

Grobest 2021 Sustainability Report

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1.1 / Message from Leadership



Message from Chairman
CHI-KANG KO

Ever since the founding of Grobest in 1974, we have built our business on a foundation of research and development. Based on science and with a strong innovative spirit, we continue to invest in the development and research in our feed formulae, with the aim of reducing organic matter emissions and eutrophication in farming ponds and coastlines, allowing aquafarms to prolong overall culture periods while allowing coastlines to achieve self-purification.

Grobest feeds include natural physiologically active substances that promote health in both fish and shrimp, enhancing growth and increasing survival rates of these aquaculture animals. Our feed formulae make it easier to convert feed into fish and shrimp biomass. Wherever possible, we prioritize the use of locally sourced raw materials without compromising quality.

Grobest strives to bring high-quality aquaculture feed to farmers, to improve their harvests, while reducing negative impacts on the environment brought by the intensive aquaculture industry. This mission continues to differentiate Grobest as the leading player in the long-term sustainable development of the aquaculture industry.

From those humble beginnings, we have grown across Asia to support the livelihoods of over 3,500 employees and their families in India, Indonesia, Mainland China, Malaysia, the Philippines, Taiwan, Thailand and Vietnam. Our operations provide valuable direct employment opportunities in the local community, while our Technical Services teams provide advisory services to farmers directly on maximizing the benefits of our performance feed products. Our approach goes beyond the management of environmental and social risks, helping boost healthy fish and shrimp production while using less resources. This allows us to contribute directly to global food security and play our part in realizing the UN Sustainable Development Goals.



Message from the CEO
HUA DU

The last year has seen unprecedented challenges for the global aquaculture feed industry. Ongoing Covid-19 outbreaks, local restrictions on freedom of movement, closed borders, increasing logistics costs, raw material price increases, and economic pressures on our customers have all conspired to create the "perfect storm". However, we have not forgotten our responsibilities to protect the environment and the societies in which we operate. Increasing regulatory requirements on environmental and social due diligence, customer demands on sustainability performance, and evolving expectations from all of our stakeholders mean that companies must act to address their risks and ensure positive impact.

At Grobest, I am proud to say that we strive to go beyond these external drivers. Sustainability for our company is not an after-thought but is internalized at the core of our philosophy and what we offer as a business. We have built a strong ESG (Environmental, Social and Governance) function as part of wider legal compliance and risk management, and our procurement teams look across the globe to ensure that we source from sustainable suppliers, despite ongoing challenges. Meanwhile, our research and development as well as our formulation teams continue their ground-breaking work in producing feed products that do "more with less".

The near future continues to bring choppy waters, but with this strong foundation, I am confident that Grobest can navigate its way towards a more sustainable future.

1.1 /
Message from Leadership



Message from the Chief Legal, Compliance and ESG Officer
EDENA LOW

Since the beginning of 2022, our teams have set new sustainability goals and targets. Our sustainability goals are focused on reducing material risks across the major categories of E (Environmental) S (Social) and G (Governance), while setting an ambitious roadmap towards realizing our vision of being the Asian leader in sustainable biotech functional feeds for shrimp and fish. Our approach to sustainability consists of the following dimensions

Innovation

Developing products that enhance health and immunity in aquatic animals while reducing pollution; we also work with farmers to improve their harvests by increasing their climate resilience through digital solutions.

Responsible Sourcing

We recognise the social and environmental impacts that our raw materials may cause and source from certified sources such as MarinTrust or RTRS (Round Table on Responsible Soy). Wherever possible, we source such materials locally. We continue to explore novel ingredients that can further reduce our reliance on marine sources.

Social

We foster a strong safety culture at Grobest, both in workplace safety and food safety, alongside a commitment to protect individual rights and freedoms.

Environmental

We continue to work to reduce our waste, and manage our energy, emissions and water consumption at our production facilities.

Governance

In accordance with our Employee Code of Conduct, our employees are expected to comply with laws, regulations and applicable standards including Best Aquaculture Practices (BAP); they are encouraged to speak up and raise issues, in order that they may be resolved appropriately.

In enhancing our transparency, we seek to communicate our progress regularly and authentically and through this very first sustainability report by Grobest, we hope to do just that. We hope you enjoy reading this as much as we enjoy sharing our performance with you.

1-2 /
2021 Highlights

<p>Governance</p> <hr/> <p>Conflict of Interests Policy approved by the Board of Directors</p> <p>eLearning Rollout for employees group-wide in Grobest Code of Conduct, Supplier Code of Conduct, Cyber Security, Anti-Bribery and Corruption (Government Interactions), Business Ethics, Anti-Discrimination and Harassment, Data Privacy and Anti-Trust</p>	<p>Product</p> <hr/> <table border="0"> <tr> <td data-bbox="2249 462 2552 630"> <p>13 plants certified with ISO 22000 or Hazard Analysis and Critical Control Point ("HACCP")</p> </td> <td data-bbox="2582 462 2864 630"> <p>9 plants certified with Best Aquaculture Practices ("BAP")</p> </td> </tr> <tr> <td data-bbox="2249 682 2552 850"> <p>62%* marine ingredients purchased for products certified under responsible sourcing schemes</p> </td> <td data-bbox="2582 682 2864 850"> <p>77% raw materials of our product purchased and/or processed locally (domestically)</p> </td> </tr> </table>	<p>13 plants certified with ISO 22000 or Hazard Analysis and Critical Control Point ("HACCP")</p>	<p>9 plants certified with Best Aquaculture Practices ("BAP")</p>	<p>62%* marine ingredients purchased for products certified under responsible sourcing schemes</p>	<p>77% raw materials of our product purchased and/or processed locally (domestically)</p>				
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27	megaliters reduction in water discharge compared to 2020								

* BAP standards (clause 4.5) - for fishmeal and fish oil derived from either reduction fisheries or processing by-products, at least 50% (calculation based on mass balance) shall be from sources that are certified under GSSI-recognized standards, from MarinTrust-certified producers, or from farmed or invasive species.



2-1 / Who We Are

At Grobest, we are committed to feeding the world through the development of innovative products that support safe and sustainable aquaculture. Confronted by soaring demands for food due to rapid growth of the world's population and scarcity of natural resources, we persist with the ideal of "respecting nature for healthy aquaculture" and continue to improve the health and growth of aquatic species by feeding them with advanced nutrition. As a company, we live our responsibility daily to pioneer innovation in R&D and supply advanced aquatic functional feed to the world.

Since our founding in Taiwan in 1974, Grobest has maintained a leading position in the research and development of natural, antibiotic-free feed products for environmentally friendly and sustainable aquaculture. Our continual success has seen us grow into a company of over 3,500 employees, with offices and operations in Hong Kong, India, Indonesia, Mainland China, Malaysia, the Philippines, Taiwan, Thailand and Vietnam. In 2018, global investment firm Permira invested in Grobest to help accelerate the company's growth. Grobest, with its solid foundation in Asia, is ready to bring our innovative products to the world.

Years of Experience

48

Geographical Areas

8

Feed Mills

14

Employees

3500+

2-1 / Grobest designs a comprehensive range of products to meet animal needs and disease challenges

Grobest's R&D team develops functional ingredients for healthier digestive systems and improved immune response in aquatic animals. The functional feed categories include "Daily Health Care", "Immune Enhancement", and "Growth Enhancement". Within each category, unique combinations of ingredients are developed to support farmer needs. This covers daily farming conditions, but also high-risk periods. By combining the knowledge of research and development, formulators and field technical teams, the different products are integrated into farming protocols to help farmers overcome challenges and obtain optimized harvest yield.

Daily Health Care Balanced and proper nutrients to meet animals' daily nutrition needs for growth.
Supported by essential functional additives to maintain animal health under common farming environments.

Growth Enhancement Unique product design specially formulated to achieve higher growth rate before harvest.
Excellent performance on Feed Conversion Rate and Average Daily Gain, resulting in increased biomass and harvest weight/ size during the grow-out.

Immunity Enhancement Enhanced with functional additives.
By enhancing their immunity, animals have better chance of mitigating the impact of disease challenges to achieve higher survival rates, shorter recovery days and better gut health.



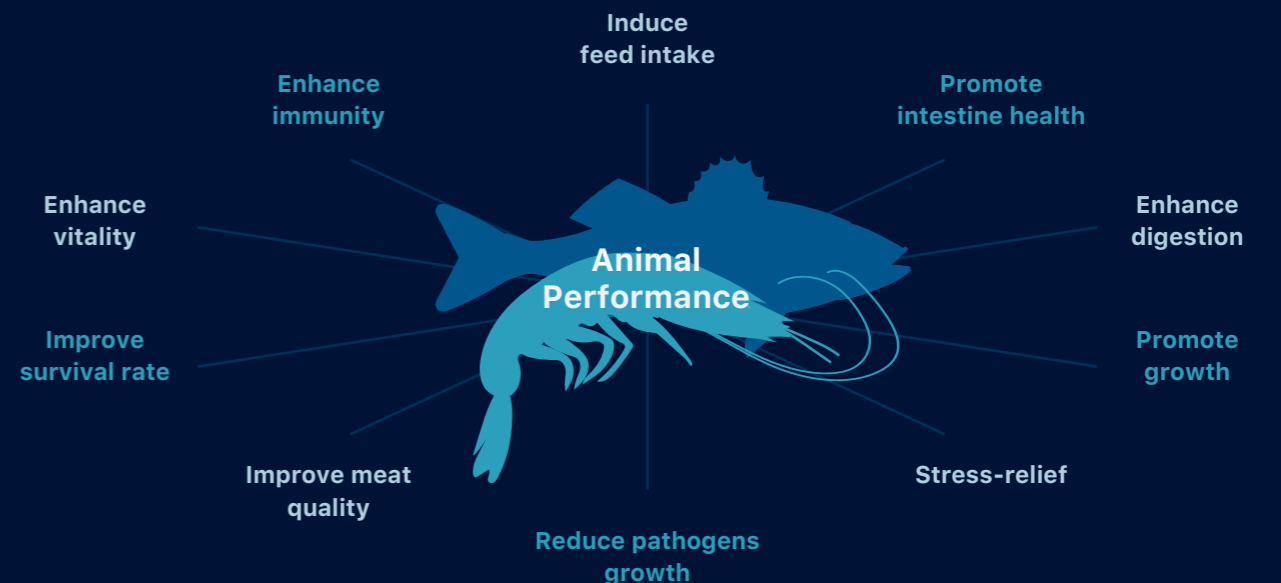
JENNIFER KUO
Chief Technology Development Officer

Technology and Innovation are two key driving factors for a sustainable aquaculture industry. Grobest continues to discover and provide animal-safe and environment-friendly solutions to meet the constant challenges we face. Our products optimize nutrition to enhance animal health, and help aquatic animals cope with the threats of disease and stress in the farming environments, thereby allowing farmers to improve their livelihoods through bountiful harvests. This is a journey Grobest began decades ago, and one which we are motivated to continue for decades more.

Grobest provides feed products for over 40 aquatic species



Grobest feed products provide nutrients and improve animal health and performance



2-2 / Grobest's Approach to Sustainability

Purpose To feed the world sustainably by improving the health and growth of aquatic species through advanced nutrition.

Vision To be the leading global feed producer for shrimp and high-value warm water species.

Values Grobest's four Core Values come under the motto **One Grobest, One Team:**



Innovation

We apply creativity in problem solving and status quo challenges



Integrity

We firmly adhere to our Code of Conduct and ethical principles



Sustainability

We decide and act persistently to achieve economic, environmental and societal benefits for the long term



Collaboration

We cooperate and treat others with dignity and respect to accomplish common goals

Governance

Good corporate governance is the foundation of how we operate as a company. Oversight of ESG-related policy formulation and plan implementation falls under the purview of Grobest's ESG Committee. To ensure that Grobest can adapt in a rapidly changing industry, from changes in regulatory requirements to shifting customer demands, the company has established a business management model to mitigate relevant risks in its operational facilities and supply chains around the world. Our work in mapping these risks to identify material potential impacts, is used as the basis for setting Environmental, Social and Governance ("ESG") goals that align with the company's business strategy. Through this integrated approach, the company sets ESG targets which are material, relevant and ensure overall business resilience. On a daily basis, the company has dedicated personnel managing risk, compliance and internal controls to keep track of changes in laws and regulations, to develop appropriate internal policies and procedures, and to oversee and monitor compliance. We also conduct cross-department interviews to ensure risk management is aligned with the business's strategic objectives and ESG goals.

Social

Our employees are the company's most important asset, helping deliver the company's success every single day, whether in leading research and development or in the delivery of our high-quality products and services to our customers. We are committed to do so in a manner that is consistent with our core values, which we reinforce through commitments to our Employee Code of Conduct, Supplier Code of Conduct as well as regular trainings in various compliance topics. Grobest's commitment to human rights is in line with international human rights-related conventions, as well as laws and regulations of the locations in which we operate. To create a respectful and safe working environment, Grobest has developed an internal Health and Safety Management System to ensure workplace safety in accordance with applicable laws and industry best practices. Management is committed to building a strong safety culture, with defined action plans and guidelines for its production plants, as well as the appointing of dedicated occupational safety personnel. Inspections by management leadership and internal audits are conducted on a regular basis.

Product Innovation & Responsible Sourcing

Providing healthy and safe feed products is the core of Grobest's business. Through product innovation and good supply chain management, we realize our quality commitment to customers. We have dedicated R&D units committed to the development of various biotechnologies including natural feed additives to enhance the immunity of aquatic organisms and resist the challenges from external environmental changes as well as various diseases and pathogens. In terms of supply chain management, we establish and build long-term and stable partnerships with suppliers which we complement with external audits to verify performance and capability requirements that meet our Responsible Sourcing goals. This collaborative, partnership-led approach facilitates open communication, thereby reducing operational risks for the company and our business partners, creating shared value, and enhancing the company's positive impact. We have set medium and long-term ESG objectives specifically for innovation in product development and work to progressively reduce our reliance on less sustainable sources of protein, while meeting the health and nutrition requirements of aquatic animals.

Environmental

Since 2019, Grobest has established processes and systems for environmental data collection. In 2021, based on environmental data collected in the past three years, we have conducted improvement actions in response to three environmental aspects: electricity, fuel and water consumption. To mitigate environmental impacts of our manufacturing operations, we integrate energy-saving initiatives, and track improvements over time. Our Procurement function continuously strives to increase the proportion of animal and plant-based feed that comes from sustainable sources. We will develop a more comprehensive climate response strategy with associated actions as we continue to identify and manage our environmental impacts as a business.

Risk Management

Risk management is an integral part of our approach to operating sustainably. A strong risk culture with risk awareness and effective management actions enhances business performance. This is key to our ability to respond to existing and future risks, such as political, regulatory, market, competition-related, supply chain, human resources, cost management, and environmental and social risks, as well as the risk of possible fraud, corruption and bribery.

Our Enterprise Risk Management (“ERM”) approach enables us to perform systematic identification, evaluation and treatment of risk scenarios, allowing us to set our strategy, prioritize our actions and capitalize on opportunities. We have taken a holistic view, combining ‘top-down’ and ‘bottom-up’ perspectives, to ensure that risk identification, evaluation, and management are performed at the right levels.

Risk assessment is conducted on a regular basis with senior management and functional leaders. The risk is then linked to our strategic objectives. Risk owners (members of senior management) are appointed for each priority risk area to develop risk response plans and enhance monitoring and reporting capabilities. Within the four GRI Aspects of Governance and Economic, Social, Environmental and Product & Supplier Management, management scope on risk management includes but is not limited to the following categories that are of particular applicability to Grobest: financial risk, occupational health and safety risk, climate-related policy and reputational risk.



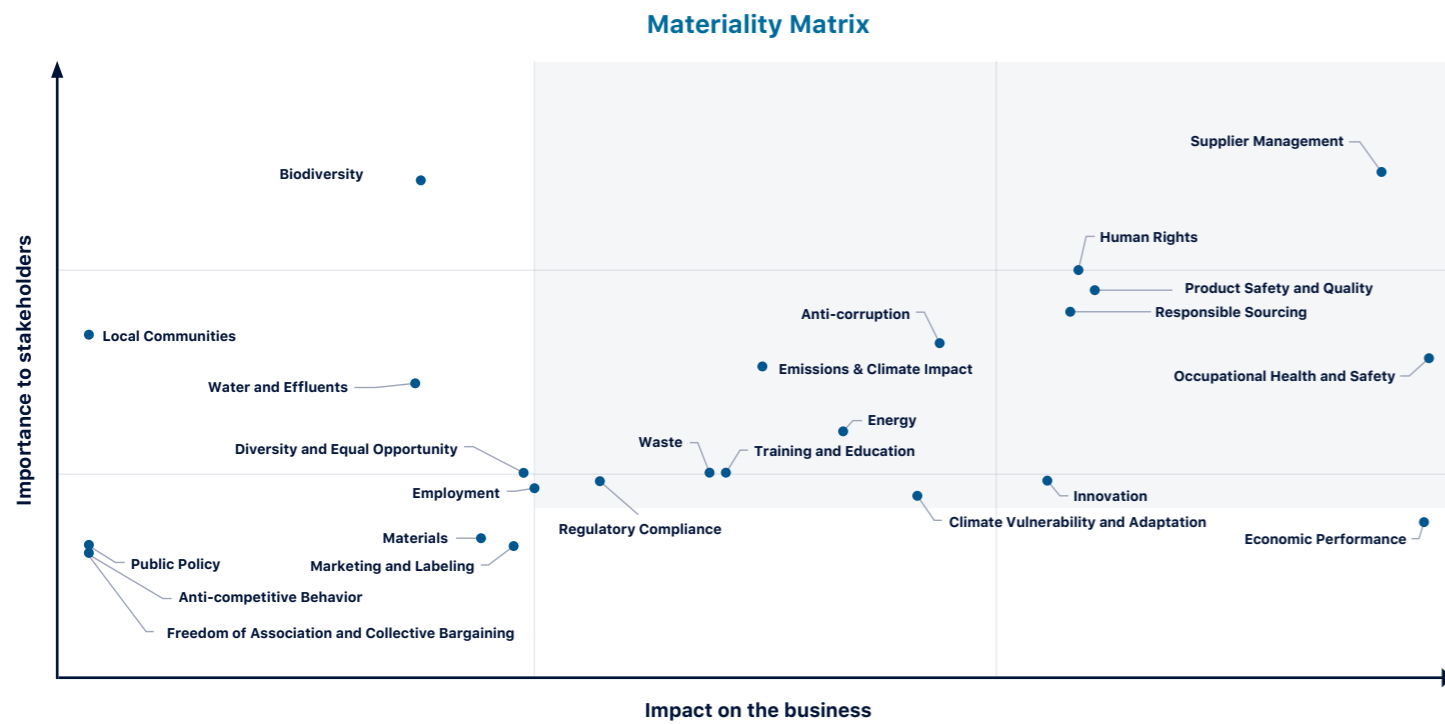
GRI Aspect	Risk Category of Particular Applicability to Grobest	Risk Description	Risk Management
Governance	Financial risk	Market risk, credit risk, exchange rate risk and liquidity risk may adversely affect the company’s financial position and financial performance.	Continue to strengthen financial internal controls, pay close attention to the impact of market and regulatory changes on the company, and formulate corresponding strategies.
Product Innovation & Responsible Sourcing	Reputational risk	Our customers and stakeholders focus on quality products that deliver performance in the health and nutrition of aquatic animals that consume our feed, as well as the sustainability of those same products. Continuous research and development of raw materials, functional ingredients and formulae are essential to meet these customer requirements.	<p>Ensure product quality through ISO22000 or HACCP compliance.</p> <p>Continue technical development, including both lab and field-based animal trials and feedback from farmers for further feed optimization.</p> <p>Ensure Responsible Sourcing through compliance with our Supplier Code of Conduct and associated policies and procedures.</p>
Social	Occupational Health & Safety (“OHS”)	Failure to follow standard operating procedures resulting in employee injuries, or failure to comply with occupational safety and health laws and regulations, unable to respond pandemic outbreaks such as COVID-19 which may affect the company’s operations.	<p>Integrate safety into operational performance through management leadership.</p> <p>Optimize OHS procedures and plans, and regularly review implementation and performance.</p>
Environmental	Climate-related policy	Government may prescribe new energy regulations. These regulations may require large energy users to use clean energy and set targets to reduce reliance on coal or other non-renewables.	<p>Promote energy conservation.</p> <p>Optimize feed products and provide technical solutions to help farmers address environmental risks.</p>

2-3 / Our Focus Areas

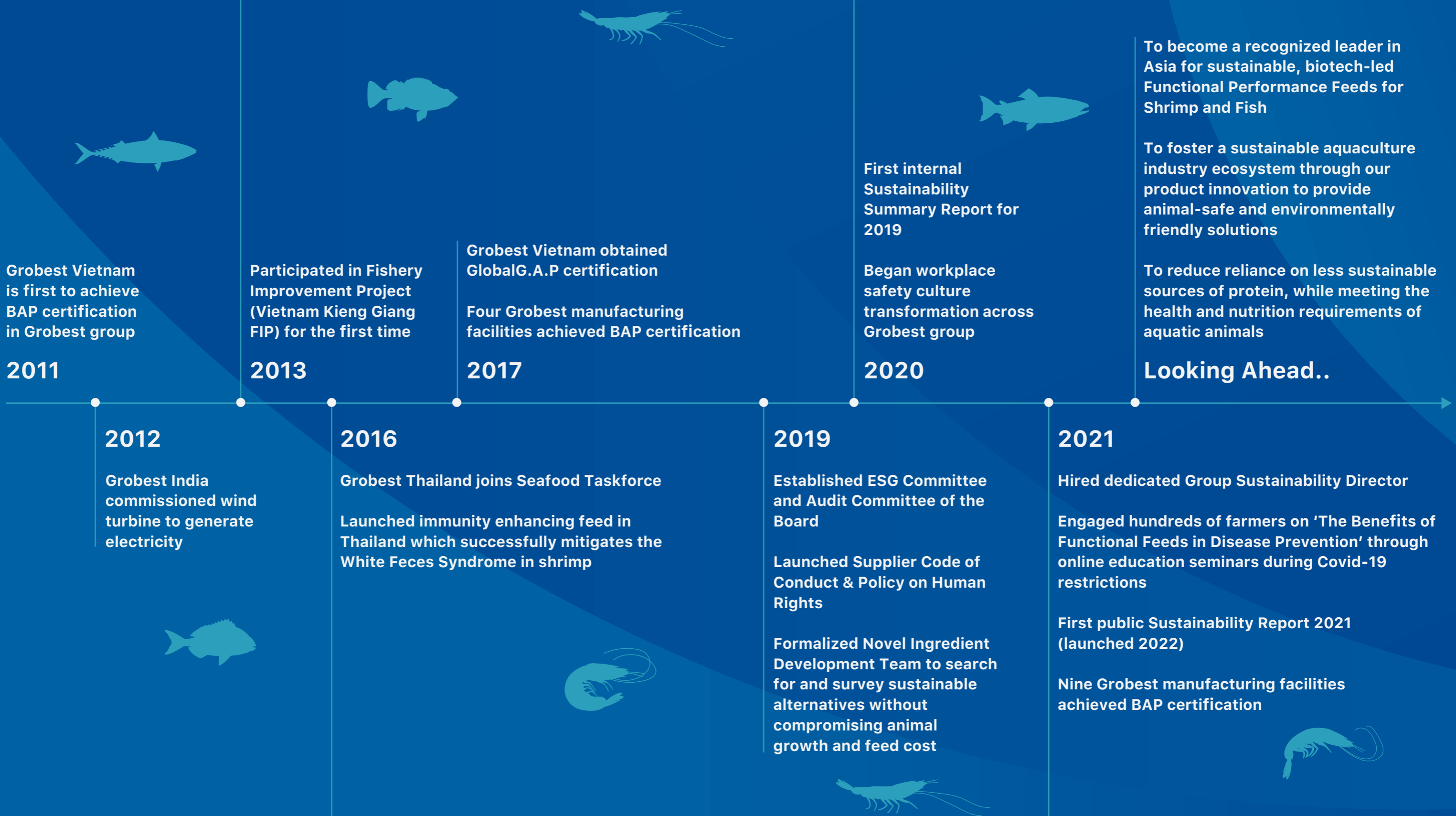
Listening to our stakeholders' input, including employees, suppliers, investors and customers enables us to understand and identify the issues which they are concerned with.

We then overlay those with industry characteristics, international trends and developments, and meaningful discussions with our business leaders, external consultants and the ESG Committee, to arrive at 13 topics that are important and material to this report.

The material topics identified in 2021 are shown below:



2-4 /
Our ESG Milestones



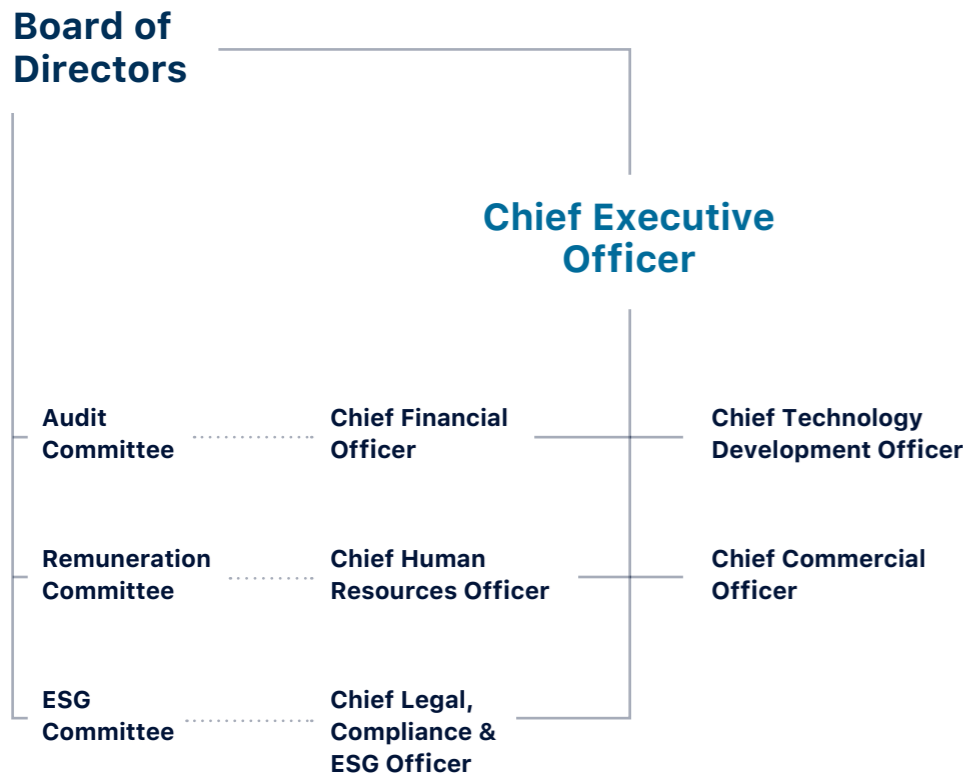
3-1 / Governance Structure

Management

The Grobest management team’s professional experience and strong industry and technical knowledge are key to accelerating the company’s sustainable growth. Comprised of experts from the world of animal nutrition, aquaculture, biotechnology and other professional backgrounds, this combined expertise of the team enables Grobest’s global reach.

Grobest’s corporate executives’ proven track record of management excellence, as well as respective industry expertise – combined with the strong advisory support of our Board of Directors – is a major factor in the company’s success.

Grobest has established an Environmental, Social and Governance (“ESG”) Committee to manage and oversee Group-wide sustainability performance and implementation of ESG risk systems. The ESG Committee works together with key subject matter experts and functional leaders within the company to identify and develop solutions that fulfill our commitments to contribute to a sustainable aquaculture industry.



3-2 / Anti-Corruption

Management Approach

Integrity is the first of Grobest Group’s Four Core Values. This Core Value provides the foundation for the development of standards applicable to all aspects of the company’s business, including Grobest’s own following policies:



These policies are made with specific reference to the UN Global Compact, the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. They are reviewed on a regular basis by the Legal, Compliance and ESG function, Human Resources, and the ESG Committee; and are approved by the Board of Directors.

The policies and underlying standards dictate the personal and professional behaviors expected of Grobest employees internally as well as their interactions with external stakeholders such as governments, customers, contractors, service providers and/or suppliers, and have been rolled out to employees at all Grobest locations, primarily through digital e-learning modules.

Grobest has a dedicated Ethics Hotline published widely at each Grobest facility. Cases reported through the Ethics Hotline or identified via other monitoring pathways are reviewed and, where appropriate, investigated by the Ethics Committee comprising Human Resources, Internal Controls and Legal, Compliance and ESG.

The management approach is for employees to always prioritize “Doing the Right Thing” through the provision of a principles and values-based foundation and framework. This directs the development of standards that apply to all aspects of company business, ensuring that daily and strategic decision-making are conducted within defined ethical parameters, supported by an organizational culture conducive to transparency and honesty. In this way, the organization minimizes corruption-related risks.

3-3 / Regulatory Compliance

Management Approach

Grobest operates to ensure that its group companies comply with applicable laws and regulations. That is a critical foundation for us to retain stakeholder trust and reduce risks, enhanced by effective and appropriate internal controls systems.

The company has in place and continues to develop relevant policies, such as its Health, Safety, Environment and Quality (“HSEQ”) Policy for employee safety and for quality assurance of feed products. HSEQ is headed by the Group Operations Director, reporting directly to the Chief Executive Officer (“CEO”). Regulatory Affairs is managed by the Chief Technical Development Officer in collaboration with the Group Operations Director.

Grobest’s Legal, Compliance and ESG function oversees compliance matters across the company including but not limited to external regulations (relating to national laws and regulations in each of the jurisdictions in which Grobest operates, as well as international laws where applicable), internal Grobest policies, and voluntary commitment to standards and certification schemes. Compliance with statutory and regulatory requirements is reviewed whenever new or revised requirements on products are released by applicable authorities or at least every 6 months. Compliance with voluntary standards and certification schemes is monitored continually, reported monthly, and checked during periodic external audits. Internal reviews and self-assessments seek to identify gaps in the company’s compliance systems. In partnership with Human Resources, legal and compliance training is provided to employees.



3-4 / Performance

Anti-Corruption and Compliance Policies, Procedures and Training in 2021

Following formal approval of the new Conflict of Interests Policy by the Board of Directors in 2021, we launched compliance training sessions for employees across the company. The compliance training comprised eLearning-based modules in Cyber Security, Anti-Bribery and Corruption (Government Interactions), Business Ethics, Anti-Discrimination and Harassment, Data Privacy and Anti-Trust, reinforcing components of the Grobest Anti-Corruption Policy approved by the Board of Directors in 2020. In the first year of eLearning launched, 45% of Grobest employees completed the compliance training.



SHANDY CHONG Chief Financial Officer

Our approach to sustainability reflects how our business is intertwined with the environment and society. In an increasingly complex industry, our long term strategic relations are essential to our continued success. We collaborate with partners from various sectors to support our farmers, from coping with the effects of the pandemic to coping with climate change. We integrate risk management into our processes and decision-making across the company and place emphasis on doing things ethically and transparently.

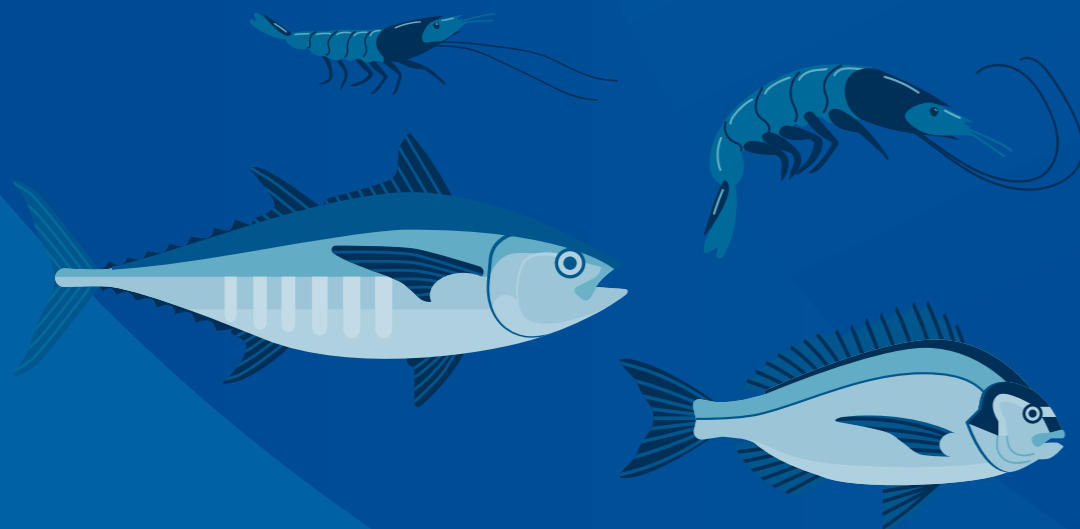
4-1 / Innovation

Innovation is very much a part of Grobest’s DNA. Our business is based on high-performance aquaculture feed that contributes to improved fish and shrimp growth and health as outlined in our R&D ethos – “Respecting nature for healthy aquaculture.” We apply creativity in problem-solving and challenge the status quo. Our approach to innovation reduces environmental and social risks and helps to contribute to commitments in other areas of our business operations.

In 2021, we continued to optimize the animal protein and plant protein usage for shrimp and fish feed. By conducting lab trials and field trials, the good results we collected were helpful to achieve our long-term goal of reducing reliance on marine-based sources of protein. Furthermore, the tests to include several novel ingredients in our feeds came out with satisfactory results, which will help us in our ambition of providing more sustainable feeds for the future.

Our Innovation Committee is led by the Chief Technical Development Officer (“CTDO”) and supported by the Group Innovation Director and Research & Development (“R&D”) unit. The Committee provides strategic direction on the development of new ingredients to produce increasingly sustainable products through improved formulations, thereby reducing waste and improving farmers’ environmental footprint from feed use. The Committee oversees progress on these initiatives through regular reports and reviews. Under the Innovation and Nutrition Initiatives, we have set objectives and timelines for each project as well as monitoring mechanisms, which are ultimately reported to the Innovation Committee to ensure appropriate governance.

In 2021, we focused on validating our product pipeline. In 2022, this important work will continue and in particular, focus will be put on alternative and high-performance feed and animal health products to further reduce our reliance on marine-based sources of protein in shrimp feed in 2022–2023. In the long-term, we expect to reduce our reliance on marine resources, increase the use of protein meal from certified sources and commercialize the use of novel ingredients.



Respecting nature for healthy aquaculture

4-2 / Product Safety and Quality

Management Approach

Grobest’s business is based on the production and delivery of reliable and high-performance aquaculture feed. In the pursuit of “natural harmony”, two key priorities in our product development are therefore safety and health, which manifests in our quality assurance approach. In developing formulae, we not only pay attention to the supply of balanced nutrients, but we also focus on other needs of aquatic animals such as health, immunity, good digestion, and physical properties (such as water stability) and bio-availability. The health of aquatic animals relies on well-balanced nutrient and immunomodulant, and good aquaculture practices. For decades, Grobest has been dedicated to developing natural feed additives to improve the immune systems of aquatic animals, helping them fight against external factors and challenges from all kinds of diseases as well as pathogens.

Grobest’s HSEQ Policy together with its Group Food Safety and Quality Manual operationalize our commitment to providing consistent, safe and high-quality feed products to customers with zero compromises and in full compliance with local regulations. Additionally, our production facilities are certified to either ISO 22000 or HACCP standards.

Our Group Quality Assurance Department (consisting of more than 200 personnel globally) takes the lead in the management of product safety and is supported by the Production, Formulation, Procurement, Sales and Technical Services functions. The Group has established a Customer Complaints Handling procedure for in-country teams to follow and ensure high customer satisfaction. The process is illustrated as below.



For a complaint determined not to be attributable to nutrition, it will be recorded and handled by the Sales team to ensure proper and adequate frontline resolution before closing the case.

We closely monitor two Key Performance Indicators – customer complaints rate (per 1000 tons) and total cases – to ensure the effectiveness of management - and conduct ISO 22000/HACCP third-party certification audits and Food Safety & Quality (“FS&Q”) Manual self-assessments at least once a year. In 2021, we deployed a Kaizen continuous improvement project specifically to improve product quality and customer satisfaction.

4-3 / Responsible Sourcing & Supplier Management

Management Approach

Grobest’s aquaculture feed products are dependent on raw material inputs predominantly from fishmeal and plant-based protein suppliers. Risks from the use of these materials include environmental (including deforestation risks), social (including modern slavery and other human rights risks) and governance (including corruption risks) aspects. To ensure we manage these risks from raw material inputs, effective supplier management is key.

Since 2019, we have been working to raise the bar in responsible sourcing through the implementation of the Grobest Supplier Code of Conduct & Policy on Human Rights (SCOC) and the Grobest Group Procurement Manual. We require all suppliers to commit to and sign the SCOC which lays out our expectations of suppliers including respect for human rights and a commitment to safe, responsible and sustainable business practices. Our Group Procurement Manual outlines our supplier assessment approach, which is an integral part of our procurement activities. We conduct Supplier Pre-Qualifications at the start of a new business relationship, and Re-Evaluations for existing suppliers to monitor their progress. The assessments consist of self-evaluations, desktop reviews and/or onsite audits. Due to COVID-19 restrictions, our supplier onsite audits were reduced, and in 2021 we audited several higher risk suppliers. The audits assessed suppliers for product safety and social compliance. The supplier audit results were reported to the ESG Committee and used for assessing continuing and future supplier risk and developing response plans.

Grobest is committed to monitoring and increasing the proportion of sustainable and responsibly sourced materials used in its feed products over time. We require suppliers to disclose critical information that enables traceability of the raw materials such as country of origin, fishing zone, IUU (illegal, unreported, unregulated) fishing compliance, chains of custody, etc. We continue to encourage and support our suppliers to improve their business practices, including efforts to acquire recognized certifications on sustainable aquaculture practices. In the medium to long-term, we plan to assist more of our suppliers to obtain HACCP or Good Management Practices (GMP) certification, to qualify as Fishery Improvement Projects (FIP), and/or to become certified under MarineTrust, Marine Stewardship Council, Friend of the Sea (FoS), or other certification schemes or compliance frameworks, including Thailand’s Marine Catch Purchasing Document (MCPD).

In the past five years, sourcing of certified marine ingredients across the Grobest Group has nearly doubled. In 2021, of the marine ingredients we purchased, 81% was from whole fish and 19% from by-products, of which 62% marine ingredients came from recognized certified fisheries, including the MarineTrust, MSC certification, Fishery Improvement Projects certification, or FoS sustainable seafood certification. We continue to increase the volume of by-products to improve our use of sustainable ingredients. In 2021, 33% of our soy products came from recognized certified sources, including the Round Table on Responsible Soy Association (RTRS) Certification and/or related RTRS credit scheme, and the Soy Sustainability Assurance Protocol (SSAP) Certification.

From late 2021, Grobest’s supplier management has been controlled centrally within the Procurement function. Country-level, regional-level and material-specific managers report to the Group Procurement Director, who reports directly to the Group Chief Financial Officer.

Origin of marine ingredients in 2021



*62% marine ingredients came from certified fisheries



4-4 / Performance

Local purchases in 2021



Number of suppliers by material type in 2021



Certifications at our plants	2020	2021
BAP certified	6	9 ▲
ISO22000 and/or HACCP certified	12	13 ▲

Best Aquaculture Practices (BAP) is a voluntary seafood-specific certification program that addresses the four key areas of sustainability – environmental, social, food safety, and animal health & welfare – at each step of the aquaculture production chain. The [BAP certification](#) program is benchmarked by globally recognized third parties.

Management systems implementation by plant in 2021

Manufacturing Unit	Evaluation Criteria					Other Evaluation Criteria
	BAP	ISO22000 ¹	HACCP ²	ISO 9001 ³	GMP ⁴	
Taiwan - Neipu	●	●				
Taiwan - Xuejia		●				
Taiwan - Jiadong	●	●				
China - Fuzhou		●		●		ISO 14001 ⁵
China - ShunDe	●	●		●		
China - ChangShu		●				
Vietnam - Bien Hoa	●			●		
Vietnam - Landfound	●	●		●		
Thailand - Samut Songkhram	●		●		●	Thai Labour Standard
Thailand - Petchaburi	●		●		●	Thai Labour Standard
Malaysia		●				FQC ⁶
Philippines		●	●		●	
Indonesia	●		●	●		
India	●	●				Halal, MPEDA ⁷

- Note:
- ISO 22000 is an internationally recognized standard written by the Food Industry for the Food Industry.
 - The Hazard Analysis and Critical Control Points (HACCP) system is a logical, scientific approach to controlling hazards in meat production.
 - ISO9001 is an international standard that specifies requirements for a quality management system.
 - Good Manufacturing Practices (GMP) is a system of processes, procedures, and documentation that help ensure that products are consistently produced and controlled according to quality standards.
 - ISO 14001 is an international standard for designing and implementing an environmental management system.
 - Fish Quality Certification (FQC) Malaysia is specifically commissioned for aquaculture operators, vessel owners, fish feed and fish meal manufacturers, fish hatchery operators and exporters/importers involved along the value chain of fish supply and fish products for the purpose of export to the European Union.
 - MPEDA stands for The Marine Products Export Development Authority, India.

5-1 / Human Rights

Management Approach

Grobest is committed to providing a respectful and equitable workplace environment including the upholding and protection of human rights. Grobest recognizes and supports the human rights protections and basic principles outlined in international covenants such as the International Labor Organization ("ILO"), the United Nations Guiding Principles on Business and Human Rights, the UK Modern Slavery Act and complies with all relevant local labor laws and regulations. In 2019, Grobest formulated the Code of Conduct and approved by the Board of Directors, which stipulates human rights protection in the workplace and human rights advocacy and applies to our employees, temporary workers and suppliers.

Human rights is overseen by Grobest's ESG function, with implementation at Grobest facilities through a combination of the Human Resources and Health, Safety, Environment and Quality functions. For workers at suppliers of Grobest and Grobest business partners, implementation of human rights management has been the responsibility of Procurement, overseen by ESG. From late 2021, responsibility for protecting and upholding human rights is maintained within key operational functions, whilst oversight is held within an expanded Legal, Compliance and ESG function.

In 2021, we conducted social compliance audits on 14 of our fishmeal suppliers across all Grobest operating markets, including China, India, Indonesia, Malaysia, Philippines, and Thailand. We shared the audit results with each supplier, who in turn commit to progressively work to address the findings and gaps.

Findings from the audits are being used to inform a new Social Oversight Program from 2022.

In 2022, Grobest has developed long-term ESG goals which address human rights issues and wider social risks. Grobest will continue its commitment towards human rights protection through its values and culture.



PHILIP MCWHIRTER
Chief Human Resources Officer

Grobest's success as a company is dependent on the countless people that bring its products and services to farmers everywhere. We value an inclusive culture which respects the rights of every person, in particular, the right to work in a safe and healthy environment. We work hard to foster that culture through communication, continuous training and education in Group policies and proactively engage our employees to work on key initiatives that help us do better every day.

5-2 / Occupational Health and Safety

Management Approach

Grobest’s HSEQ policy was approved by the ESG committee and has been in place since 2020, demonstrating Grobest’s commitment to ensuring compliance with legal requirements and more importantly, providing a safe, healthy and injury-free work environment. All operational employees have signed Grobest’s Health, Safety and Environment (HSE) Commitment Statement which provides clear information about how to identify hazards and risks and the personal behaviors expected in relation to management of those hazards and risks.

The HSE Committee at each Grobest site consists of the Plant Manager and leaders from each department, as well as worker representatives. HSE committee meetings are held quarterly.

HSE Committee



Grobest’s comprehensive Occupational Health and Safety Management (“OHSM”) system is in the development phase, and is applicable at all Grobest factories. Some milestones in 2020-2021 include the following:

A standardized risk management process and Standard Operating Procedures were established for workplace health and safety risks management across the company.

HSE Key Performance Indicators and related scorecards for each subsidiary are in place to closely monitor HSE compliance and completion status on key projects.

All work-related incidents are reported via the HSE Recording and Reporting Procedure. HSE Committee members, the HSE functional team and Plant Managers will investigate workplace incidents using the root cause analysis method to identify cause and weaknesses, implement corrective actions, and share preventive actions with other sites for group-level awareness and improvement.

In 2021, Grobest implemented its Group HSE Audit Program and rolled out the HSE Manual at each plant. The 5 plants with the lowest scores are to be re-audited one year later. Multiple aspects of HSE were included in this audit program, and the most critical aspects in need of improvement were identified through the audit.

5-3 / Training and Education

Management Approach

Grobest is dedicated to the continual professional and personal development of its employees. Our people lie at the very core of our ability to provide high quality products through our innovation-focused approach. We therefore prioritize our efforts to develop and motivate our employees.

The Group’s Human Resources function is primarily responsible across four areas.

1. Working as a partner with each function to ensure that the organization has effective capacity in terms of qualified and trained employees in each position.
2. Implementing policies and procedures that provide fairness and protection to the employees.
3. Providing and coordinating training.
4. Continual positive reinforcement of company ethics and core values, that together help to form the company culture.

Through purposeful attraction and retention of key talent in the organization, we are able to leverage our core professional expertise and develop new functions and business opportunities to meet the needs of the aquafeed industry and the company’s business development, thereby enhancing Grobest’s overall competitiveness.

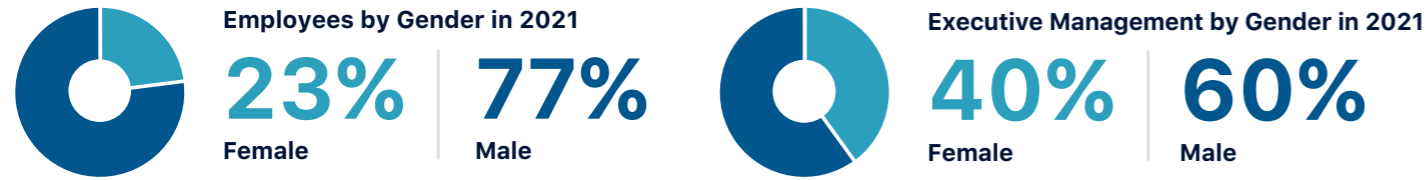
The training includes (but is not limited to) eLearning-based compliance modules and HSE training, of which 6.13 hours per employee was HSE-specific training in 2021.



⚠️ Our COVID-19 Response

Grobest continues to implement comprehensive measures to protect the health of our employees. We ensure workplaces are clean and hygienic through regular disinfection and enhanced air-filtration systems, promote social distancing and thorough handwashing by employees. To ensure ongoing support, we offer vaccine support and self-testing kits to employees, and provide and enforce the use of Personal Protective Equipment (PPE). In the event that someone becomes ill with suspected COVID-19 at the workplace, our sites follow a Group response plan that we have put in place.

5-4 / Performance



Occupational health and safety performance of employees and contractors in 2020 and 2021

	Employees ¹		Contractors ²	
	2020	2021	2020	2021
Total working hours	4,982,516	5,467,158	1,442,364	738,935
Number of work-related injuries ³	10	8	1	0
Number of high-consequence work-related injuries ⁴	0	0	0	0
Number of fatalities	0	1	1	0
Total number of recordable work-related injuries	10	9	2	0
Number of lost days	166	147	18	0
Rate of recordable work-related injuries ⁵	2.01	1.65	1.39	0
Rate of lost days ⁶	33.32	26.89	12.48	0

- Note:
- Inclusive of all employees in the subsidiaries (both operations and commercial)
 - Inclusive of all seasonal workers and temporary staff in the plants
 - Less than 180 lost workdays
 - Number of days of lost work over 180 days, excluding fatalities
 - Rate of recordable work-related injuries = total number of recordable work-related injuries (persons) x 1,000,000 / total hours worked
 - Rate of lost days = number of lost workdays x 1,000,000 / total hours worked

Regrettably, in 2021, we had one employee who lost his life while working at a customer’s facility. Workplace fatalities are unacceptable, and we can always do more to ensure that those who work for us or do work on our behalf make it home safely each day. Grobest leadership has taken significant actions across the company to call attention to the importance of workplace safety. We have stepped up efforts in injury prevention and have integrated safety into our business operations through the launch of Grobest’s Life Saving Rules. These Life Saving Rules include important information on electrical safety, working at height, no tolerance of alcohol or drugs while at work, fire & dust prevention, driving safety, and energy isolation.

6-1 / Climate Vulnerability and Adaptation

Management Approach

Grobest’s fishmeal supply chain is dependent on fish stocks and is uniquely vulnerable to climate change-induced sea surface temperature rises. Similarly, the plant protein portion of our feed supply is vulnerable to fluctuations in annual temperature as well as shifts in rainfall variability. In particular, soybean poses a significant risk to tropical rainforest destruction in South America as such deforestation releases greenhouses gases into the atmosphere while reducing carbon sequestration potential. It is therefore important that both these vulnerabilities and potential impacts are managed effectively.

To minimize our impact on climate change and to reduce vulnerabilities, we follow the requirements of Best Aquaculture Practices or equivalent. The marine sources of protein in our feed products do not come from areas classified as over-exploited or vulnerable to overfishing. For the plant-based sources of protein in our feed products, our “Sustainable Sourcing Commitment to Soya Products” in our “Supplier Code of Code” specifies the following:



For all soy inputs, whether certified or not, we shall set clear goals for traceability to the country of origin, verification of chains of custody, exclusion of material derived from illegal deforestation, and exclusion of material derived from ecologically sensitive areas.

We encourage suppliers to implement good agricultural practices that can prevent climate change, conserve water resources, and protect our land.

From late 2021, responsibility for executing compliance with these specific commitments rests with the Procurement function, with a dedicated Group Procurement Director in charge of all procurement personnel within each country in which Grobest operates, while oversight rests with a separated Group Legal, Compliance and ESG function. Procurement of certified fishmeal and soybean are reported monthly to ensure we continue to meet our Responsible Sourcing goals.

Grobest is assessing the feasibility of conducting a Group-wide study on the vulnerability of its supply chain and operations to the impacts of climate change. We continue to pursue Best Aquaculture Practices certification wherever feasible and are investigating alternative sustainable feed sources, including alternative certified feed schemes and novel sources of protein that are neither plant nor marine-based.

We will develop a Group-wide policy specific to the management of climate change-related impacts and vulnerabilities. This overarching framework will further direct the company’s long-term ESG goals.

6-2 / Energy and Climate Impact

Management Approach

As part of the company's approach to sustainability and climate change, we are closely reviewing energy consumption and seek to pursue alternative and greener sources where practicality and local feasibility allows.

In 2021, as part of our continuous improvement efforts, we carried out actions in different sites to improve our Group energy consumption and Greenhouse Gas ("GHG") emissions. Actions taken were as follows:

100%

Liquified Natural Gas ("LNG") in our Taiwan plants

40%

of our boiler fuel used was changed to natural gas

Solar power installed

in our Taiwan's plants where the electricity generated is sold back to the grid

Efficiency of dryers

improved to reduce steam consumption in our China plants

Lighting efficiency measures

(e.g., solar lamp posts, LED lamps) implemented in Indonesia, Philippines, Taiwan plants to reduce overall energy consumption

We recognize that there are many opportunities for Grobest to do better in managing the impacts of its business operations on the environment. We seek to better understand the carbon footprint of our supply chains, improve our manufacturing efficiencies to reduce Greenhouse Gas emissions and consumption of energy. We hope that our ambitions in product innovation will reduce reliance on less sustainable raw materials in the longer term, and help farmers everywhere improve the sustainability of their farms through reduced waste and effluents, and consequently reduce emissions. We will share our progress as we shape our approach in these areas.

6-3 / Waste, Water and Wastewater Management

Management Approach

Grobest consumes natural resources as part of its inputs for aquaculture feed production and creates waste from its manufacturing process. It is therefore important that the company manages its waste responsibly. Significant actual and potential impacts from our generated waste are odour issues, land pollution, micro plastic issues and water pollution.

Grobest commits to compliance with the laws and regulations in each jurisdiction in which it operates (whether self-managed or through outsourced contractors) and seeks to progressively reduce its waste output by using less resources, and recycling as much as possible to effectively reduce waste. We are standardizing our waste data collection process across the company to ensure data quality reporting for the future.

In 2021, we implemented several actions in different plants to improve our environmental performance. Actions taken were as follows:

2 Waste storage facilities optimized

in Taiwan and Philippines plants to improve local environmental conditions and meet compliance requirements

38 Megaliters reduction

in water withdrawals compared to 2020

27 Megaliters reduction

in water discharge compared to 2020

6-4 /
Performance

Energy consumption and generation between 2020 and 2021

Item	Sub-item	Unit	2020	2021
Non-renewable energy consumption	Liquefied petroleum gas (LPG)	Liter	1,170,611	351,102
	Natural gas (LNG)	M ³	4,165,856	6,127,589
	Heavy oil	Liter	1,661,188	1,026,986
	Gasoline	Liter	21,289	24,286
	Diesel oil	Liter	210,545	286,963
	Coal	Ton	16,412	18,561
	Electricity	kWh	119,459,987	132,111,090
	Steam	Ton	68,289	67,172
Renewable energy generation	Biomass	Ton	NA	6,244
	Solar	kWh	NA	1,944
	Wind	kWh	1,316,370	1,382,256

- Note:
1. Data inclusive of Grobest Group (includes 14 Feed Plants + 3 Premix Plants and offices). Grobest is standardizing its energy consumption data collection process across the company to ensure the accuracy of energy conversion factors for future data reporting.
 2. India Plant started to collect data on gasoline and heavy oil consumption from 2021
 3. Indonesia Plant started to collect data on diesel oil consumption from 2021
 4. Malaysia Plant started to collect data on diesel oil consumption from 2020
 5. Philippines Plant started to collect data on diesel oil and gasoline consumption from 2020
 6. Thailand Plant started to collect data on LPG, diesel oil and gasoline consumption from 2020
 7. Taiwan Jiadong Plant started to use natural gas from 2021
 8. Vietnam Plant started to collect energy consumption data from 2021

Water withdrawals and discharge in 2020 and 2021

Item	Types	Unit	2020	2021
Water withdrawals	Surface water	megaliters	140	129
	Groundwater	megaliters	103	98
	Third-party water	megaliters	362	342
	Total water withdrawal	megaliters	606	568
Water discharge	Other water	megaliters	263	236

- Note:
1. Data inclusive of Grobest Group (includes 14 Feed Plants + 3 Premix Plants and office)
 2. All water types are fresh water (≤ 1,000 mg/L TDS). The water withdrawal of third-party water is calculated by water bill and the water withdrawal from surface water and groundwater are calculated by water meter.
 3. We follow each plant's local discharge requirements to manage our water discharge. Wastewater discharge volume is based on the water treatment bill. To be classified as wastewater, it must be classified as other water (>1,000 mg/L total dissolved solids) and not be used by any other organization.



Disclosures	Pages	Corresponding Section and Notes
GRI 102: General Disclosure 2016		
Organizational Profile		
102-1	Name of the organization	7 2-1 Who we are
102-2	Activities, brands, products, and services	7 2-1 Who we are
102-3	Location of headquarters	7 2-1 Who we are
102-4	Location of operations	7 2-1 Who we are
102-5	Ownership and legal form	7 2-1 Who we are
102-6	Markets served	7 2-1 Who we are
102-7	Scale of the organization	7 2-1 Who we are
102-8	Information on employees and other workers	7 2-1 Who we are
102-9	Supply chain	23 4-3 Responsible Sourcing & Supplier Management
102-10	Significant changes to the organization and its supply chain	7 2-1 Who we are
102-11	Precautionary principle or approach	11 2-2 Grobest's Approach to Sustainability
102-12	External initiatives	7 2-1 Who we are
102-13	Membership of associations	7 2-1 Who we are
Strategy		
102-14	Statement from senior decision-maker	2 1-1 Message from leadership
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	11 2-2 Grobest's Approach to Sustainability
Governance		
102-18	Governance structure	17 3-1 Governance structure
Stakeholder Engagement		
102-40	List of stakeholder groups	13 2-3 Our focused areas
102-41	Collective bargaining agreements	13 Grobest continues to track and increase the percentage of total employees covered by collective bargaining agreements
102-42	Identifying and selecting stakeholders	13 2-3 Our focused areas
102-43	Approach to stakeholder engagement	– Grobest regularly engages with stakeholders to discuss sustainability issues of material impact to the business.
102-44	Key topics and concerns raised	13 2-3 Our focused areas
Reporting Practice		
102-45	Entities included in the consolidated financial statements	38 About this report
102-46	Defining report content and topic boundaries	38 About this report
102-47	List of material topics	13 2-3 Our focused areas
102-48	Restatements of information	– This report is Grobest's first GRI-aligned sustainability report.
102-49	Changes in reporting	– This report is Grobest's first GRI-aligned sustainability report.
102-50	Reporting period	38 About This Report
102-51	Date of most recent report	– This report is Grobest's first GRI-aligned sustainability report.
102-52	Reporting cycle	38 About This Report
102-53	Contact point for questions regarding the report	38 About This Report
102-54	Claims of reporting in accordance with the GRI Standards	38 About This Report
102-55	GRI content index	35 GRI Criteria Index

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Anti-corruption		
103-1	Explanation of the material topic and its boundary	18 3-2 Anti-corruption
103-2	The management approach and its components	18 3-2 Anti-corruption
103-3	Evaluation of the management approach	18 3-2 Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	20 3-4 Performance
Regulatory Compliance		
103-1	Explanation of the material topic and its boundary	19 3-3 Regulatory Compliance
103-2	The management approach and its components	19 3-3 Regulatory Compliance
103-3	Evaluation of the management approach	19 3-3 Regulatory Compliance
307-1	Non-compliance with environmental laws and regulations	– Fines and penalties below USD30,000 are not included in this report
419-1	Non-compliance with laws and regulations in the social and economic area	– Fines and penalties below USD30,000 are not included in this report
Innovation		
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103-2	The management approach and its components	21 4-1 Innovation
103-3	Evaluation of the management approach	21 4-1 Innovation
Product Safety & Quality		
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103-2	The management approach and its components	22 4-2 Product Safety & Quality
103-3	Evaluation of the management approach	22 4-2 Product Safety & Quality
Responsible Sourcing & Supplier Management		
103-1	Explanation of the material topic and its boundary	23 4-3 Responsible Sourcing & Supplier Management
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103-3	Evaluation of the management approach	23 4-3 Responsible Sourcing & Supplier Management
204-1	Proportion of spending on local suppliers	23 4-3 Responsible Sourcing & Supplier Management
Climate Vulnerability and Adaptation		
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103-2	The management approach and its components	30 6-1 Climate Vulnerability and Adaptation
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201-2	Financial implications and other risks and opportunities due to climate change	30 6-1 Climate Vulnerability and Adaptation
Energy & Climate Impact		
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103-2	The management approach and its components	31 6-2 Energy and Climate Impact
103-3	Evaluation of the management approach	31 6-2 Energy and Climate Impact
302-1	Energy consumption within the organization	31 6-2 Performance
302-3	Energy intensity	– Energy intensity figures for Grobest's operations will be provided in a future report

Disclosures	Pages	Corresponding Section and Notes
GRI 102: General Disclosure 2016		
Waste, Water and Wastewater Management		
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103-2	The management approach and its components	32 6-3 Waste, Water and Wastewater Management
103-3	Evaluation of the management approach	32 6-3 Waste, Water and Wastewater Management
303-3	Water withdrawal	33 6-4 Performance
303-4	Water discharge	33 6-4 Performance
306-1	Waste generation and significant waste-related impacts	– Grobest is standardizing its waste data collection process across the company to ensure integrity in data reporting for the future
306-2	Management of significant waste-related impacts	– Grobest is standardizing its waste data collection process across the company to ensure integrity in data reporting for the future
306-3	Waste generated	– Grobest is standardizing its waste data collection process across the company to ensure integrity in data reporting for the future
Human Rights		
103-1	Explanation of the material topic and its boundary	26 5-1 Human Rights
103-2	The management approach and its components	26 5-1 Human Rights
103-3	Evaluation of the management approach	26 5-1 Human Rights
406-1	Incidents of discrimination and corrective actions taken	– No incident occurred in 2021
408-1	Operations and suppliers at significant risk for incidents of child labor	– Operations and suppliers of Grobest are at low risk for child labor.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	26 5-1 Human Rights
412-1	Operations that have been subject to human rights reviews or impact assessments	– Grobest plans to conduct human rights reviews in the future, focusing on Modern Slavery Risk
Training and Education		
103-1	Explanation of the material topic and its boundary	28 5-3 Training and Education
103-2	The management approach and its components	28 5-3 Training and Education
103-3	Evaluation of the management approach	28 5-3 Training and Education
404-1	Average hours of training per year per employee	28 5-3 Training and Education
Occupational Health and Safety		
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403-1	Occupational health and safety management system	27 5-2 Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	27 5-2 Occupational Health and Safety
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403-6	Promotion of worker health	27 5-2 Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27 5-2 Occupational Health and Safety
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About this report This report is Grobest's first GRI-aligned sustainability report. It is used to report on our environmental, social and governance (ESG) performance, and to demonstrate our commitment to operating a sustainable aquaculture feed business.

Reporting Period 1 January to 31 December 2021

Reporting Frequency Annually

Reporting Framework This report has been prepared in accordance with the core options of Global Reporting Initiative Standards (GRI).

Report Boundaries and Scope This report sets organizational boundaries based on the consolidated reporting principle, covering Grobest's 14 feed mills, 3 Premix Plants and offices in Taiwan, Mainland China, Philippines, Indonesia, India, Malaysia, Thailand and Vietnam. If there is information requiring re-editing or special disclosure requirements, the relevant data and sections will be remarked with the details and calculation methods. Within this report, "the company" shall refer to Grobest. Materiality threshold of fines & penalties below USD30,000 are not included for the purpose of this report.

Report Quality Management Process

Integrate

The information in the report is provided by all units of Grobest, which are responsible for confirming the completeness and correctness of the information and carry out the overall planning.

Compile

The Group Legal, Compliance & ESG Department coordinates and compiles the 2021 sustainability achievements and progress toward related goals.

Review

The draft report is verified by the responsible person and supervisor of each unit.

Finalize

The draft report is submitted to the ESG Committee and Board of Directors for review, finalization and publication.

External assurance The 2021 Sustainability Report is not subject to external assurance.

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