Annual Report, which will be issued no later than 14 June 2020, for details of our financial performance and our approach to corporate governance and risk management.

Standard units of measurement are employed for this report. Any necessary and applicable conversion factors, in addition to the computational basis for certain metrics, are provided in respective sections.

For any queries regarding this report, please direct it to us at [enquiry@newtoyo.com](mailto:enquiry@newtoyo.com).

<sup>1</sup> For more information on PCL’s Sustainability Approach and Statement, please refer to the TWPH website or link at <https://www.tienwah.com/annual-report>.



# SUSTAINABILITY KEY HIGHLIGHTS

## Our Customers



Product Quality

(2018: 4 out of 5)



Quality of Packaging for product supplied

(2018: 4 out of 5)

2019






No. of customer complaints concerning breaches of customer privacy and losses of customer data

(2018: 0)




## Our People

	By Gender				By Region							
	Male		Female		Singapore		Malaysia		Vietnam		Dubai	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Occupational disease rate	0	252.5	0	0	0	1250.0	0	0	0	0	0	0
No. of work-related fatalities	0	0	0	0	0	0	0	0	0	0	0	0
No. of non-fatal work injuries	19	16	1	0	10	11	9	5	1	0	0	0
Injury Rate	13.7	11.6	4.0	0	44.8	49.0	18.6	9.1	1.3	0	0	0
Lost-day Rate	145.8	283.1	60.4	43.2	260.1	204.9	218.9	291.8	66.5	255.8	0	0
Absentee Rate	0.5%	1.4%	0.8%	0.6%	2.3%	4.5%	0.4%	1.3%	0.2%	0.4%	0.04%	0%
Total Number of new employee hires	101	72	25	22	9	11	30	22	54	58	33	3
New employee hires rate	18.8%	14.4%	4.6%	4.4%	1.7%	2.2%	5.6%	4.4%	10.0%	11.6%	6.1%	0.6%
Employee turnover total number	96	121	18	29	7	12	22	26	79	111	6	1
Employee turnover rate	17.9%	24.2%	3.3%	5.8%	1.3%	2.5%	4.1%	5.2%	14.7%	22.1%	1.1%	0.2%
Average hours of training per employee	6.2	9.7	7.8	9.1	NA	NA	NA	NA	NA	NA	NA	NA






# SUSTAINABILITY KEY HIGHLIGHTS

	Age Group					
	<30 years		30 to 50 years		>50 years	
	2018	2019	2018	2019	2018	2019
 Total number of new employee hires	65	60	55	32	6	2
 New employee hires rate	12.1%	12.0%	10.2%	6.4%	1.1%	0.4%
 Employee turnover rate	14.3%	15.3%	6.5%	13.9%	0.4%	0.8%

	By Region							
	Singapore		Malaysia		Vietnam		Dubai	
	2018	2019	2018	2019	2018	2019	2018	2019
 Total number of new employee hires	9	11	30	22	54	58	33	3
 New employee hires rate	1.7%	2.2%	5.6%	4.4%	10.0%	11.6%	6.1%	0.6%
 Employee turnover rate	1.3%	2.5%	4.1%	5.2%	14.7%	22.1%	1.1%	0.2%

Average hours of training per employee (by employee category)		2018	2019
 Senior Management		34.0	22.0
 Management		24.3	17.8
 Senior		10.1	11.4
 Junior		11.2	6.4
 Non-clerical		3.9	8.6

Our Environment		
	2018	2019
Percentage of recycled input materials used for manufacture of primary products	12.1%	10.2%
Scrap materials sent for recycling	3,909 Tonnes	2,761 tonnes
Energy intensity ratio (per dollar revenue)	457 Kilojoules	425 Kilojoules
Water obtained from municipal water supplies	33,194 cubic metres	29,427 cubic metres
Instances of non-compliance with environmental laws and regulations	0	0
Instances of non-compliance with laws and regulations in the social and economic area <i>Environmental and community voluntary disclosures</i>	0	0
No. of discrimination incidents	2018	2019
No. of discrimination incidents	0	0
Responsible Sourcing	2018	2019
No. of legal actions for anti-competitive, anti-trust and monopoly practices	0	0

# OUR APPROACH

Sound business strategies underpin our emphasis on our Group's ability to create growth opportunities. Proactively integrating sustainability throughout our business activities testifies to our advocacy of sustainability awareness and its vital role in enhancing our appeal to our customers.

## OUR CORE VALUES



### Our Sustainability Journey

2017: Where We Were	2018: Setting KPIs on our Material Issues	2019: Where We Are Now and What We Have Achieved
<ul style="list-style-type: none"> <li>✓ Establishment of the Sustainability Reporting Committee</li> <li>✓ Published inaugural sustainability report in accordance with GRI Standards: Core Option</li> <li>✓ Scope: SP division in Singapore, Malaysia and Vietnam</li> </ul>	<ul style="list-style-type: none"> <li>✓ Published second sustainability report in accordance with GRI Standards: Core Option</li> <li>✓ Reviewed performance against KPIs for material environmental, social and governance ("ESG") topics</li> <li>✓ Established financial year 2019 targets for material ESG topics</li> <li>✓ Scope: SP division in Singapore, Malaysia, Vietnam and Dubai</li> </ul>	<ul style="list-style-type: none"> <li>✓ Third sustainability report published in accordance with GRI Standards: Core Option</li> <li>✓ Reviewed 2019 results against target KPIs set for material ESG topic in 2018</li> <li>✓ Scope: SP division in Singapore, Malaysia, Vietnam and Dubai</li> </ul>

# OUR APPROACH

## NEW TOYO'S SUSTAINABILITY STRATEGY

Sustainability goals are ensured for our business through our sustainability strategy, allowing us to provide sustainable growth and rewards based on our efforts and investments in the present and future.

SUSTAINABILITY GOALS 	STRATEGY 
TO BE THE SUPPLIER OF CHOICE	<ul style="list-style-type: none"> <li>✓ Increase product satisfaction</li> <li>✓ Increase packaging satisfaction</li> <li>✓ Refer to page 14 for more information on Our Customers</li> </ul>
TO BE ENVIRONMENTALLY CONSCIOUS	<ul style="list-style-type: none"> <li>✓ Improve energy efficiency</li> <li>✓ Use recycled materials where possible</li> <li>✓ Minimise wastage</li> <li>✓ Refer to pages 21-23 for more information on Environment</li> </ul>
TO BE THE EMPLOYER OF CHOICE	<ul style="list-style-type: none"> <li>✓ Improve training hours</li> <li>✓ Minimise health and safety incidents</li> <li>✓ Refer to pages 15-20 for more information on Our People</li> </ul>
TO BE A PROACTIVE CORPORATE CITIZEN	<ul style="list-style-type: none"> <li>✓ Invest in the community through social spending</li> <li>✓ Refer to page 24 for more information on Community</li> </ul>

## GOVERNANCE

### SUSTAINABILITY GOVERNANCE STRUCTURE



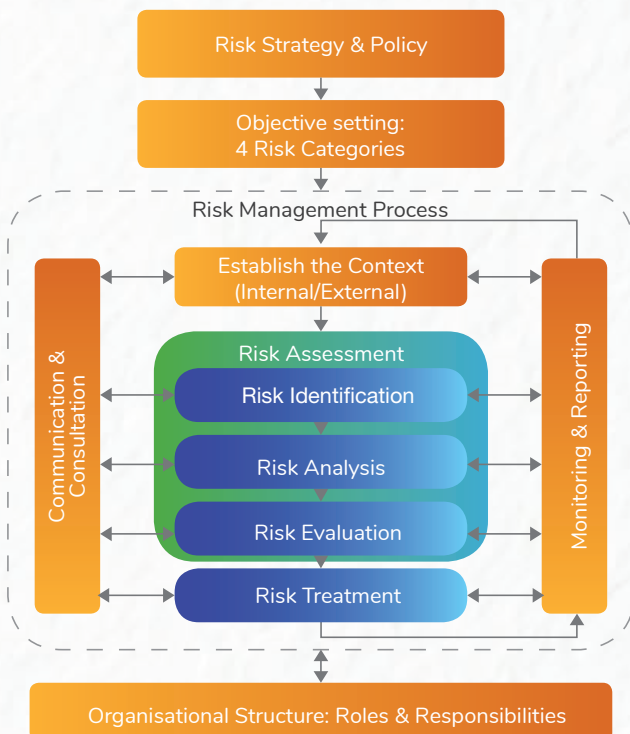
# OUR APPROACH

As sustainability has become vital for leading corporations, we launched our Sustainability Reporting Committee (“SRC”) in early 2017 to guide and oversee the development of New Toyo’s sustainability policies and practices. In line with this measure, the Board answers for the management of New Toyo’s overall sustainability practice and is informed of sustainability issues through the mechanism of the SRC’s updates to the Group Chief Executive Officer and the Chief Financial Officer. Accordingly, the Board assures that sustainability is upheld in a diligent manner throughout all levels of the organisation. The Board considers all identified material ESG topics when making adjustments to New Toyo’s strategic planning and development.

Further bolstering our approach to sustainability are our well-established governance structures and proactive method of risk management. Please refer to our Corporate Governance Statement in our New Toyo’s 2019 Annual Report, which will be issued no later than 14 June 2020, for more information on our corporate structures, practices and policies.

## RISK MANAGEMENT

Our Enterprise Risk Management (“ERM”) structure enables us to make full use of emerging opportunities and to mitigate detrimental effects of strategic, financial, operational and compliance risks. Sustainability topics are identified accordingly when and where these risks emerge. We recognised that every business unit operates in a unique business environment. As such, it is emphasised to follow ERM in spirit and substance, rather than in form, while attending to the unique circumstances and needs of any occasion faced by each unit. Please refer to our Risk Management and Internal Controls section in our New Toyo’s 2019 Annual Report, which will be issued no later than 14 June 2020, for more information on our practices and policies.



## BUSINESS CONTINUITY MANAGEMENT

At New Toyo, we hold sustainability to be an integral endeavour to progressively manage challenges within the community, environment and business to minimise the impacts of adverse events on our people and the local community and to ensure minimal disruption in our supply to our customers.

- Business continuity management considers options to:
- Ensure our employees’ safety and well-being are paramount
  - Enable containment actions to control damage to the factory, personnel and surrounding areas
  - Reduce harm to production equipment due to emergencies, such as a fire
  - Halt and prevent interruptions to operations and damage to factory resources
  - Redirect shipments to alternative production facilities should our customers experience disruptions at their site
  - Facilitate immediate information sharing on matters of emergency response and safety

This plan is checked regularly during the year to guarantee its robustness and continued viability and reliability.

## ETHICAL STANDARDS

Ethical standards underlie the way we construct dependability with clients, suppliers and investors through ethical business practices. This boosts the stability of our supply chain and leads to long-term sustainability. Ethical standards are firmly adhered to, particularly those involved with anti-competitive behaviour, anti-trust and monopoly issues and customer privacy. All employees acknowledge that they have read, comprehend and follow our Code of Conduct (“Code”) in order that they continuously display ethical standards. The Code is mandatory at each new employee’s orientation session. Included are all applicable aspects of compliance with relevant laws, rules and regulations, including directives on insider trading, fraud and anti-counterfeiting. These policies form the basis of our anti-corruption ethos as stressed in the Code.

As an accompaniment to the Code, our whistle-blowing policy offers a way for employees to voice worries regarding possible financial reporting infractions or other relevant matters. Each employee is familiarised with this policy on his or her first day at the company.

All our employees are offered avenues to bring any concerns they may have in good faith to New Toyo’s designated receiving officer, the chairman of the Audit Committee. This open channel of communication offers respect for anonymity and is testament to our promise of a work environment where employees are enabled to share concerns without fear.

All New Toyo employees can look to our Employee Handbook for guidance on ethical matters, including policies and procedures for data protection and confidentiality. The handbook is definitively recognised by each new hire as he or she enters the company.

# OUR APPROACH

In line with our expectations, no incidents of non-compliance with laws and regulations in the social and economic areas occurred for year 2019. In addition, there were no recorded concerns regarding breaches of customer privacy or losses of customer data, and New Toyo was involved in zero legal actions brought for anti-competitive behaviour or anti-trust and monopoly practices. Each year we strive to uphold this superlative record by guaranteeing that compliance minimises risk exposure in terms of reputational damage.





Investing in dependable, long-term value for our stakeholders continues to be our highest priority. With sustainability governance present throughout our operating environments, we are better able to coordinate economic, environmental and social performance, as guided by our core values and culture and following our top management's lead.

## SOCIO-ECONOMIC COMPLIANCE TRACK RECORD

0 incidents of non-compliance with socio-economic laws and regulations  
(2018: 0 incidents)

## STAKEHOLDER ENGAGEMENT

How we engage our key stakeholders

Stakeholder Group	Engagement Methods and Frequency	Key topics and concerns	How New Toyo has responded
 Customers	<ul style="list-style-type: none"> <li>Annual Customer Satisfaction Survey</li> </ul>	Provide consistent product and service quality	See: Our Customers p. 14
 Suppliers	<ul style="list-style-type: none"> <li>Regular business meetings, emails, and ad-hoc telephone calls</li> </ul>	Ensure safe working conditions and compliance with locally relevant laws and regulations	See: Responsible Sourcing, p. 25
 Investors	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Quarterly results announcements</li> <li>Regular stock exchange releases online</li> </ul>	Give timely and regular updates on financial performance, business strategies and other investor related issues	See: Governance, Risk Management, p. 10-11 About This Report, p. 6
 Board of Directors	<ul style="list-style-type: none"> <li>Regular Board and Board committee meetings (See: Corporate Governance Statement in our Annual Report)</li> </ul>	Guarantee business operations comply with laws and regulations	See: Ethical Standards, p. 11 Environment, p. 21-23
 Employees	<ul style="list-style-type: none"> <li>Annual/Ongoing Performance evaluation for all Employees</li> </ul>	Facilitate and increase employee commitment and loyalty	See: Our People, p. 15-20

We undertake to work closely with our stakeholders on matters of mutual importance into the future through multiple avenues, such as regular customer surveys, shareholder meetings and analyst calls. Importantly, stakeholder engagement is prioritised as we endeavour to place stakeholder considerations foremost in those topics most material to us.

In accordance with our last sustainability exercise, we stress five stakeholder groups based on their influence and involvement with New Toyo:

- Customers
- Suppliers
- Investors
- Board of Directors
- Employees (represented by management personnel from our SP division units)

## MATERIALITY

We supplement the traditional means of financial reporting to additionally strive in sharing material information with our stakeholders on vital matters. Material topics may influence their estimations of New Toyo or affect our long-term financial performance; therefore, the concerns of stakeholders are valued in identifying the material ESG topics.

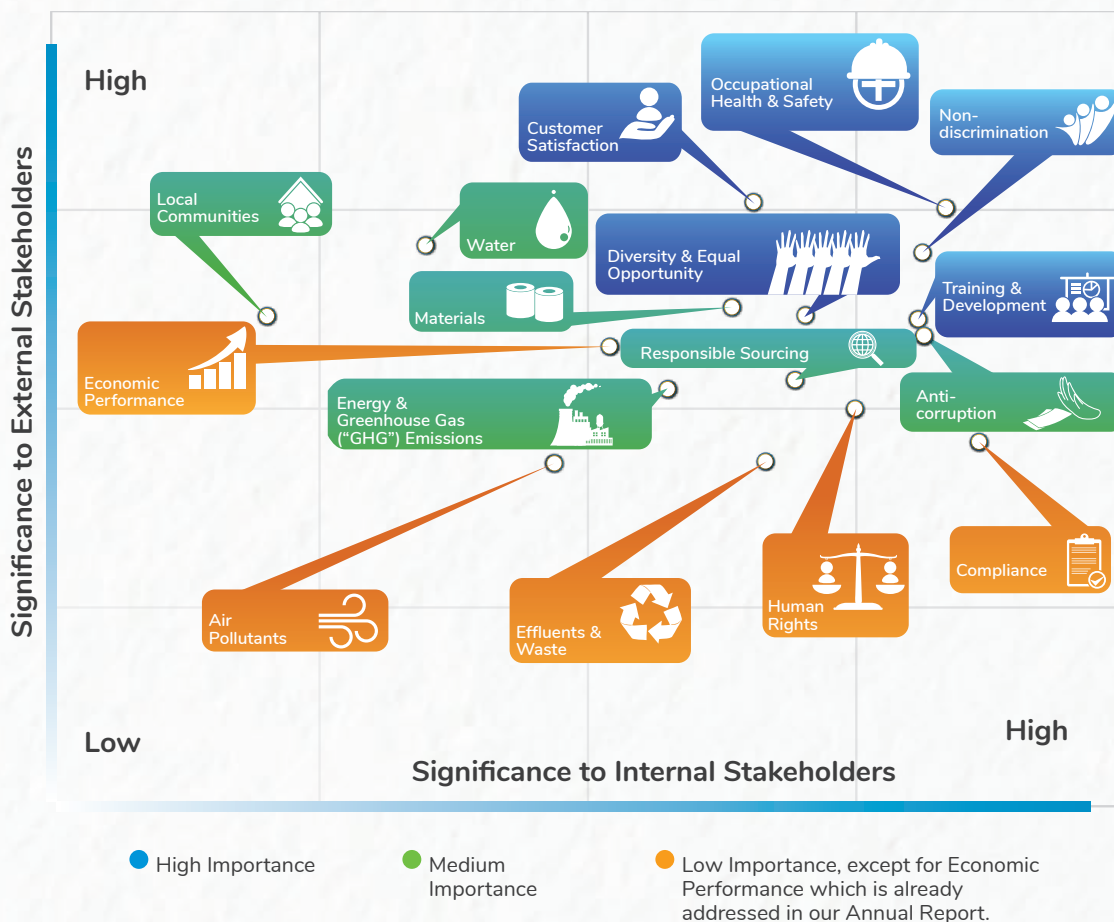
For our materiality assessment exercise of year 2017, we engaged an independent sustainability consultant, and the resulting survey indicated that our stakeholders were satisfied with our management of the material topics. In the formal process of the survey:

- Topics were first identified and validated by the Sustainability Reporting Committee
- Stakeholders were invited to rank the topics by their significance
- Material ESG topics were identified through means of a materiality assessment workshop with the presence of the Board and top management

New Toyo has formulated the 2019 sustainability report in line with these ESG topics and guided by the GRI Principles.

Targets for material topics ranked as High Priority and necessary control mechanisms were designed to benchmark our performance against these targets. To our satisfaction, all targets were achieved or maintained. We aim to continuously evaluate and improve our performance on material ESG topics going forward.

Reviewing the materiality of ESG topics will ensure their continued relevance to any fluctuation in the business environment.



# OUR CUSTOMERS

**Our customers are consistently offered excellent services and quality products as we consider their satisfaction to be our success as we enhance our reputation in the industry. To uphold this status, we continuously engage with our customers through active contact and seek feedback for the on-going resilience of our relationships.**

Our customers recognise us in word of mouth marketing that provides evidence of our achievements. As a global brand, we are committed to excellence in customer service. With highly satisfied and engaged customers, we highlight our position relative to our competitors and are in the forefront to capture new opportunities. Customer visits to our facilities and audits are welcome as they provide customers with a better understanding of our people and our production activities.

An excellent customer experience begins with initial contact with the customer, followed by identifying the customers' needs and then providing on time delivery of top quality products and acclaimed after sales support.

Our goal is a smooth and timely delivery of product supply to our customers, but, on occasion, there are situations in which extenuating circumstances affect our operations, as well as the businesses of our customers, and hamper our ability to deliver to the intended destination. Locally adverse conditions, such as floods, earthquakes and political instability, may result in scenarios of impairment to the supply chain. As part of our pledge to our customers, we regularly review safety measures that reduce and alleviate external risks. Our business continuity management system includes back up contingency sites within the Group and our customers' supply chain, and its effectiveness is periodically reviewed to promote the efficient activation of our procedures. Options may include sourcing alternative sites for raw materials and rerouting goods to continue supply.

Based on our customers' feedback, the quality control department will coordinate with the proper departments to jointly investigate and determine the fundamental source of the problem, followed by recommendations for appropriate actions to avoid future occurrences.

Our goal is to be continually engaged and coordinated with our customers while responding closely to their needs. Such engagement is a material ESG topic ranked highly by our stakeholders. One way we achieve this is through our annual customer satisfaction survey. In 2019, we received an average rating of 4 out of 5 for our SP division on both product quality and the quality of packaging for products supplied, and we will continue to maintain this good rating.



## TARGET

We aim to maintain at minimum a 'good' performance rating.



## RESULT

We continue to maintain a 'good' performance rating in year 2019.

Our business units are certified according to the ISO9001 Standard to ensure that our products meet the needs of our customers while according to statutory and regulatory requirements:

- New Toyo Aluminium Paper Product Co., Pte Ltd: ISO9001 (2015)
- Paper Base Converting Sdn Bhd: ISO9001 (2015)
- New Toyo (Vietnam) Aluminium Paper Packaging Co., Ltd: ISO9001 (2015)



At New Toyo, we believe that our employees' performance is paramount to the success of our organisation. To enhance our employee satisfaction and effectiveness, we embed a culture of inclusiveness in the organisation and offer on-going training and development, to further our positive relationship with them.

## OUR EMPLOYEES

Our workforce totalled 502 members within our SP division by the end of 2019. This amounted to a profile of male and female employees at 396 and 106 respectively in our workforce. The majority of employees are based in the production factory engaged in physical work. This results in the company attracting more male employees who are more prevalent in the manufacturing industry. (see Figure 1.1)

All staff are full-time members with the exception of two part-time female employees. 37.3% are engaged for fixed-term or temporary contracts that cover between one and three years. 30.4% of our workforce in Malaysia and 100% of our workforce in Vietnam fall under collective bargaining agreements. Aiding our pledge to safeguard worker rights, we follow the SA8000 standard at our Vietnam operations. This standard enhances our ability to develop, maintain and apply socially acceptable practices in the workplace.

Total Employees by Employment Contract by Gender and Region (Figure 1.1)



	Male	Female	Singapore	Malaysia	Vietnam	Dubai
<b>PERMANENT</b>	<b>237</b> (2018: 243)	<b>78</b> (2018: 73)	<b>80</b> (2018: 77)	<b>112</b> (2018: 105)	<b>123</b> (2018: 134)	<b>-</b> (2018: -)
<b>FIXED TERM/ TEMPORARY</b>	<b>159</b> (2018: 185)	<b>28</b> (2018: 37)	<b>-</b> (2018: -)	<b>36</b> (2018: 41)	<b>134</b> (2018: 140)	<b>17</b> (2018: 41)







## EMPLOYEE ATTRITION AND NEW HIRE RATES

Remuneration and career progression opportunities are competitively designed to attract and retain our valued staff. In 2019, employee turnovers and new hires were at 30.0% and 18.8% respectively. The high employee turnover rate was mainly due to group restructuring to focus on our core business as well as to increase the productivity and efficiency of our overall operation.

The total employee turnover rate increased by 8.8% in year 2019 (in 2018: 21.2%). This increase resulted from our Group operation restructuring, in which 22.1% of the employee turnover rate (see Figure 1.3) was attributable to Vietnam, up from 14.7% the previous year. In detail, 111 of employees left from our Vietnam operations due to cessation of our core paper business operation in the 4<sup>th</sup> quarter of 2019, of which 53.3%, or 56 employees, were aged below 30.

# OUR PEOPLE

Total Employee Hires and Employee Turnover<sup>2</sup> by Age Group and Gender (Figure 1.2)

	<30 years	30-50 years	>50 years	
MALE				<b>72</b> New Hires <b>14.4%</b> (2018: 101, 18.8%) Turnover <b>24.2%</b> (2018: 17.9%) <b>116</b> Voluntary Turnover (2018: 94) <b>5</b> Non-Voluntary Turnover (2018: 2)
				
FEMALE	<b>60</b> New Hires <b>12.0%</b> (2018: 65, 12.1%) Turnover <b>15.3%</b> (2018: 14.3%) <b>71</b> Voluntary Turnover (2018: 75) <b>5</b> Non-Voluntary Turnover (2018: 2)	<b>32</b> New Hires <b>6.4%</b> (2018: 55, 10.2%) Turnover <b>13.9%</b> (2018: 6.5%) <b>70</b> Voluntary Turnover (2018: 35)	<b>2</b> New Hires <b>0.4%</b> (2018: 6, 1.1%) Turnover <b>0.8%</b> (2018: 0.4%) <b>4</b> Voluntary Turnover (2018: 2)	<b>22</b> New Hires <b>4.4%</b> (2018: 25, 4.6%) Turnover <b>5.8%</b> (2018: 3.3%) <b>29</b> Voluntary Turnover (2018: 18)

Rate of New Hires and Employee Turnover<sup>2</sup> by Region (Figure 1.3)

 Singapore	 Malaysia	 Vietnam	 Dubai
<b>11</b> New Hires <b>2.2%</b> (2018: 9, 1.7%) Turnover <b>2.5%</b> (2018: 1.3%) <b>12</b> Voluntary Turnover (2018: 7)	<b>22</b> New Hires <b>4.4%</b> (2018: 30, 5.6%) Turnover <b>5.2%</b> (2018: 4.1%) <b>26</b> Voluntary Turnover (2018: 22)	<b>58</b> New Hires <b>11.6%</b> (2018: 54, 10.0%) Turnover <b>22.1%</b> (2018: 14.7%) <b>106</b> Voluntary Turnover (2018: 77) <b>5</b> Non-Voluntary Turnover (2018: 2)	<b>3</b> New Hires <b>0.6%</b> (2018: 33, 6.1%) Turnover <b>0.2%</b> (2018: 1.1%) <b>1</b> Voluntary Turnover (2018: 6)

<sup>2</sup> New hire and turnover rate by gender and region are both based on total new hire and employee turnover figures in the SP division.

## DIVERSITY AND EQUAL OPPORTUNITY

At New Toyo, we provide a workplace environment that is inclusive and respectful of each employee, regardless of age, gender, ethnicity, nationality or sexual orientation. We assess the performance of new and current employees by considering their merit, qualifications and job-related achievements. The feedback, ideas and suggestions of our employees are of topmost value, and we consider this with no regard to rank as we create a workplace conducive to retaining and engaging a diverse pool of talent.

We achieve increased business resilience by properly understanding and attending to the evolving nature of our supply chain. Innovation and future success rest on having a diverse team where employees are able to contribute their views safely and with comfort and flexibility. Encouraging diversity and inclusion allows us to better connect with our customers as we identify their needs with respect to differing social, ethnic and geographical backgrounds.



While we value workforce gender parity, we understand that the nature of our business tends to attract more male than female workers. Our goal of achieving a practical target with regard to this material ESG of employee diversity is demonstrated by the increase in female employees and recruitment in the older age bracket in 2018. We will continue to strive towards a gender and age diverse workforce.



In 2019, we continue to maintain the balance between gender and age as per of our objective.

## ANTI-DISCRIMINATION AND HARASSMENT-FREE ENVIRONMENT

New Toyo maintains a workplace culture without animosity where each worker is given due respect. Alleged discrimination or any other form of abuse or harassment is given high priority and severe measures are in place to prevent and settle any incident should it arise. This includes discrimination based on age, ancestry, marital status, national origin, race, religion, gender or veteran status, among others. Harassment is considered abusive, insulting or offensive behaviour, such as sexual advances, speech with sexual comments and attempted procurement of sexual favours.



Our 2019 Target is zero discrimination incidents.



We maintained zero discrimination incidents for year 2019.

## GRIEVANCE MECHANISM

Should an employee experience or be a witness to any form of discrimination or harassment, he or she has immediate access to our Group legal department, and the identity of the reporting party will receive rigorous confidentiality. Our managers are tasked with prompt submission of any case and will immediately notify the company's senior management or our Human Resources department if they learn of an incident of harassment or discrimination. The policies are outlined in the Employee Handbook Recruitment Policy and Guidelines on Selection and Hiring. Human Resources keep tabs on our hiring processes to make sure discrimination is avoided and keeps statistical data reported to the Group HR Admin Manager quarterly. No reported incidents of discrimination were noted for 2019.

## OPEN COMMUNICATION

Our performance evaluation system offers a means of back and forth feedback among our employees and their reporting officers. Through this performance evaluation system, we are able to view employee inputs and offer recognition and rewards based on their contributions while encouraging them in performance improvement and career development.

## TRAINING AND DEVELOPMENT

At New Toyo, our workplace philosophy rests on progress in the professional careers of employees and their engagement in lifelong learning. This gives avenues for employees to grow professionally, continually meeting the chance for skills upgrading and training. External and in-house career training programmes allow our employees to achieve excellence in their work and reach their fullest potential. Financial assistance is offered as well as subsidies for external courses if workers take the opportunity to further extend their skillsets as desired or needed.

We promote employees from within where applicable in the event that they demonstrate the potential and drive as well as skills when vacant positions arise rather than recruiting externally. Our appraisal and profiling process allows us to search for best candidates to assume the leadership roles within the organisation. Human capital development remains a priority as we advance our planning and promote our growth strategies.

# OUR PEOPLE



## TARGET

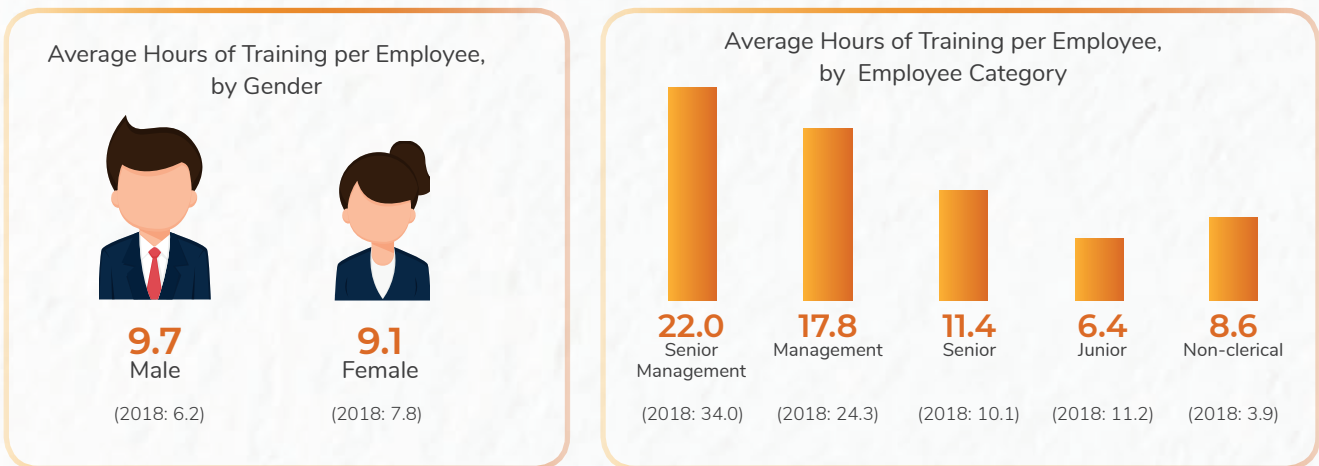
We will continue to explore ways to encourage learning and assist our employees in harnessing their talents for their own professional development, which will ultimately benefit our organisation. For 2019, the focus is on increasing training hours for the non-clerical group.



## RESULT

The average training hours per employee for the non-clerical group was increased 120% to 8.6 hours (FY2018: 3.9 hours).

Average hours of Training by Gender and Employee Category in 2019 (Figure 1.4)



## OCCUPATIONAL HEALTH AND SAFETY



Year 2019 marks our third year of sustainability reporting, and, as previously, we report following the 2016 version of the GRI 403 standard on Occupational Health and Safety. Our aim is to report in alignment with the updated 2018 GRI 403 standard on Occupational Health and Safety when we submit our sustainability report for financial year 2020. This updated 2018 GRI 403 provides measures and instruments to track "high-consequence work related injuries".

Our vigorous risk management system at New Toyo is able to evaluate the system's effectiveness and safeguard its relevance and ability to handle matters of health and safety. Please refer to the Risk Management section on page 11 of the report for further information.

Our workforce is exposed to certain risks while forking in the factory setting, and workplace health and safety remains one of our top priorities. At New Toyo, we have developed detailed procedures and policies to limit and foresee potential risks in terms of when operations are on-going as well as prior to the start of operations. We guarantee adherence to all relevant industry regulations and have established a systematic approach to violations of safety protocols and the advancement of a culture of safety awareness. Health and safety receive the same attention as traditionally identified critical business activities with regular reporting, evaluations and assessments.

# OUR PEOPLE

Employees are instructed to maintain a safe working environment and to avoid actions resulting in injury to themselves or others; in such events, they immediately report any potentially hazardous situation to management. They are required to observe and follow all safety and environmental regulations outlined in operation instructions, including those detailing the use of necessary safety equipment where relevant.

As our responsibility and duty, we pledge to provide a safe and accident-free work environment for our employees. While we recognise that no workplace risk, such as cuts, bruises and sprains, may be fully anticipated, we adopt every precautionary measure to minimise and reduce workplace accidents. Safety protocol refresher courses are regularly attended to further ingrain the importance of safety in our employees' work habits, and they are mandated to adhere to safety procedures at all times for their safety and well-being.

Our low absentee rates provide evidence of our resolve to encourage the highest standard of health and safety.



## ABSENTEE RATE

We continue to promote our employees' efforts to maintain healthy lifestyles, which keeps the absentee rate low.

## INJURY AND OCCUPATIONAL DISEASE RATES

We continue to drive a superior workplace safety culture through awareness training and workplace safety and process reviews.

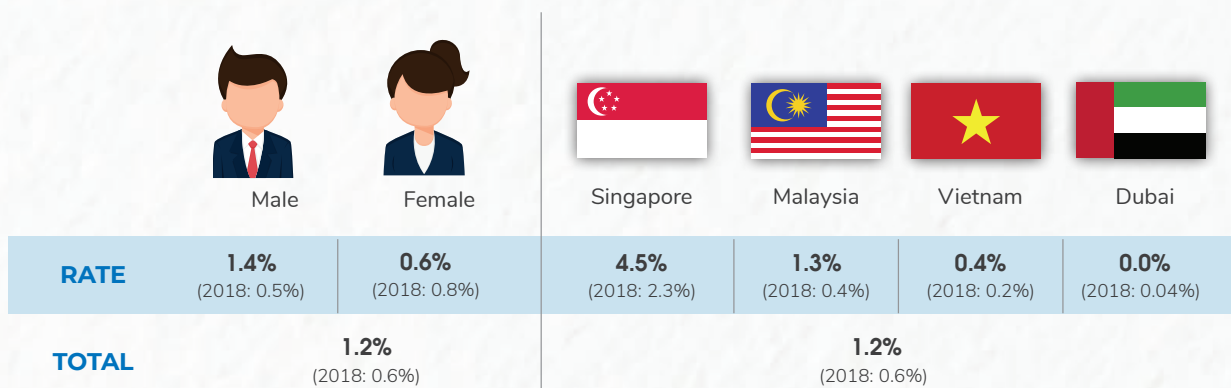
## WORK-RELATED FATALITIES

We aim to maintain a track record of zero work-related fatalities.








Our absentee rate for FY2019 remained low as we prioritise a healthy lifestyle among our employees. Workplace safety training is regularly conducted for our employees upon joining and thereafter. This led to no work-related fatalities reported for FY2019.

Absentee Rates by Region and Gender (Figure 1.5)



# OUR PEOPLE

Workplace Safety Statistics by Region and Gender (Figure 1.6)  
2019 (per million man-hours worked)

					
			SINGAPORE	MALAYSIA	VIETNAM
<b>INJURY RATE:</b>	<b>11.6</b> (2018: 13.7)	<b>-</b> (2018: 4.0)	<b>49.0</b> (2018: 44.8)	<b>9.1</b> (2018: 18.6)	<b>-</b> (2018: 1.3)
<b>LOST-DAY RATE:</b>	<b>283.1</b> (2018: 145.8)	<b>43.2</b> (2018: 60.4)	<b>204.9</b> (2018: 260.1)	<b>291.8</b> (2018: 218.9)	<b>255.8</b> (2018: 66.5)

*There was no reported accidents for Dubai in 2019 (2018: Nil)*

System of rules applied in recording and reporting accident statistics:

(Additional information: We do not have other workers besides employees.)

1. For 2019, we tracked Occupational Health and Safety performance in accordance with the metric prescribed by Singapore's Ministry of Manpower, in line with industry practice. 2018 rates are presented using the same metrics for the purpose of comparison against 2019 rates.
2. Accident statistics are recorded and reported according to the Ministry of Manpower, the Occupational Safety and Health Malaysia and the Hazard Analysis and Critical Control Points of Singapore, Malaysia and Vietnam respectively. As such, aggregation is not meaningful.
3. Minor injuries are excluded in 'non-fatal workplace injuries' for all regions except Malaysia. Lost days are based on medical leave days for all regions except Vietnam. Medical leave days are based on scheduled workdays for all regions except for Malaysia, where they are based on calendar days. 'Lost days' count begins on the day of the incident for all countries except Singapore and Dubai, which begin on the day after the incident.

**Having concern for and responsibility towards the environment is vital to ensuring our long-term business sustainability. In this, we endeavour to follow all applicable laws and regulations related to environmental issues with strict adherence and compliance at all times.**

We believe that every organisation is tasked with responsibility towards environmental stewardship. We understand the importance of environmental matters and rigorously follow each environmental law. As a measure towards our long-term sustainability, we source input from our stakeholders to reduce the environmental impact of our activities.

No incidents of non-compliance with environmental laws and regulations, such as those connected to air toxins, effluents and waste, occurred this year. We aim to honour this admirable performance going forward in the advancement of our businesses.

Our machines operate by utilising more electricity when switching from a disconnected to a running mode. Keeping this in mind, we organise our manufacturing cycles efficiently as we attempt to keep unnecessary starts and stops down. Regular maintenance of the machines helps us keep them running optimally while reducing breakdown, all contributing to reduce our carbon footprint. We also advise our customers to use water-based inks as they are more environmentally friendly.

Our environmental policies and programmes are regularly updated to see to their responsiveness and continued implementation.

**WE ALWAYS DO OUR BEST TO BE A RESPONSIBLE MANUFACTURER THAT CARES FOR ENVIRONMENTAL ISSUES BY EMBRACING GREEN PRACTICES.**

In year 2018, we set the KPIs for all relevant business units that cover materials utilisation, work scheduling, machine upkeep and staffing to keep track of and continually maintain high efficiency.

For our annual Sustainability Report, we have chosen the eco-friendly option of e-distribution. Copies of this report and future Sustainability Reports can be downloaded from our website at <http://www.newtoyo.com/investannualreport.htm>.

## Environmental compliance track record

0 incidents of non-compliance with environmental laws and regulations.

(2018: 0 incidents)



**Result**

The result remains the same with Zero incidents reported.

# ENVIRONMENT

## WATER

Water scarcity remains a global issue of concern. This covers also tropical regions, such as Malaysia and Singapore, where we base our operating units. However, water is not identified as a material topic for New Toyo's operations as our water use is not as intensive as that of other heavy industries. In any event, we continue to evaluate such environmental considerations, particularly as New Toyo has facilities in water scarce countries (Dubai), and we responsibly check our water use aiming for opportunities to reduce water usage. For comparability purposes, this being only the third report published by New Toyo, we continue to report in alignment with the 2016 version of the GRI 303 standard on Water. We look forward to reporting in accordance with the updated 2018 GRI 303 standard on Water and Effluents with the publication of our sustainability report for financial year 2020.

Water is supplied by municipal water sources for all our operations. The total volume of water used in 2019 decreased to 29,427 cubic metres, down from 33,194 cubic metres in 2018. This was mainly due to higher water consumption in 2018 attributable to a printing site set-up encompassing construction and upgrades works in Malaysia.

## MATERIALS

While we make our products from pre-processed raw materials and so do not ourselves process pulp, we acknowledge that the production of paper materials does leave an environmental footprint that may impact local communities. We therefore implement an appropriate resource conservation plan to recognise this.

Considering ourselves to be a responsible and devoted company, we do our utmost to follow the principles encapsulated in Our Approach and Our Sustainability Ethos and variously limit results to the environment through effective planning and excellent product delivery. Our products are of the highest quality as we also commit to a responsible use of materials in our operations. By reducing the number of rejects (both internally and externally), we have a direct impact on material, energy, labour and transportation costs involved in replacing products. Our methods allow us to minimise wastage and obtain a maximised operational efficiency that enhances our customers, shareholders and the environment.

One of our strategies for impact reduction and the goal to be environmentally friendly is to use recycled paper cores to package our materials wherever possible. For the present year, 10.2% (2018: 12.1%) of input materials were paper cores made from recycled materials. In our processes, materials generated that are capable of recycling resulted in 2,761 metric tonnes (2018: 3,909 metric tonnes) of scrap materials sent for processing during 2019.

### INPUT FROM RECYCLED MATERIALS

**10.2%**

(2018: 12.1%)

### SCRAP MATERIALS RECYCLED

**2,761 metric tonnes**

(2018: 3,909 metric tonnes)



## ENERGY AND GREENHOUSE GAS EMISSIONS

Lowering our energy consumption and reducing greenhouse gas emissions enables us to increase operational efficiency while also being environment friendly as we prioritise energy efficiency and the use of renewable fuel sources. This aids global efforts to counter the effects of climate change. Our sustainability reports welcome opportunities to share our headline figures and trend data as we continue to work on our carbon footprint.

New Toyo's internal Energy Conservation Policy and Procedure, published since 2011, is obligatory reading for all headquartered employees and offers guidelines on measures our employees can take to conserve energy. The guidelines include setting air conditioning systems to 24°C and reducing energy consumption where possible. Items for consideration are keeping doors closed, turning off lights and enabling the power management features of personal computers. Following this guide, our employees can show their support for our initiative to improve our energy and emissions profile.

We continuously oversee our supply, manufacturing and distribution processes so they are at the optimal level as a way of mitigating our carbon footprint. We ensure, for example, that containers are fully loaded to their ideal safe capacity wherever possible. Our energy intensity for 2019 was 425 kilojoules per dollar revenue. One focus for the future is to further bolster this aspect of our operational efficiency.

Our energy intensity calculations include fuel<sup>3</sup> and electricity used for our processes, with electricity consumption based on electricity bills. We source fuel in diesel form as well as biomass (from compressed wood tablets), which is considered an environmentally friendly form of energy.

We encourage the acquisition of energy efficient products where possible.

### ENERGY INTENSITY

**425 kilojoules**

(2018: 457 kilojoules)

<sup>3</sup> Fuel properties are sourced from Greenhouse Gas (GHG) Protocol's Emission Factors from Cross Sector Tools (March 2017 version)

# COMMUNITY

**Our support for and commitment to local neighbourhoods builds a good reputation in the regions we operate. Over the years, we have given to communities via various channels, including donations, involvement in social work and other community services.**

## CHARITABLE DONATIONS AND SPONSORSHIP

Giving back for our success as an organisation, we sponsor charitable activities and are pledged to aid non-profit organisations devoted to promoting community well-being. Our Sponsorship and Corporate Donation Policy guides us as we establish priorities for sponsorships and corporate donations. Non-profits focusing on education, community development, environmental improvement, humanitarian and social projects and economic development are those we wish to support.

The following requirements are in place for a non-profit organisation to participate:

- Be a recognised as a charity or non-profit organisation and have a charter to that effect;
- Be tax exempt;
- Have administrative fees of less than 20% of overall expenses;
- Ensure that our support will improve the quality of life in the community.

We will not consider the provision of funding for the following types of requests:

- Organisations without a non-profit status
- Political organisations, candidates or campaigns
- Lobbying groups
- Sponsorships/donations for individual purposes
- Solicitations that discriminate on the basis of age, race, gender, sexual orientation or national origin

### Our Community Engagement

As at to-date, we had made several donations since year 2017 to various non-profit organisations and local communities such as National Heart Centre Singapore, Vietnam Red Cross Society and Xiamen Haicang District Education Foundation in the effort for our contribution to the society.



# RESPONSIBLE SOURCING

**As a responsible business partner, we endeavour to ensure that our suppliers adhere closely to our Supplier's Code of Conduct established as our core principle to guarantee we conduct business only with proper contacts.**

Our major customers have taken steps to be leaders in the sustainability arena. With sustainability becoming a priority for these customers, we aim to match their high standards with conscientious procurement from a social and environmental perspective. New Toyo's Supplier CoC covers areas such as ethics in business dealings, adherence to applicable laws and regulations and environmental stewardship, and we encourage our suppliers to promote these values in their business practices.

## ETHICS IN BUSINESS DEALINGS

We hold that ethical business dealings are the right and only ways to prosper as a business. We look to our suppliers to entrench mechanisms for the prevention of conflicts of interest, excessive gifts and entertainment, bribery and corruption. The company's established code of conduct covers topics regarding ethical conduct, including conflicts of interest within or beyond the Group, and itemises a policy on the acceptance of gifts, hospitality or other favours that all our employees are tasked to acknowledge and strictly adhere to.

Finally, creating a healthy business environment by upholding the principle of anti-competitive, trust and monopoly practices enables us to garner positive perceptions and construct a reputable status in the market.

## ENVIRONMENT

At New Toyo, we stress environmental concerns in the same way we prioritise all other business practices. All suppliers are required to be good stewards of the environment and to comply with all applicable environmental laws and regulations. We encourage our suppliers to proactively encounter new ways to minimise the consumption of natural resources, reduce greenhouse gas emissions and improve waste management.



# GRI CONTENT INDEX

GRI Standard (2016) Title	Disclosure Number	Disclosure Title	Page No.
General Disclosures	102-1	Name of the organisation	About New Toyo, p. 2
	102-2	Activities, brands, products and services	About New Toyo, p. 2
	102-3	Location of headquarters	About New Toyo, p. 2
	102-4	Location of operations	About New Toyo, p. 2
	102-5	Ownership and legal form	About New Toyo, p. 2
	102-6	Markets served	About New Toyo, p. 2
	102-7	Scale of the organisation	About New Toyo, p. 2  Annual Report > Statements of Financial Position, Consolidated Income Statement  Quantity of products has not been disclosed as this information is trade sensitive.
	102-8	Information on employees and other workers	Our Employees, p. 15  Data have been obtained using HR personnel files.
	102-9	Supply chain	Our Sustainability Ethos, p. 3
	102-10	Significant changes to the organisation and its supply chain	Annual Report > Chairman's Message, Group CEO's Business Review
	102-11	Precautionary Principle or approach	Risk Management, p. 11
	102-12	External initiatives	Our Customers, p. 14 Environment, p. 21
	102-13	Membership of associations	None applicable
	102-14	Statement from senior decision-maker	Message from Board of Directors, p. 1
	102-16	Values, principles, standards and norms of behaviour	Governance, Risk Management, Ethical Standards, p. 10-11
	102-18	Governance structure	Governance, p. 10
	102-40	List of stakeholder groups	Stakeholder Engagement, p. 12
	102-41	Collective bargaining agreements	Our Employees, p. 15 More information will be available in future reports.
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement, p. 12
	102-43	Approach to stakeholder engagement	Stakeholder Engagement, p. 12
102-44	Key topics and concerns raised	Stakeholder Engagement, p. 12	
102-45	Entities included in the consolidated financial statements	Annual Report > Notes to the Financial Statements About This Report, p. 6	
102-46	Defining report content and topic Boundaries	Materiality, p. 13	
102-47	List of material topics	Materiality, p. 13	

# GRI CONTENT INDEX

GRI Standard (2016) Title	Disclosure Number	Disclosure Title	Page No.
<b>General Disclosures</b>	102-48	Restatements of information	Not applicable
	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	About This Report, p. 6
	102-51	Date of most recent report	Not applicable
	102-52	Reporting cycle	About This Report, p. 6
	102-53	Contact point for questions regarding the report	About This Report, p. 6
	102-54	Reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option.  See also: About This Report, p.6
	102-55	GRI content index	GRI Content Index, p. 26-29
	102-56	External assurance	About This Report, p. 6
<b>Material Topics</b>			
<b>Anti-competitive Behaviour</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Ethical Standards, p. 11
	103-2	The management approach and its components	Ethical Standards, p. 11
	103-3	Evaluation of the management approach	Annual Report > Corporate Governance Statement: Risk Management and Internal Controls
<b>Anti-Competitive Behaviour</b>	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Ethical Standards, p. 11
<b>Materials</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Materials, p. 22
	103-2	The management approach and its components	Materials, p. 22
	103-3	Evaluation of the management approach	Environment, p. 21
<b>Materials</b>	301-2	Recycled input materials used	Materials, p. 22
<b>Energy</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Energy and Greenhouse Gas Emissions, p. 23
	103-2	The management approach and its components	Energy and Greenhouse Gas Emissions, p. 23
	103-3	Evaluation of the management approach	Environment, p. 21
<b>Energy</b>	302-3	Energy intensity	Energy and Greenhouse Gas Emissions, p. 23

# GRI CONTENT INDEX

GRI Standard (2016) Title	Disclosure Number	Disclosure Title	Page No.
<b>Water</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Water, p. 22
	103-2	The management approach and its components	Water, p. 22
	103-3	Evaluation of the management approach	Environment, p. 21
<b>Water</b>	303-1	Water withdrawal by source	Water, p. 22
<b>Environmental Compliance</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Ethical Standards, p. 11 Environment, p. 21
	103-2	The management approach and its components	Risk Management, p. 11 Environment, p. 21
	103-3	Evaluation of the management approach	Annual Report > Corporate Governance Statement: Risk Management and Internal Controls
<b>Environmental Compliance</b>	307-1	Non-compliance with environmental laws and regulations	Environment, p. 21
<b>Employment</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Our People, p. 15
	103-2	The management approach and its components	Our Employees, p. 15-20
	103-3	Evaluation of the management approach	Employee Attrition and New Hire Rates, p. 15-16
<b>Employment</b>	401-1	New employee hires and employee turnover	Employee Attrition and New Hire Rates, p. 15-16
<b>Occupational Health and Safety</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety, p. 18
	103-2	The management approach and its components	Occupational Health and Safety, p. 18
	103-3	Evaluation of the management approach	Occupational Health and Safety, p. 18
<b>Occupational Health and Safety</b>	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	Occupational Health and Safety, p. 18  Accident Severity Rate and Accident Frequency Rate are omitted from disclosure as NTIH's manufacturing facility is significantly smaller than other manufacturers in the benchmarking group; hence, with a small base, any injury is highly significant.

# GRI CONTENT INDEX

GRI Standard (2016) Title	Disclosure Number	Disclosure Title	Page No.
<b>Training and Education</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Our People, p. 15-20
	103-2	The management approach and its components	Training and Development, p. 17
	103-3	Evaluation of the management approach	Training and Development, p. 17
<b>Training and Education</b>	404-1	Average hours of training per year per employee	Training and Development, p. 17
<b>Non-discrimination</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Diversity and Inclusion, p. 17 Anti-Discrimination and Harassment-Free Environment, p. 17
	103-2	The management approach and its components	Anti-Discrimination and Harassment-Free Environment, p. 17
	103-3	Evaluation of the management approach	Anti-Discrimination and Harassment-Free Environment, p. 17
<b>Non-discrimination</b>	406-1	Incidents of discrimination and corrective actions taken	Anti-Discrimination and Harassment-Free Environment, p. 17
<b>Customer Privacy</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Ethical Standards, p. 11
	103-2	The management approach and its components	Ethical Standards, p. 11
	103-3	Evaluation of the management approach	Annual Report > Corporate Governance Statement: Risk Management and Internal Controls
<b>Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethical Standards, p. 11
<b>Socioeconomic Compliance</b>			
<b>Management Approach</b>	103-1	Explanation of the material topic and its Boundary	Ethical Standards, p. 11
	103-2	The management approach and its components	Ethical Standards, p. 11
	103-3	Evaluation of the management approach	Annual Report > Corporate Governance Statement: Risk Management and Internal Controls
<b>Socioeconomic Compliance</b>	419-1	Non-compliance with laws and regulations in the social and economic area	Ethical Standards, p. 11

# NEW TOYO

International Holdings Ltd

47 Scotts Road  
Goldbell Towers #05-03  
Singapore 228233