



Cultivating Demand For Lasting Value



SUSTAINABILITY REPORT 2020

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Industry Solutions



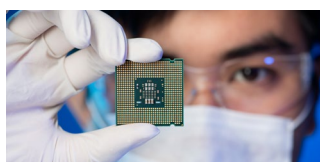
Healthcare



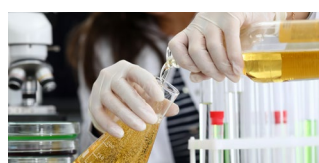
Food & Beverage



Industrials



Life Sciences



Beauty



This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

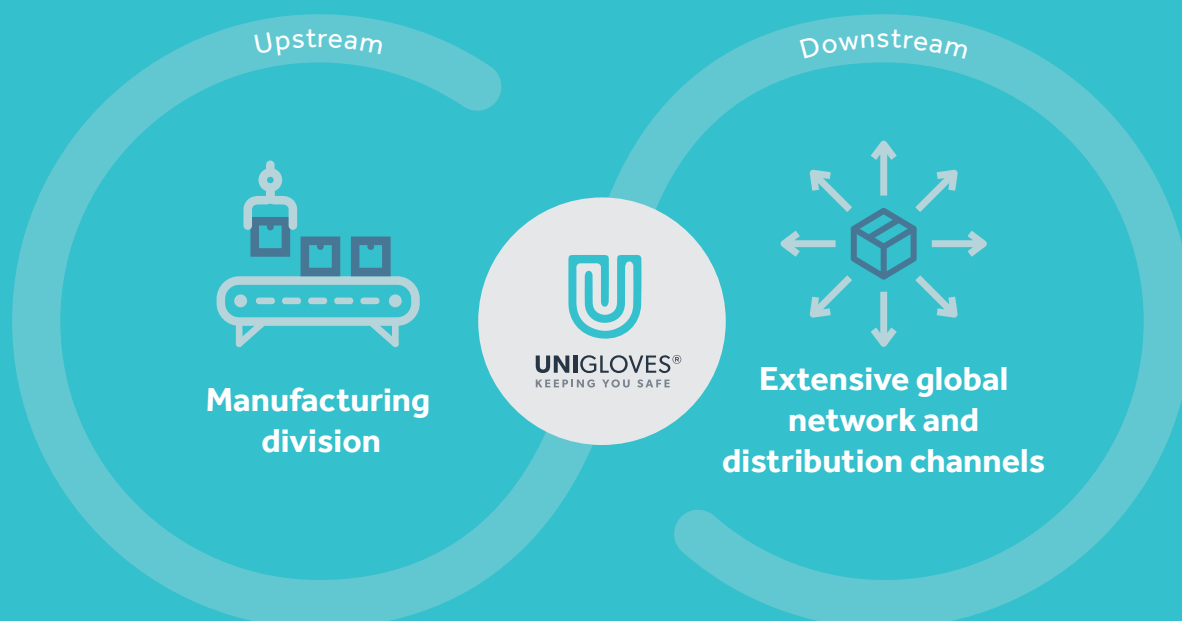
This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this

Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Tay Sim Yee (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Company Profile

UG Healthcare Corporation Limited 优格医疗集团 ("UG Healthcare" and together with its subsidiaries, the "Group") is a disposable gloves manufacturer with its own established global downstream distribution that markets and sells disposable glove products under its proprietary "Unigloves" brand.



The Group owns and operates an extensive downstream network of distribution companies with a local presence in Europe, United Kingdom, USA, China, Africa and South America, where it markets and sells its own proprietary "Unigloves" brand of disposable gloves. The Group also distributes ancillary products including surgical gloves, vinyl and cleanroom disposable gloves, face masks and other medical disposables.

These downstream distribution companies are supported and complemented by the Group's own upstream manufacturing division, manufacturing natural latex and nitrile disposable gloves under its "Unigloves" brand and third-party labels in its manufacturing facilities located in Seremban, Malaysia.

Its "Unigloves" brand of disposable gloves offers an extensive product range that includes both specialised products, with a variety of coatings, scents, colours, thickness, anti-microbial properties for more specialised users, as well as generic products. These products are used across a diverse range of industries requiring cross infection protection and hygiene standards, whilst catering to different applications and preferences.

UG Healthcare is listed on the SGX-ST under stock code 8K7.

Business Segments

UG Healthcare remains committed to sustaining our excellence in our integrated own-brand business model providing consistency, quality, and reliability to our end users – keeping them safe with suitable gloves for the applications in their professions.



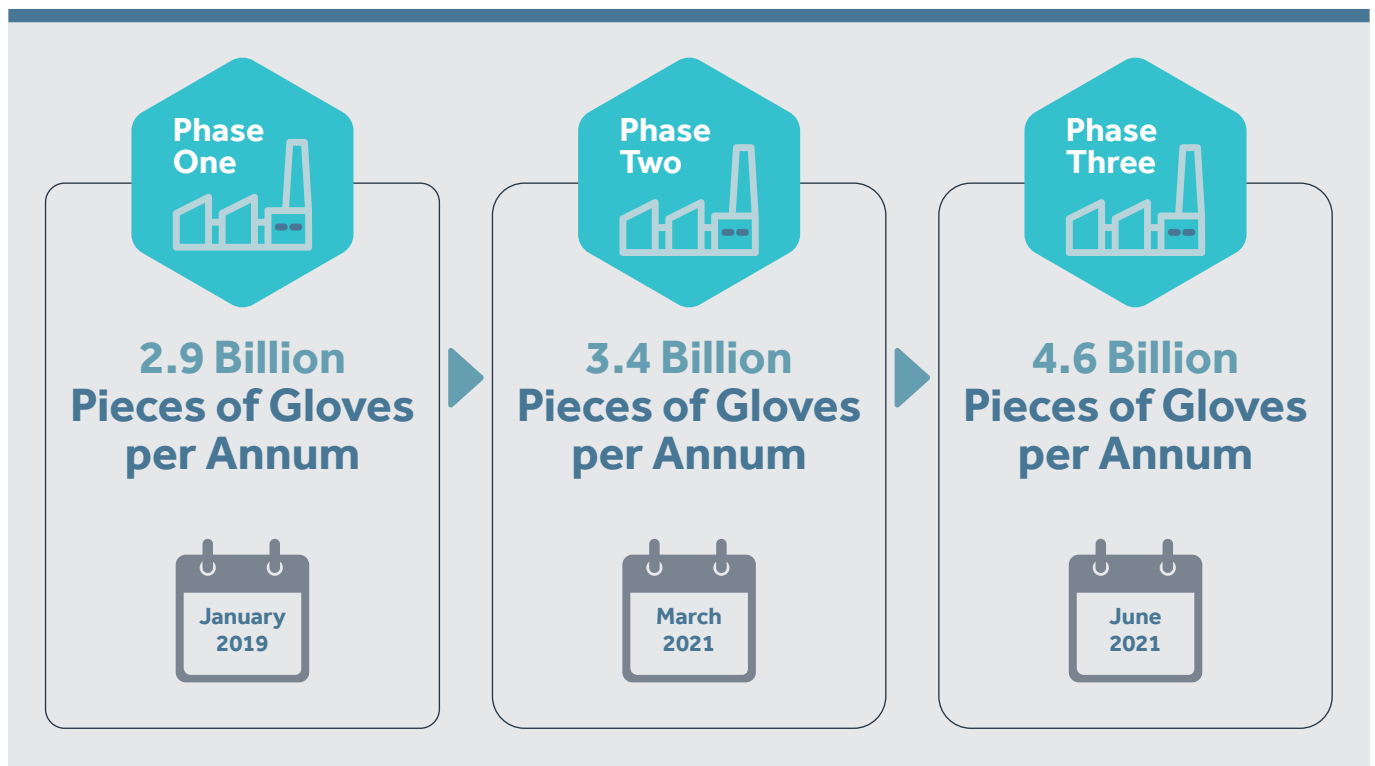
We continue to devote our upstream manufacturing of premium disposable natural latex and nitrile examination gloves to support our downstream distribution companies and networks. The direct access to the end users from our own marketing and distribution teams in both the developed and developing countries allows us to customise gloves suitable for the professionals in the various industries.

The Group will continue to dedicate a portion of our installed production capacity for third-party labels as we continue to build our core “Unigloves” brand of gloves through our entrenched distribution networks.

Our extensive product range includes gloves of various colours and scents to appeal to different needs and preferences, and are used across a diverse range of industries. We also distribute ancillary products including surgical, vinyl and cleanroom gloves, face masks and other medical disposables.

As the Group continues to expand from our key markets in both developed and developing countries to the neighbouring markets in the region, we will continue to strive to meet the demand from our end users through the support from our upstream manufacturing capabilities.

Business Segments



Our Upstream Manufacturing Capabilities

UG Healthcare's manufacturing base is located in Seremban, Negeri Sembilan, Malaysia. Currently, we have two manufacturing facilities and we are accelerating our expansion plans to narrow the gap between the upstream manufacturing supply and downstream distribution market demand.

In January 2019, we added production capacity of 500 million pieces of gloves per annum to the extended production facility on the plot of land (which the Group already owns) beside our existing manufacturing facility ("Phase 1"). This addition raised the Group's total installed capacity to 2.9 billion pieces of gloves per annum and allowed us to carry out major modifications for some of our existing production lines.

The outbreak of the coronavirus saw the surge in orders for natural latex and nitrile gloves in early 2020 which, coupled with the MCO in Malaysia in March 2020, led the Group to focus on achieving optimal utilisation with the installed production capacity of 2.9 billion pieces of gloves per annum.

As we continue to focus on strengthening our relationship with long term customers by prioritising our production capacity to ensure they have the required inventory to meet their needs, we have decided to bring forward our production capacity expansion plans to cope with the higher demand. The earlier planned additional capacity of 300 million pieces of gloves per annum by end June 2021 at the extended production facility ("Phase 2"), will be brought forward to March 2021 and the intended

additional capacity will be raised by 200 million pieces to 500 million pieces of gloves per annum with advancements in the design and technology of the production lines. The increase will raise the total anticipated installed production capacity from the current 2.9 billion pieces of gloves per annum to 3.4 billion pieces of gloves per annum by end March 2021.

In early September 2020, the Group acquired a piece of land through the acquisition of UG Engineering Sdn Bhd, which has an industrial land size of 17,233m² and strategically located within close proximity to our two manufacturing facilities. Work has commenced on this newly acquired land to accelerate the further expansion in production capacity of an additional 1.2 billion pieces of gloves per annum, bringing the total installed production capacity to 4.6 billion pieces of gloves per annum by end June 2021 ("FY2021").

The additional production capacity of 1.7 billion pieces of gloves per annum to be installed in FY2021 is a 59% increase from the current production capacity of 2.9 billion pieces of gloves per annum, which will bring the Group's total installed production capacity to 4.6 billion pieces of gloves per annum.

At UG Healthcare, we place significant emphasis on quality control and production standards during our production processes. Our manufacturing facilities are accredited for quality standards under the ISO 9001:2000, ISO 13485:2003 and ISO 9001:2008 certifications. We have also been certified by the Malaysian Rubber Board to produce Standard Malaysian Glove for export.

Business Segments

Our Downstream Distribution Network

The Group owns and operates an extensive network of downstream distribution companies with a local presence in Europe, the USA, China, Africa, and South America, where we market and sell our own proprietary “Unigloves” brand of disposable gloves to more than 50 countries globally. The Group also distributes ancillary products including surgical gloves, vinyl, and cleanroom disposable gloves, face masks and other medical disposables.

We have invested and strengthened our distribution network in key strategic markets over the last few years – managing our own warehousing and logistics infrastructure and operating with our own marketing team.

We will continue to expand our market reach in these strategic key markets in both the developed and developing countries, to cultivate demand for our “Unigloves” brand of disposable gloves and ancillary products to more end users.

The Group has recently in September 2020, established a distribution company in Suzhou, China to further deepen our reach in the Chinese market.





Own Brand of Products

Our "Unigloves" brand of disposable gloves offers an extensive product range that includes both specialised products, amongst others, a variety of coatings, scents, colours, thickness, anti-microbial properties for more specialised users, as well as generic products. These products are used across a diverse range of industries requiring cross infection protection and high hygiene standards, catering to different applications and preferences.

We constantly keep abreast of developments in technology and process improvements as well as developments in latex compounding formulations to attain certain desired properties and characteristics for the customisation of our products (own "Unigloves" brand and OEM brands).



UNIGLOVES®
KEEPING YOU SAFE

Business Strategy

The Group's strategy has always been to cultivate demand for our proprietary "Unigloves" range of disposable gloves through our downstream distribution companies. These strategically established distribution companies in both developed and developing countries have their local sales and marketing teams and distribution infrastructures (including local warehouses and logistics) as well as direct customer base. The market demand for our "Unigloves" range of products, in turn, drives the production volume in our upstream manufacturing facilities in Malaysia. This approach allows the Group to manage the value chain seamlessly and efficiently.

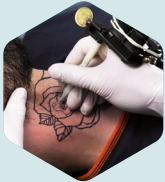
The Group will continue to drive marketing campaigns to promote our proprietary "Unigloves" brand of disposable gloves through our downstream distribution network. These campaigns will focus on driving the marketing and sales of our established distribution companies in our key markets of Europe, the USA, China, Nigeria, and Brazil, where these distribution companies operate their own warehousing and logistics infrastructure.



Business Segments

Types of Gloves and Characteristics

Natural Latex Examination Gloves



- Made from renewable source of raw material, natural rubber latex, thus making them more environmental-friendly as they are biodegradable
- Low level of extractable protein, chemical residuals and/or antigenic protein

Nitrile Examination Gloves



- Made from a synthetic elastomer, instead of natural rubber latex
- Excellent barrier protection which provides more puncture resistance
- Most suitable for users sensitive to latex protein

Vinyl Gloves



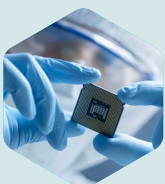
- Most economical and cost effective
- Suitable for users sensitive to latex protein

Surgical Gloves



- Extra strength and length that provide additional protection from surgical debris

Cleanroom Gloves



- Low ionic residual levels particle counts, and pinhole level
- High resistance to punctures and tears

Industries

- ✓ Healthcare
 - Hospitals
 - Clinics (Dentist, Specialists)
 - Nursing homes and hospices
 - Social services
- ✓ Automotive
- ✓ Beauty
 - Tattoo
 - Hair
 - Aesthetics
- ✓ Research and development
- ✓ Food and beverages
- ✓ Others

Industries

- ✓ Healthcare
 - Hospitals
 - Clinics (Specialists)

Industries

- ✓ High technology manufacturing
 - Semiconductor manufacturing
 - Electronics
 - Pharmacies
 - Laboratories
 - Optics

Board Statement

The Board of Directors (the “**Board**”) of UG Healthcare Corporation Limited (“**UG Healthcare**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to present the annual sustainability report for the financial year ended 30 June 2020 (“**FY2020**”).

As an integrated own-brand disposable gloves supply chain, the Group is committed to conduct our business activities in an economically, socially and environmentally responsible manner governed by high standards of internal controls and risk management practices. Our consistent efforts in managing and keeping ourselves abreast with the developments and requirements of our industry, as well as understanding the concerns and interests of our stakeholders, are important as we continue to build on sustainable growth in our business.

We believe in growing together with our stakeholders, particularly, our employees, our business partners, and our customers who are the users of our disposable gloves and ancillary products, over the long term. Our strategy to manage and operate an integrated supply chain that comprises both upstream manufacturing and downstream distribution through building our proprietary brand of products, enables us to establish quality control process standards for the products produced and sold by us.

Our upstream manufacturing is certified to internationally recognised standards of ISO 9001 and ISO 13485, and we are also certified by the Malaysian Rubber Board to produce Standard Malaysian Glove for export. Our proprietary brands of products continue to conform to various international standards and requirements, including the ASTM International (formerly known as American Society for Testing and Materials), European standard for medical gloves (“**EN455**”) and Acceptance Quality Level requirements under the Food and Drug Administration (“**USFDA**”).

The outbreak of the coronavirus pandemic heightened the awareness of hygiene and protection globally, and disposable examination gloves as one of the key protective gears saw continuous surge in demand. While the Group strives to raise our efficiency to increase production volume of gloves to meet the inventory required by our long term customers, we also strive to ensure the health and safety of our employees who are of our utmost priority. The Group has put in place precautionary measures to prevent transmission of the coronavirus at all its upstream and downstream premises in Malaysia and other countries where the Group operates, to safeguard our employees, business partners, and the community.

This sustainability report discusses our sustainability initiatives and performance with regards to the Group’s upstream manufacturing operations in Seremban, Malaysia throughout the 12-month period, from 1 July 2019 to 30 June 2020. The Group adopts the precautionary principle to minimise negative effects of conducting our business whenever feasible. A phased approach is adopted by the Group for our sustainability report and we will seek to provide additional disclosures on our material topics as our sustainability reporting matures over time. The sustainability report is prepared with reference to the guidelines of the Global Reporting Initiative (“**GRI**”) Standards and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”). The report also makes references to the guidance set out in SGX-ST’s Sustainability Reporting Guide under Practice Note 7F of the Catalyst Rules. We have chosen the GRI framework as it is a globally-recognised sustainability reporting standard.

The Board of UG Healthcare maintains oversight over the Sustainability Committee, managing sustainability risks and opportunities, while ensuring all Environment, Social and Governance (“**ESG**”) matters significant to our business are addressed in the report.

No external assurance was sought for this report.

We welcome stakeholders to provide us with feedback and suggestions on this report. You may contact us through our investor relations email at ir@ughcc.com.

YIP WAH PUNG

Non-Executive Chairman and Independent Director

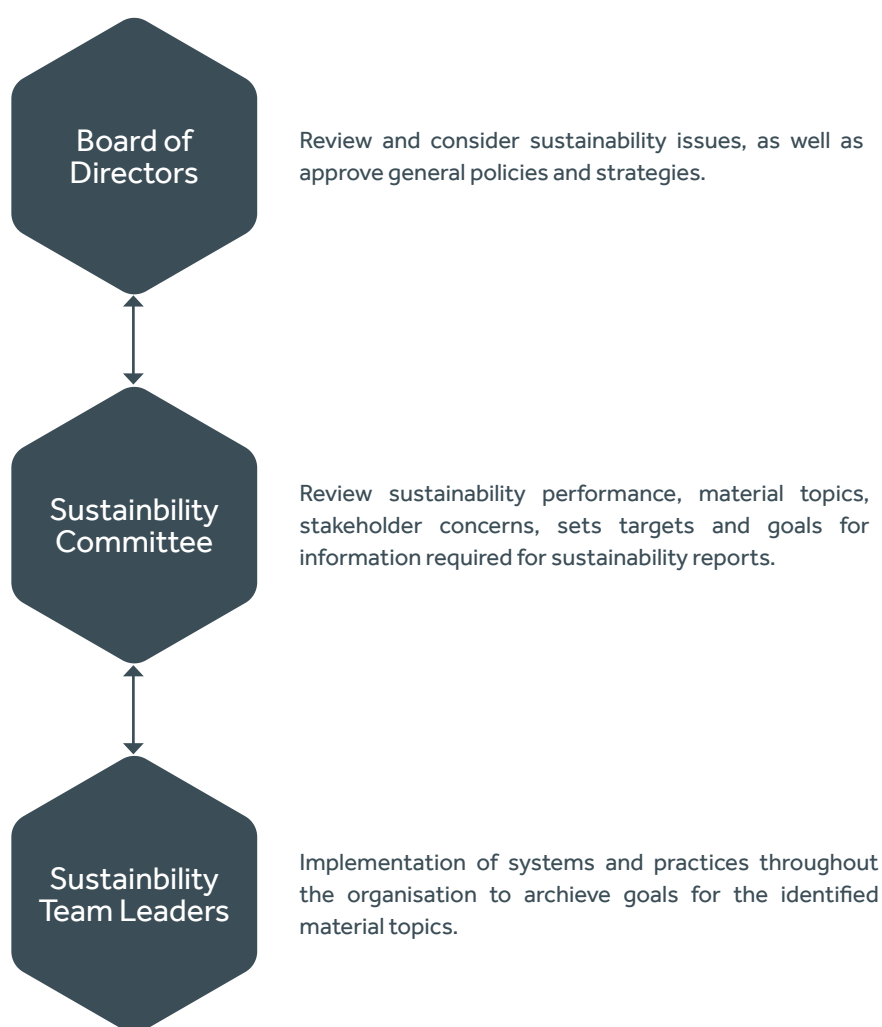
LEE KECK KEONG

CEO and Executive Director

Sustainability Governance

The Group's sustainability approach is focused on generating stable and sustainable value for our stakeholders by managing the ESG impacts, as well as risks and opportunities present in our business.

The Sustainability Committee comprises of key management executives and supported by representatives from the various departments in the Group, reports to the Board during board meetings, where the Board will review and deliberate on the sustainability issues. The Sustainability Committee is responsible for reviewing the company's sustainability performance, material topics, stakeholder concerns, setting of targets and goals for material topics, and establishing systems to collect, verify, monitor and report information required for this sustainability report. The Sustainability Committee meets at least once a year and proposes, coordinates and promotes the Group's main sustainability initiatives. The Board maintained oversight over the Sustainability Committee, managing sustainability risks and opportunities, while ensuring all ESG matters significant to our business are addressed.



We strive to effectively manage associated risks and opportunities of our business with our teams within the Group and our stakeholders. We also strive to improve our sustainability performance through regular review of our policy and operational processes to deliver positive values for our stakeholders.

Stakeholder Engagement

The Group continues to engage with both internal and external stakeholders on a regular basis, to align our vision and sustainable growth strategies and practices. We believe that efficient communication will foster mutually beneficial relationships and achieve mutually beneficial goals. As our business continues to expand, the topics that are material to our key stakeholders may change to reflect the relevance and significance to our operations, and hence, the Group will continue to improve in engagement with stakeholders through various communications platforms to achieve aligned goals together.

In FY2020, we continued our internal engagement with our key stakeholders through multiple established channels to re-evaluate the relevance and significance of the material topics for this reporting period. Understanding the on-going concerns of our key stakeholders allow us to strive for continuous success in delivering value for all our stakeholders. As UG Healthcare continues to grow the business, we are committed to review and report changes in the material issues in subsequent reports.

Our engagements with our key stakeholders are summarised below:

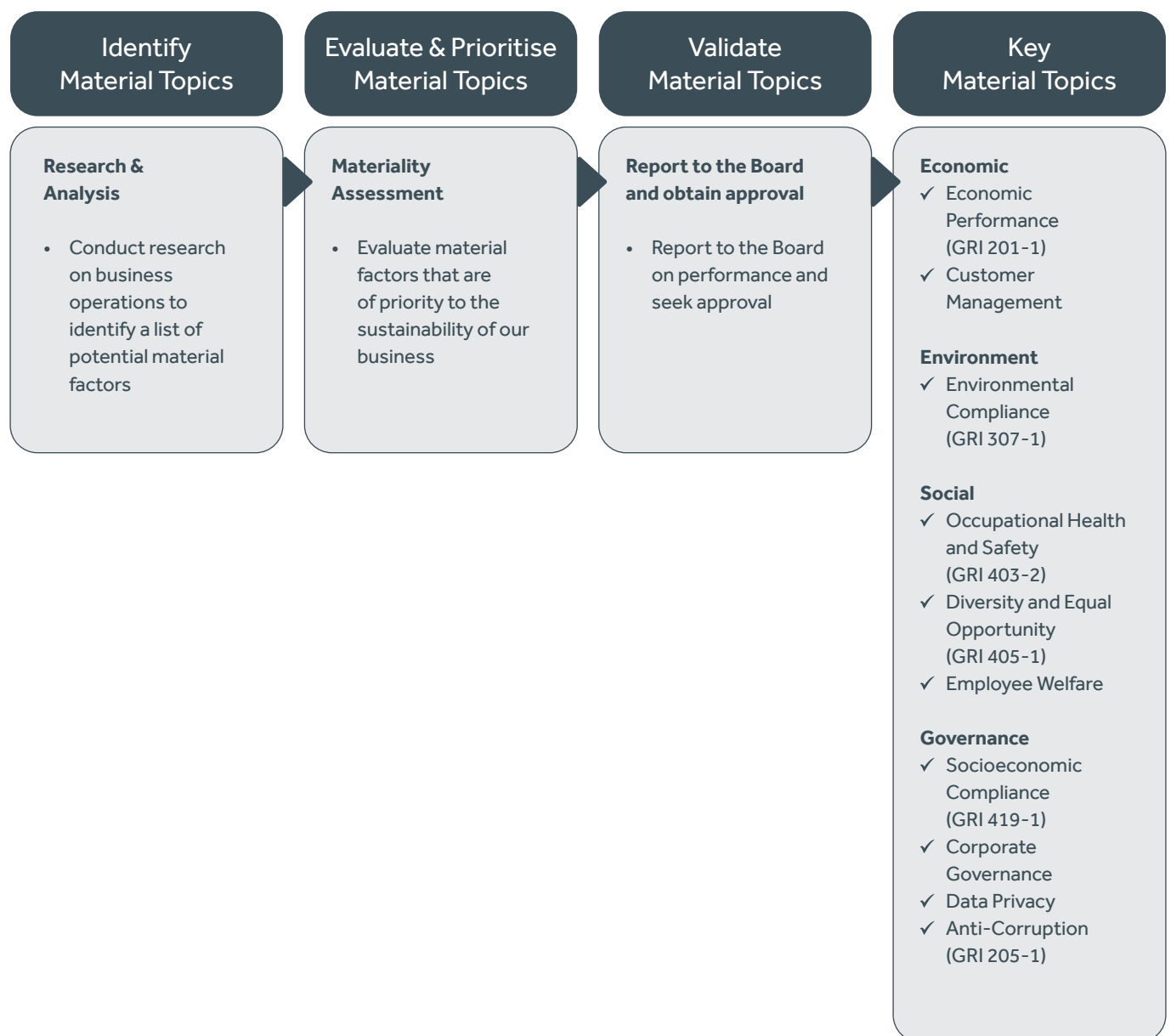
Key Stakeholders	Stakeholders' Expectations	Mode of Engagement	Our Initiatives
Internal			
Board of Directors	<ul style="list-style-type: none"> Ensure internal policies and systems are effective and implemented throughout the organisation 	<ul style="list-style-type: none"> Board meetings Regular updates via electronic means (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> Regular updates on corporate activities, developments, and financial performance Seek advice and approvals from the Board on all material proposed developments
Employees	<ul style="list-style-type: none"> Career growth Training opportunities Competitive salaries and incentives Pleasant and safe working environment 	<ul style="list-style-type: none"> Regular internal communications through meetings and electronic communications (emails, phone calls, internal notices) Training and development programmes Employee feedback 	<ul style="list-style-type: none"> Ensure effective implementation of human resources policies, internal systems and procedures Regular internal meetings to review safety and healthy work environment Sponsor employees to attend courses and conferences Annual review on performance
External			
Government & Regulators	<ul style="list-style-type: none"> Regulatory compliance Occupational health & safety Environmental issues Social issues 	<ul style="list-style-type: none"> Meetings Electronic communications Announcements on SGXNET 	<ul style="list-style-type: none"> Ensure compliance with applicable laws Meetings with relevant authorities as and when necessary Consistent update on relevant laws and regulations through seminars and trainings

Stakeholder Engagement

Key Stakeholders	Stakeholders' Expectations	Mode of Engagement	Our Initiatives
Customers / Distributors	<ul style="list-style-type: none"> • Quality control • Reliability, on-time delivery and services • Technical support • Reasonable payment terms • Competitive pricing 	<ul style="list-style-type: none"> • Regular customer feedback management (survey, face-to-face meetings) • Regular follow-up and support services (calls, face-to-face meetings) • Electronic communications (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> • ISO 9001 and ISO 13485 certification to assure a consistent level of quality in products and services • Active follow-up on customers' needs and product applications • Regular internal meetings to review customers' fulfilment and new requirements • Update customers on new products • Provide timely response to customers' requests and questions • Ensure all relevant requirements and standards are met for all products manufactured and sold
Shareholders & Investors	<ul style="list-style-type: none"> • Higher financial returns • Industry conditions • Market presence • Profitability • Transparency & corporate governance 	<ul style="list-style-type: none"> • Announcements on SGXNET • Shareholders' general meetings • Investor roadshows and meetings (face-to-face meetings, virtual meetings, conference calls) • Electronic communications (emails, virtual meetings) • Annual report • Company website 	<ul style="list-style-type: none"> • Ensure all public disclosures on corporate results and developments are disclosed accurately and timely via official announcements as and when required • Half-yearly meetings with analysts and investment community to update on corporate developments • Ensure sustainable business growth

Material Topics

The Group reviewed our material topics in FY2020 based on internal stakeholders' discussions with various department managers. The material topics reviewed continue to have an economic, environment and social influence on our business activities. In FY2020, information was collected for our material topics and this has allowed us to review our performances and set targets. To guide our reporting, we used the GRI Standards as a reference to prepare the 2020 Sustainability Report. The following GRI Standards have been referenced in this Report – GRI 201 Economic Performance 2016, GRI 307 Environmental Compliance 2016, GRI 403 Occupational Health and Safety 2016, GRI 405 Diversity and Equal Opportunity 2016, GRI 419 Socioeconomic Compliance 2016, and GRI 205 Anti-Corruption 2016. The specific disclosures for each GRI Standard reported under the various material topic have also been included in the chart below.



Material Topics

Material Topic: Economic

GRI 201-1

Economic Performance

The Group continues to strengthen our integrated supply chain from upstream manufacturing to downstream distribution for our proprietary branded glove products.

The outbreak of the global coronavirus pandemic raised the awareness of hygiene and led to the sudden surge in demand for medical supplies including disposable gloves. While the Group is able to continue our manufacturing operations, the lockdown of cities brought the supporting businesses in the supply chain deemed as non-essential businesses and services, to a standstill. Due to the sudden surge in global demand, the industry faced production capacity constraints, resulting in longer lead time as production capacities can only be added gradually.

This mismatch in demand and supply has inevitably raised the average selling prices of disposable gloves. Due to the readiness of the Group's operations, the Group was able to respond fast to the surge in demand when the coronavirus epidemic escalated to a global pandemic in March 2020, which coincided with the fourth quarter of our financial year. For FY2020, the Group recorded more than five times increase in net profit attributable to owners of the Company to S\$13.4 million on the back of a 57.2% increase in revenue to S\$144.2 million in FY2020. Gross profit had more than doubled to S\$42.5 million in FY2020 and gross margin improved from 20.4% in FY2019 to 29.5% in FY2020.

Please refer to the following sections in the annual report for more details on our operations and financial information:

- Business Segments on pages 5 to 8
- Performance Review on pages 11 to 13
- Financial Statements on pages 63 to 68

The Group is of the view that it is timely to expand our production capacity more aggressively to narrow the gap between our upstream manufacturing supply, which currently has an installed production capacity of 2.9 billion pieces of gloves per annum, and our downstream distribution market demand. Our expansion of 1.7 billion pieces of gloves is targeted to bring our total installed production capacity to 4.6 billion pieces of gloves per annum by end June 2021.

We believe that these expansions will enable the Group to leverage and further enhance economies of scale as we continue to cultivate demand for our "Unigloves" brand of disposable glove products through our entrenched distribution networks in key strategic markets, and expand into neighbouring markets.

Performance in FY2020

- Recorded strong growth in revenue and net profit due to the global pandemic in the last quarter of FY2020.
- Earlier investments in building both upstream manufacturing and downstream distribution networks, and cultivating demand for own proprietary branded products, places the Group for the next level of growth.

Targets for FY2021

- Continue to improve financial performance through enhancing economies of scale our business operations and strengthening business relationships with long term customers amid the pandemic crisis.
- To achieve production capacity expansion plans through:
 - i) addition of 500 million pieces of gloves per annum by end March 2021; and
 - ii) addition of 1.2 billion pieces of gloves per annum by end June 2021.

Material Topics

Customer Management

The Group believes the success of our businesses is inherently intertwined with the success of our customers.

At UG Healthcare, we are committed to empathise with glove users on their requirements and applications for single-use gloves in their respective industries. We aim to create better comfort and achieve better protection for our glove users, who need to wear disposable gloves to perform duties and responsibilities in their respective professions.

Through market intelligence and feedback from the Group's downstream distribution companies, who have direct interaction with glove users, the Group is constantly researching and innovating glove products to be used across a diverse range of industries requiring cross infection protection and high hygiene standards, catering to different applications and preferences.

The outbreak of the coronavirus saw the surge in orders for natural latex and nitrile examination gloves, but we remain committed to our long term customers by prioritising our production capacity to ensure that they have adequate inventory to meet their needs.

Material Topic: Environment

GRI 307-1

Environmental Compliance

The Group operates two manufacturing facilities in Seremban, Malaysia to manufacture natural latex and nitrile examination gloves.

Environmental protection is one of the key priorities of the Group. We met all requirements for the operating of our manufacturing facilities – using of natural gas to generate electricity and ensuring wastewater emission standards are maintained at all times.

The disposal of wastes, rejected finished goods, defective raw materials, and machinery and equipment, were guided by the rules and regulations applicable to Licensed Manufacturing Warehouse under the Malaysian Customs Act. We have engaged third-party service providers to manage and ensure proper disposal of our waste materials.

We are pleased to disclose that there was no violation of laws and regulations in the environmental aspect for the year under review.

Performance in FY2020

- Recorded no incident of non-compliance with the relevant laws and regulations relating to environmental protection, which could result in internal disciplinary action or public allegation.

Targets for FY2021

- Continue to maintain no incident of non-compliance with the relevant laws and regulations on environmental protection.

Material Topics

Material Topic: Social

GRI 403-2

Occupational Health and Safety

The Group is committed to providing a healthy and safe working environment for our people. Our approach to safety focuses on creating a culture which requires all members of our workforce to be leaders in creating a safe work environment.

At UG Healthcare, we seek to identify and manage occupational risks exposure, minimise occurrences of occupational illness and promote healthy lifestyles. All employees have to undergo courses to equip themselves with the necessary knowledge and skills required for their roles and responsibilities. In addition to the policies, procedures and guidelines implemented Group-wide, our employees are constantly being reminded to adhere to the safety precautions at our premises.

Amidst the ongoing coronavirus pandemic, the Group continues to operate our business in accordance with the directives of the respective governments and authorities where we have operations. Our utmost priority is to ensure the health and safety of our employees, and maintaining their livelihoods.

As an essential goods supplier, the manufacturing facilities in Malaysia were allowed to operate amid the Movement Control Order ("MCO") implemented by the Malaysian government in response to the pandemic outbreak. While employees continued to work on site throughout the MCO, some office-based employees were arranged to work remotely from home.

We have put in place the precautionary measures to prevent transmission of the coronavirus at all our premises in Malaysia. These measures include ensuring safe entry with non-touch digital thermometer at site entrances, wearing of face masks at all times, use of contact tracing app (such as MySejahtera app in Malaysia) on all sites, disinfecting work stations and common areas regularly, safe-distancing, and alternative meal-time arrangements. New hires are required to take swab test prior to commencing work and employees living in high-risk area are also required to be home quarantined and take a swab test prior to resuming work.

We also provide face masks, hand sanitisers, and regular reminders and guidance to our employees to ensure and achieve a safer and healthier work environment.

Performance in FY2020

- Recorded no incident of significant work-related injuries and fatalities.
- Recorded no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety.

Targets for FY2021

- Continue to maintain no incident of significant work-related injuries and fatalities.
- Continue to maintain no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment and protecting employees from occupational hazards.

Material Topics

GRI 405-1

Diversity and Equal Opportunity

The Group is committed to fair employment practices. At UG Healthcare, we do not discriminate our employees or potential recruits according to their race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment of merit, equal opportunity and non-discrimination.

The Group is committed to providing a workplace that advocates fairness, respect and inclusiveness for employees. As of 30 June 2020, we have more than 1,150 employees in our upstream manufacturing operations and corporate office.

Employee Welfare

The Group views our employees as the lifeline of our organisation. We believe Human Capital Management is essential to increase the values of our employees who contribute to the success of our businesses. As the organisation grows, particularly with the increase in production capacity, we have to complement the growth by increasing our personnel to support the expansion.

The Group has in place our staff handbook and human resources manual that adhere to the legislation and guidelines in the country of operations. Discretionary incentives are granted to eligible employees based on their performance and contributions to the Group. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the industry. This helps the Group in our recruitment and retention of talent.

Performance in FY2020

- Recorded no incident of non-compliance with the relevant laws and regulations related to fair employment practices.
- Increase in number of employees as the Group expanded production capacity.

Targets for FY2021

- Continue to maintain no incident of noncompliance with the relevant laws and regulations in fair employment practices.
- Due to the production capacity expansion plans, the Group will be increasing the number of employees for our manufacturing business.
- Continue to monitor and review the recruitment procedure and systems to ensure fair and nondiscrimination in hiring.

Material Topics

Material Topic: Governance

GRI 419-1

Socioeconomic Compliance

The Group operates our business in compliance with the relevant social and economic regulations and standards through regular checks and balances. We believe that compliance with legislative requirements is a minimum standard that should be achieved whilst striving to perform beyond these requirements.

Our global footprint in countries outside of Malaysia and Singapore has heightened our proactivity in identifying and addressing a broader range of social issues, risks and impact. We are committed to conducting our business with integrity and safeguarding the interest of all stakeholders.

Corporate Governance

The Group continues to emphasise the importance of observing high standards of corporate governance and transparency in ensuring the sustainability of our business and safeguarding the interests of all our stakeholders.

We are committed to uphold best practices in corporate transparency and disclosures, and we have in place a set of procedures and policies governing our compliance with applicable legislation and adherence to our risk management guidelines.

Please refer to the Corporate Governance Report found on the pages 28 to 54 of the annual report.

Data Privacy

We are committed to complying with the Personal Data Protection Act and all relevant legislation. We have systems and procedures in place to protect information related to our employees and customers.

We will continue to stay vigilant and observe compliance with all applicable laws and regulations to maintain our record of nil incidents of non-compliance.

Performance in FY2020

- Recorded no incident of non-compliance with the relevant laws and regulations relating to social and economic that could potentially result in internal disciplinary action or public allegation.
- Complied with the principles and guidelines set out in the Code of Corporate Governance 2018, where appropriate.
- Recorded no incident of non-compliance with management controls and procedures.

Targets for FY2021

- Continue to maintain no incident of noncompliance with the relevant laws and regulations in the social and economic aspect.
- Continue to maintain no incident of noncompliance with management controls and procedures.
- Continue to monitor and update the adequacy of the management controls and procedures as the Group continues to expand in its operations.

Material Topics

GRI 205-1

Anti-corruption

At UG Healthcare, we conduct our business with integrity and transparency with no compromise on corruption. The Group has zero-tolerance for fraudulent and corrupt practices that may disrupt business operations and impede the growth of the business.

The Group adopts several policies such as the Conduct and Discipline Policy, the Conflict of Interest Policy, and the Whistle-Blowing Policy, as pre-emptive measures to prevent, govern, and facilitate the reporting of any illegal and/or unethical practices in the organisation.

Performance in FY2020

- Recorded no incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud and money laundering.

Targets for FY2021

- Continue to maintain no incident of noncompliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud and money laundering.

Cultivating Demand

Cultivating Demand

For Lasting Value

SUSTAINABILITY REPORT 2020



UG HEALTHCARE CORPORATION LIMITED
(Unique Entity No. : 201424579Z)

www.ughealthcarecorporation.com