



聯合食品控股有限公司
UNITED FOOD HOLDINGS LIMITED

Sustainability Report
2021

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“United Food Holdings Limited is committed to act responsibly with corporate social responsibility is core to our strategy and is deeply embedded within our operations and our culture. It is the Group’s essence to continuously improve the wellbeing of the environment and the society in which it operates.”

1. Board Statement

The Board of Directors (the “Board”) is pleased to present the Sustainability Report for the financial year ended 31 March 2021. The report outlines the Group’s sustainability performance as well as insights proceeding the implementation of our strategies. As the Board of Directors of United Food Holdings Limited, we have been overseeing the development of this Sustainability Report supported by our management team. This report provides information on the area in which we have believed that have the most environmental, social and governance impact.

2. Scope and Reporting Framework

This sustainability report discusses the Group’s overall performance in the environmental and social aspects of the business operations in Singapore, Hong Kong and in the PRC from 1st April 2020 to 31st March 2021, unless otherwise stated. This report has been prepared in accordance with the Global Reporting Initiatives principles.



3. Assurance

We did not seek external assurance for this sustainability report. We have relied on internal verification to ensure the accuracy of data. The Group's ESG team is experienced in ESG integration, engagement and voting. Our ESG performance is reported in good faith and to the best of our knowledge. However, we continue to adopt a phased approach to our reporting and will consider seeking external assurance as our sustainability reporting matures over time.

4. Engagement of Stakeholders

For this sustainability report, in order to identify the most significant aspects for the Group to report on, key stakeholders including investors, shareholders and employees have been involved in engagement sessions to discuss and to review areas of attention which will help the business meet its potential development and be prepared for future challenges.

5. United Food's Sustainability Mission

United Food Holdings Limited is committed to act responsibly with corporate social responsibility is core to our strategy and is deeply embedded within our operations and our culture. It is the Group's goal to continuously improve the wellbeing of the environment and the society in which it operates. From targeting the investment chain towards responsible, long-term value creation, such that economic, social and environmental sustainability are delivered as an outcome to the various development initiatives of the Company, to including day-to-day corporate management, business development and product and service development, our Group strives to achieve our goal of being a good corporate responsible social citizen. In this regard, the Company has also formulated a relevant environmental, and social governance policy, which:

- complies to the relevant laws and regulations of corporate environment, society and governance for conducting the Group's businesses;

- continues to improve and enhance the Company's relevant management system embedded with environmental, social and governance considerations; and
- encourages and promotes our staff and employees to save energy and conserve resources, supports and motivates energy saving and emission reduction measures

We are also very committed to communicating between management and staff, in respect of sustainability values, and such information was extended to stakeholders by way of sustainability report.

6. COVID-19 Measures and Impacts

As our business grows, so does the challenges and complexity of our operations. FY2021 was a particularly challenging year, putting pressure on our sales, distribution and production activities. With the mass enforcement of lockdown measures in our key markets together with the global recessionary and volatile economic conditions brought about by COVID-19. The Group is in compliance with governmental regulations regarding COVID-19. The Group have not experienced any COVID-19 infection in any of offices. We will continue to closely monitor for any infections and take all the necessary precautions to enhance workplace safety. In the event if a staff member has been tested positive for COVID-19, the proper isolation protocol for all close encounters will be implemented.



Our management team had started to draw up contingency plans to ensure business continuity should the COVID-19 situation further deteriorate. The contingency plans included but not limited to guidelines for working from home and ensured that employees were mentally prepared and aware of their responsibilities. Every department was split into teams that alternated working from home and the office. To minimize operational disruptions, the IT department conducted an assessment of the readiness and effectiveness of the IT systems in supporting the new working arrangement and provided ongoing technology and connectivity support. Virtual meetings replaced physical meetings.

The Group had pre-emptively prepared for and introduced work from home arrangements. This puts the Group a step ahead in ensuring a smooth transition and compliance with COVID-19 regulatory

requirements when lockdowns and social distancing measures were actually mandated by governments worldwide.

We continue to partner closely with local governments in all regions where we operate to keep our teams safe and help prevent the spread of the disease.

As the situation escalated, we provided additional assistance to employees working from home and on-site, including these measures:

- Creating an employee relief fund to help those facing significant hardships
- Implement new workplace arrangements to enhance safety
- Avoid COVID-19 related layoffs where feasible

Our customers are also affected by the effects of COVID-19. They were mostly affected by availability or the lack of the availability of the Group's products. Through the Group's best effort, we have been having continuous communications with our clients to provide updates as to the status and availabilities of our products. In addition, in order to provide additional support through these challenging times the Group have been open to negotiations in regard to the terms of payments with our clients.

7. Environmental

Due to the continued the effects of COVID-19 the operations and productions of the animal feed and L-Ascorbyl Palmitate or anti-oxidant has been adversely affected and have been mostly suspended. Therefore, due to the continued business associated with the Group for the majority of the past reporting period the type of emissions the Group was mainly involved was mainly travel emissions and paper consumption. Due to this extraordinary period of time that we are experiencing, we have been able to meet and even achieve a lower level of emission. Currently we did not have any negative performance trend. However, once the situation returns to normal, we anticipate the level and the performance of emission to experience an increase. Once production of LAP has been resumed the Group will further assess the levels and set targets. Nevertheless, the Group will continue to strive to improve upon our sustainability efforts.

Travel

The Directors and senior executives have decreased the travel for the Board and the senior executives hence reducing the corresponding carbon emission produced from the traveling. This has been done by actively engaging in a policy to utilize telephone conference meetings rather than the traditional face-to-face for all non-essential meetings. In 2021 the corresponding emission resulting from travel was 0 tonnes compared to 7.74 tonnes in 2020, a reduction of 774% (the above figures have been computed from <http://calculator.carbonfootprint.com/>). The Group's target



of reduction has been met due to the current situation created by COVID-19 in regards of travel restrictions. If the travel restrictions are lifted in the future the travel of the Group will definitely increase but the Group will continue to target to sustain a low level of carbon emission produced from traveling in the upcoming financial year.

Energy and Paper Consumption

All staff are educated with our energy and paper consumption initiatives. Our initiatives encourage the switch off all lighting, air conditioner and other electrical appliance when not in use. It also promotes to practice paper savings, such as default double-sided printing, reminder for staff to have environmentally friendly photocopying habit, and separated collection of waste paper for effective recycling. A total of approximately 7,500 sheets of paper were utilized in 2021 compared to approximately 10,000 sheets in 2020, a reduction of 25.0%. The target has been met and the Group will target to improve or sustain the level of carbon emission produced from paper consumption in the upcoming financial year.

Supply of Natural Gas

China, which long targeted rapid industrial growth despite its environmental consequences, now aims to become the global leader in "low-carbon tech for a carbon-constrained world". China aims to shut down



nearly 600 of its coal-fired power plants in the next 10 years, replacing them with renewable electricity generation, to meet its goal of net zero greenhouse gas emissions by 2060. The Group has been a supporter of clean energy, and uses natural gas as a source of energy to produce its L-Asorbyl Palmitate ("LAP") products. However, currently there has been a continued disruption of the natural gas supply in the area where the Company produces its LAP related products and the Company did not expect the prolonged delay in the natural gas supply from the local government in the

area. This disruption has continued and has been exacerbated by the COVID-19 situation. Accordingly, both of the aforementioned situations have negatively affected the Company's production of LAP products. The Company has yet to receive any formal notification of the resumption in the natural gas supply as of July 2021.

8. Social



Systematic Training

Core values are the basis for the training provided by the Company. While job requirements serve as the theme and enhancement of job skills serves as the objective for the overall training. The Company succeeded in designing targeted training facilitating improvement in the employees' professional and management quality to the fullest extent and realizing their growth potentials.

For FY2022, we aim to conduct a training needs analysis to accurately plan for future training courses based on our employee's needs.

Equal Opportunity

Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. The Group also appreciates the importance of cultural diversity in the development of the Group, and promotes the employment of employees in a wide range of ages, genders, and ethnicities.

For FY2022, we aim to implement a career development plan for our employees to assist with succession planning.

9. Governance

Avoidance of Conflicts of Interests

The Group commits to manage all business without undue influence and has regarded honesty, integrity, and fairness as its core values. All directors and employees are required to strictly follow the Code of

Conduct and Group's policy to prevent potential bribery, extortion, fraud and money laundering. The Group's Code of Conduct states clearly that:

- All directors and employees should avoid conflicts of personal interest and their professional duties.
- A situation in which employees exercise authority, influence decisions and actions or gain access to company assets and information through their employment in the Group to achieve private and personal gain is strictly prohibited.
- Neither directors nor employees shall obtain or provide benefits to customers, contractors, suppliers, or people with business relationship with the Group.

In FY2021, there were no incidents of non-compliance with regulations and/or conflicts of interests within the reporting period. We have not identified any non-compliance with regulations and/or conflicts of interests.

10. Looking Forward

Going forward the Group and its Board will continue to improve, enhance and promote the sustainability process. The Board and senior executives will continue to be engaged in corporate social responsibility training for the improvement of the Group's corporate social responsibility development. More training and development in terms of raising staff's awareness on environmental and social impacts from the business will also be considered.

