

# SUSTAINABILITY REPORT

## 2021



## CONTENTS

|           |  |           |
|-----------|--|-----------|
| <b>1</b>  | <b>ABOUT THE REPORT</b> .....                                | <b>2</b>  |
| <b>2</b>  | <b>FEEDBACK</b> .....  | <b>2</b>  |
| <b>3</b>  | <b>BOARD STATEMENT ON SUSTAINABILITY</b> .....               | <b>3</b>  |
| <b>4</b>  | <b>ABOUT THE GROUP</b> .....                                 | <b>4</b>  |
| <b>5</b>  | <b>GOVERNANCE STRUCTURE</b> .....                            | <b>5</b>  |
| <b>6</b>  | <b>STRATEGIC APPROACH FOR SUSTAINABILITY</b> .....           | <b>5</b>  |
| <b>7</b>  | <b>STAKEHOLDER ENGAGEMENT</b> .....                          | <b>6</b>  |
| <b>8</b>  | <b>MATERIALITY ASSESSMENT</b> .....                          | <b>8</b>  |
| <b>9</b>  | <b>ENVIRONMENTAL MANAGEMENT</b> .....                        | <b>10</b> |
|           | <b>ENERGY</b> .....  | <b>10</b> |
|           | <b>WASTE</b> .....   | <b>10</b> |
|           | <b>ENVIRONMENTAL COMPLIANCE</b> .....                        | <b>10</b> |
|           | <b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b> .....               | <b>11</b> |
| <b>10</b> | <b>ORGANISATIONAL &amp; RELATIONSHIP MANAGEMENT</b> .....    | <b>12</b> |
|           | <b>EMPLOYMENT</b> .....                                      | <b>12</b> |
|           | <b>TRAINING &amp; EDUCATION</b> .....                        | <b>14</b> |
|           | <b>OCCUPATIONAL HEALTH &amp; SAFETY</b> .....                | <b>15</b> |
| <b>11</b> | <b>CORPORATE GOVERNANCE</b> .....                            | <b>17</b> |
|           | <b>ANTI CORRUPTION</b> .....                                 | <b>17</b> |
|           | <b>GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX</b> ..... | <b>18</b> |

# 1 ABOUT THE REPORT

## Reporting Boundary

As a guide, this report covers operations and all subsidiaries for which Ouhua Energy Holdings Limited (“**Ouhua Energy**” or the “Company”, and together with its subsidiaries, the “Group”) has management control, unless otherwise stated. It seeks to provide an overview of our approach, practices, commitment, and performance of the Group’s material Environmental, Social and Governance (“ESG”) topics. The report covers the sustainability performance of the Group’s operations from 1 January 2021 to 31 December 2021 (“FY2021”).

## Reporting Period & Standard

The reporting period is the same as the financial year of the Group (1 January 2021 to 31 December 2021). This report was prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – “Core” reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Content Index at the end of the report specifies the location of the relevant disclosures.

## Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but have relied on internal verification to ensure the accuracy of data.

# 2 FEEDBACK

We are fully committed to our stakeholders and we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to [sr@ohwa.cn](mailto:sr@ohwa.cn). Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

### 3 BOARD STATEMENT ON SUSTAINABILITY

Ouhua Energy is pleased to issue its fourth sustainability report prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Group endeavours and is committed to continually consider material environmental, social and governance topics as part of our core business strategy. The report seeks to present an accurate account of our practices and performance in our quest to be a sustainable, responsible corporate body.

The Board of Directors (“Board”) and senior management (“Management”) remains committed to establishing and maintaining an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices and reporting processes. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives, and performance measurements.

The Sustainability Reporting (“SR”) Committee supports the Management in identifying the type of ESG topics relevant to its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, influence on stakeholder values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

The ESG topics in this report reviewed by the Board and Management are assessed to be material and relevant. The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continuous improvement.

## 4 ABOUT THE GROUP

### Corporate Profile

Ouhua Energy is one of the leading importers of Liquefied Petroleum Gas (“LPG”) in the People’s Republic of China (“PRC”) in terms of imported quantities. Ouhua Energy is strategically based in Chaozhou City, Guangdong Province, the “Ceramics Capital” of the PRC. Our mission is to provide environmental-friendly business supply of LPG. As a supplier capable of international deliveries, we devote ourselves to providing our customers with only the best.

### Core Value

#### Outstanding Quality, Dedicated Service



The Group captures about 40% of the local market share. In addition to importing most of the raw materials, namely butane and propane, from overseas suppliers and processing these into LPG, it also directly purchases LPG from domestic refineries for sale to customers across the PRC, and exports to Vietnam, the Philippines, and Thailand in Southeast Asia.

Ouhua Energy is equipped with a comprehensive suite of production facilities, including over 100,000 cubic metres of LPG storage facilities, and a current annual LPG production capacity of 900,000 tonnes. These facilities are well located in a prime waterfront area supported by wharves

that enable the Group to serve diverse markets beyond a geographical radius of 500 kilometres by land and 10,000 kilometres across the sea.

As a licenced tier-one LPG distributor, the Group is focusing its efforts on developing the LPG retail chain, including the construction of urban gas pipeline system. Moving towards a green, low-carbon emission economy environment, LPG is a clean energy and can be widely used in commercial vehicles. The Group is also committed to exploring the market in LPG-filling gas station and the production of dimethyl ether, to further integrate advanced technology into our operations and extend product chain which utilises the raw materials we retain competitive edge in imports to cultivate solid strength.

The strong emphasis on product quality, safety, embedded technologies, and environmental practices has cemented the Group's distinguished reputation and contributed to a strong customer base. The core values of the business are to seize opportunities which are before us, earn and maintain the trust of our clients, establish a high-value market position, innovate and achieve sustainable development.

### **Awards & Certification**

The Group continuously seeks for business opportunities that are in line with our growth strategy and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we also uphold a reputation for quality and high standards in our operations, as well as excellence in our operations management. We continue to maintain ISO 9001: 2015 Quality Management Systems (QMS) certification as a commitment to uphold the quality of our production operations.

## **5 GOVERNANCE STRUCTURE**

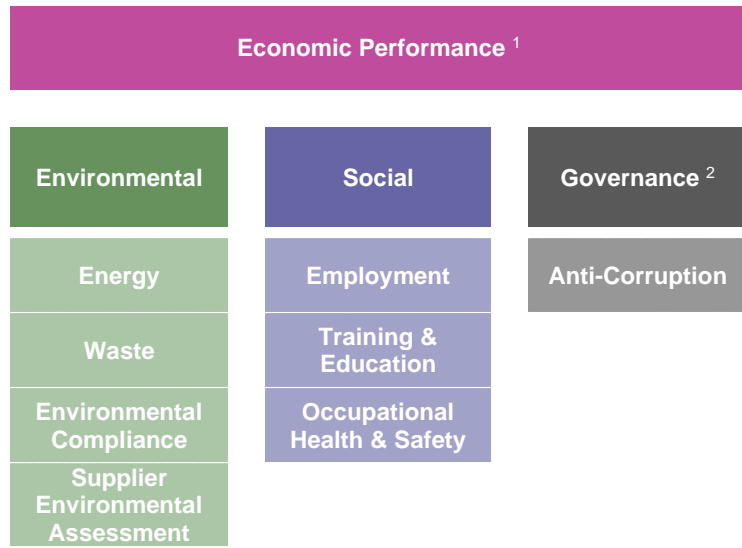
Sustainability is integrated into our organisation and embedded across various departments and functions. The SR Committee, chaired by our Executive Chairman and Chief Executive Officer ("CEO"), comprises of senior management and board level representatives from across our different business units that execute and report on material ESG aspects. The Board and the Audit Committee review and oversee the management and monitoring of the material ESG topics of the Group to ensure that sustainability matters are considered as part of its business strategy.

## **6 STRATEGIC APPROACH FOR SUSTAINABILITY**

Ouhua Energy firmly believes that while our businesses are driven by earnings, we must ensure a positive impact on our environment, society and stakeholders, that underpin our value creation process. In FY2021, the Group has reviewed and defined our approach to sustainability management and concluded that these topics identified under the four main aspects remain material to the sustainability of our economic performance and business operations in FY2021. (See Exhibit 1).

**Exhibit 1. An Overview Our Approach to Sustainability Management**

Three main non-financial aspects towards sustainability of our economic performance and business operations



**Our Materiality Assessment Process**

Supported by a systematic & interactive process to identify, categorise and prioritise material ESG topics



1. Please refer to Financial Statement of the Annual Report.

2. Please refer to the Corporate Governance section of the annual report for more details.

## 7 STAKEHOLDER ENGAGEMENT

Ouhua Energy recognises that understanding the demands and concerns of stakeholders are key to sustainable growth and regular engagement with stakeholders helps us better determine material focus areas. The Group operates and maintains multiple communication channels and platforms to understand stakeholders’ requirements and feedbacks.

We have engaged stakeholders who have an interest in our company and can either affect or be affected by our business.

In FY2021, the SR Committee has reviewed and ascertained that employees, customers, shareholder and investors, business partners and community are our key stakeholder groups (See Exhibit 2).

**Exhibit 2. Our Key Stakeholder Groups**

|  |   |
|--|---|
|  <p><b>Employees</b></p>                  | <p>We recognise that our employees are fundamental to the Group’s success and continuity. We aim to promote a nurturing culture to increase their engagement and contribution to the Group.</p>   |
|  <p><b>Customers</b></p>                  | <p>We strive to maximise our customer satisfaction and in turn, increase our sales and revenue. We ensure that we understand our customers’ needs and expectations and we aim to build long-lasting relationships with our customers to win their support and confidence.</p> |
|  <p><b>Shareholders and Investors</b></p> | <p>We aim to maintain profitability and maximise shareholder return, as well as uphold a high standard of corporate governance and transparency.</p>  |
|  <p><b>Business Partners</b></p>         | <p>We work closely with our business partners to ensure that all our operations carried out are in line with our sustainability efforts and industry practices.</p>   |
|  <p><b>Community</b></p>                | <p>We work closely with our community and remain fully committed to continue procuring responsibly while generating positive economic and social impact for the local community we operate in.</p>  |

**List of Memberships of Association**

The Group aspires to widen its exposure to industry standards and collaborates within and beyond the industry to improve on current sustainability practices, and participates as members of organisations that include:

- Chaozhou City “Top Rating” Private Enterprise / Chaozhou City “Four Beams and Eight Pillars” Private Enterprise
- Chaozhou City Cleaner Production Enterprise
- Board Member of Chaozhou Energy Saving and Emission Reduction (ESER) and Cleaner Production Association
- Board Member of Chaozhou City Special Equipment Association
- Group Member of Guangdong Province Port Association
- Board Member of Guangdong Province Quality Association
- Board Member of Guangdong Province Fire Protection Association



## 8 MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting as defined by the GRI Standards, includes topics and indicators that reflect the organisation’s significant economic, environmental, and social impacts; and substantively influences the assessments and decisions of stakeholders.

Having considered the topics of concern and expectations of identified key stakeholders, the SR Committee together with the Management have assessed and prioritised the material topics to focus on for the Group, as well as established targets and commitments to be fulfilled.

The below material ESG topics were also reviewed by the Board and were determined to be relevant, specific, and measurable to Ouhua Energy’s context in our current business environment.

| Material ESG Topics               | Targets and Commitments  | Key Highlights   |
|-----------------------------------|--|--|
|                                   |  | FY2021   |
| <b>ENVIRONMENTAL MANAGEMENT</b>   |  |  |
| Energy                            | <ul style="list-style-type: none"> <li>To continue explore new business models, products, services, and undertake research and development that focus on energy efficiency and new energy solutions.</li> </ul>    | A reduction of 12% in energy consumption through improved performance of new and emerging technologies.        |
| Waste                             | <ul style="list-style-type: none"> <li>Ensure waste disposal are in accordance with regulatory requirements.</li> <li>Ensure that reusing and recycling are being practised to reduce waste production.</li> </ul> | Zero incident of regulatory non-compliance maintained.   |
| Environmental Compliance          | <ul style="list-style-type: none"> <li>Zero incidents of non-compliance.</li> <li>No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.</li> </ul>            | No significant fines / non-monetary sanctions for non-compliance with environmental laws and regulations.      |
| Supplier Environmental Assessment | <ul style="list-style-type: none"> <li>Ensure all new suppliers are screened against the Group’s environmental criteria prior to onboarding.</li> </ul>  | There was only 1 new supplier in FY2021, it was assessed to be fully complied with environmental requirements. |

| Material ESG Topics                                 | Targets and Commitments   | Key Highlights  |
|---|---|---|
|   |   | FY2021  |
| <b>ORGANISATIONAL &amp; RELATIONSHIP MANAGEMENT</b> |   |   |
| Employment  | <ul style="list-style-type: none"> <li>❖ Continue to promote diversity and equal opportunity in the workplace.</li> <li>❖ Comply with local labour regulations across our operations.</li> </ul>  | <p>The Group continues to embrace diversity and equal opportunity in the workplace.</p> <p>The Group remained compliant with respective local regulations across our operations. There was no incident of complaints of discrimination against the Group.</p> <p><i>*Please refer to Employment section under "Organisational &amp; Relational Management" for the employee breakdown</i></p>   |
| Training and Education                              | <ul style="list-style-type: none"> <li>❖ Achieve an average of 2 hours of training per employee annually.</li> <li>❖ Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.</li> </ul> | <p>The Group is committed to develop its employees to their fullest potential and have achieved an approximately 59% increase in training hours per employee.</p> <p>In 2021, each employee was provided an average of 48 hours of training.</p> <p><i>*Please refer to Training &amp; Education section under "Organisational &amp; Relational Management" for the training breakdown.</i></p> |
| Occupational Health and Safety                      | <ul style="list-style-type: none"> <li>❖ Zero fatalities and / or workplace injuries.</li> </ul>  | <p>No work days lost due to workplace injuries.</p> <p>Zero workplace fatalities, total permanent injuries and occupational health and diseases.</p>  |
| <b>CORPORATE GOVERNANCE</b>                         |   |   |
| Anti-Corruption                                     | <ul style="list-style-type: none"> <li>❖ Zero incidents of bribery and corruption, including facilitation payment.</li> <li>❖ Zero tolerance towards all forms of bribery and corruption.</li> </ul>  | <p>Zero incident of regulatory non-compliance and / or incidents pertaining to whistleblowing.</p>  |

Moving forward, to keep abreast of critical issues, the Management will review Ouhua Energy’s material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends annually.

## 9 ENVIRONMENTAL MANAGEMENT

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group’s business decisions. We are committed to understanding, managing, and minimising our environmental footprint across our value chain including our business operations, suppliers and customers. Our environmental efforts are largely focused on maximising material utilisation and optimising energy consumption. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.

### ENERGY

We endeavour to provide clean and environmentally friendly energy and envision to build an internationally renowned energy brand that supplies sustainable energy. To meet climate change challenges, we recognise the importance of innovation in environmentally sustainable technology.

#### Energy consumption

At Ouhua Energy, we consumed a total of 5,402,520 kJ in FY2021, a decrease of 12% in energy consumption as compared to 6,142,000 kJ in FY2020. With falling energy costs and improved performance of new and emerging technologies (e.g.: energy storage), our energy landscape has been shifted and thus our energy consumption level continues to decrease Year-On-Year.

### WASTE

Ouhua Energy maintains a strict policy on waste management, in compliance with all local government regulations. The group-wide policy and regulations provide guidance on material procurement, classification and handling, as well as workplace safety and health training, emergency response procedures and disposal behaviours for all employees, suppliers, customers and other stakeholders in this business. All waste and water quality management procedures and response guidelines have been developed and reviewed against local and international standards.

The Group strives to minimise waste generation, increase opportunities for reusing and recycling, as well as treat and dispose waste responsibly where other options are not practical. In FY2021, there was no hazardous waste generated and the amount of non-hazardous waste generated amounted to 130 tonnes (FY2020: 94.21 tonnes). The increase of non-hazardous waste was due to the horticulture project carried out in Ouhua Energy’s compound in FY2021. These were being disposed of through licensed waste collectors for recycling and reuse whenever possible. There was no significant spill noted in 2021.

### ENVIRONMENTAL COMPLIANCE

Environmental compliance forms an integral part of the Group’s sustainability strategy. With increased pressure on corporations to be accountable for their ecological footprint and the rising cost of natural resources, we endeavour to not just comply but also integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem.

Over the years, the Group's operations continue to adhere to local environmental laws and regulations. The Group maintains a zero-tolerance stance on non-compliances and encourages our stakeholders to report any incidents via our established whistleblowing channels. All employees of the Group are encouraged to be proactive and forthcoming in reporting environmental related issues and complaints.

In FY2021, there were no incidents of non-compliance and penalties pertaining to environmental-related issues (FY2020: No incidents of non-compliance and penalties). The Board and Management continues to review and improve the current environmental management system and practices to ensure that all our activities and operations comply with regulatory and customers' requirements. It is of utmost importance to the Group that we maintain this unblemished record.

### **Moving Forward**

To maintain the highest standard of environmental compliance, the Management will continue to review and improve current environmental management system and practices and ensure that all our activities and operations comply with existing regulatory requirements.

## **SUPPLIER ENVIRONMENTAL ASSESSMENT**

The Group has in place a strict selection process for suppliers, and only engages with those who are aligned with our values of environmental sustainability.

As part of supplier onboarding, suppliers are stringently assessed under criteria such as track record, financial health, commitments towards high quality raw materials and services, and health and safety standards.

All suppliers are required to submit relevant environmental certifications to prove they are licensed or certified according to the law and regulations. In addition, we conduct random periodic checks to ensure they comply with the relevant laws and regulations. The Group conducts the necessary due diligence, to ensure that we do not compromise on quality and that our suppliers are conducting business in an environmentally responsible manner.

In FY2021, there was 1 new supplier which was screened against our environmental criteria and was in compliance with our requirements. The Group has also established procurement policies and guidelines, such as "Guidelines and procedures in selecting and evaluating vendors" and "Code of conduct when dealing with vendors".

## 10 ORGANISATIONAL & RELATIONSHIP MANAGEMENT

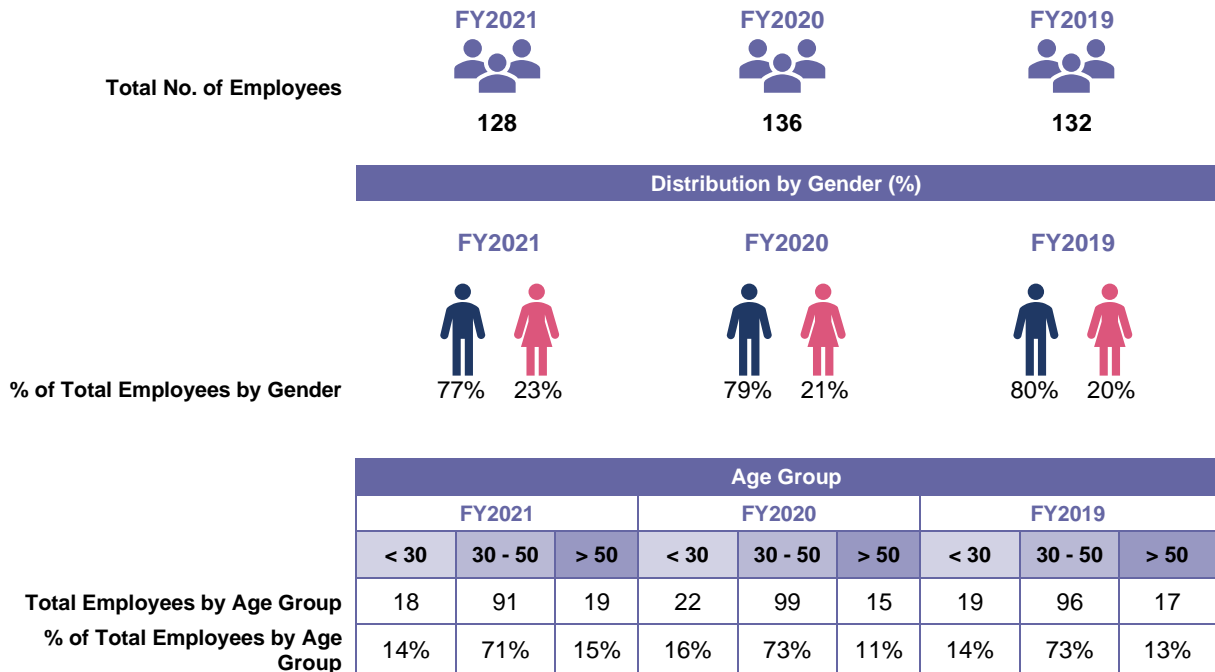
### EMPLOYMENT

Our employees are one of our most valuable assets and the Group believes in and is committed to fair employment practices, upholding human rights principles, and investing in developing and training our people.

As of 31 December 2021, we have a total of 128 full time employees. The Group continues to maintain a strong and healthy workforce, building a talent pool with deep knowledge of regional and global markets to support our growth and expansion, as well as prepare next generation of leaders as part of succession planning. We continue to strive to be an employer of choice, through recognising the contributions of each employee, and providing opportunities for staff to grow in their respective career paths.

In FY2021, we have 15 new hires, whereas 23\* employees left the Group. Employment numbers for high-skilled positions remains consistent, with our key management personnel unchanged.

\*11 of them were transferred to affiliated company.



We strive to foster an inclusive and performance-driven work environment to attract, retain and develop our human capital. As an equal opportunity employer, the Group has implemented a system to ensure equal opportunities and non-preferential treatment for all employees. There are no preferences or prejudices towards any religion, age, ethnicity, physical disability, or gender. Employees are required to observe and adhere to all relevant policies and practices. Ouhua Energy

makes a conscious effort to maintain diversity in middle management, to generate creativity and innovation and improve the organisation’s culture. There were no reported incidents of discrimination raised by our employees in FY2021.

The Group also has an open-door policy where employees are encouraged to report any grievances directly to their superiors, heads of department, human resource department, chief executive officer and / or independent directors. This reinforces our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no workplace grievance cases reported in FY2021.

**Employee Remuneration and Benefit**

The Group recognises the valuable contribution of all employees and strongly believes in fair remuneration and salary packages which are competitive and sufficient to attract, retain and motivate personnel. In setting remuneration packages, the Group considers the regulatory requirements, salary, and employment conditions by benchmarking against companies in the same industry. In addition to the competitive remuneration offered in FY2021, the Group continue to maintain its list of employees’ benefits including but not limited to:

| Employment Benefits                                  | Descriptions   |
|--|--|
| <b>Life insurance</b>                                | If our employee becomes critically ill or permanently disabled, their loved ones will receive a sum of money to provide them with financial protection and coverage against risks.   |
| <b>Medical insurance</b>                             | Employees are reimbursed for outpatient treatments, surgery or hospitalization expenses covered under medical insurance.   |
| <b>Disability insurance</b>                          | All our employees are covered under personal accident insurance and work-related injury. For instance, the organization will reimburse any rehabilitation costs or monthly pay-outs for each case of disability.   |
| <b>Parental leave</b>                                | Both female and male employees are entitled to maternity leave and paternity leave when applicable. We provide other leave benefits catering to our employees’ children, during the stages of infant care and childcare.   |
| <b>Retirement provision</b>                          | For employees qualified for pension approaching the retirement age, the government will provide them with monthly support during their retirement.   |
| <b>Accommodation and staff canteen</b>               | Workers are granted free accommodation, coupled with necessities such as proper sanitation and water. We also provide subsidized daily meals.  |
| <b>Year-end and performance bonus</b>                | In the event of outstanding results, either financial performance of the Group or individual performance judged by appraisal matrices, our employees are entitled to these bonuses.  |
| <b>Paid leave</b>                                    | Our employees are offered paid leave, such as marriage leave, compassionate leave, family leave and annual leave of up to 15 days.   |
| <b>Company retreat</b>                               | We organise annual retreats as a Group to build relationships among the team and improve collaboration among employees of all levels. All expenses are paid for.   |
| <b>Appreciation events and festival celebrations</b> | We organise company events annually to celebrate and recognise the efforts of our employees. In line with our spirit of embracing diversity and honouring our rich heritage and culture, we celebrate festivals as a Group. These festivities include Spring Festival, Mid-Autumn Festival and Children’s day. |
| <b>Birthday celebrations</b>                         | We organise monthly birthday celebration and give birthday treats to employees.  |
| <b>Medical check-up</b>                              | Our employees can enjoy a complimentary medical check-up on an annual basis.   |

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. Being in an industry that is largely labour-intensive, we are dedicated to constantly reviewing our employment policies, benefits, and remuneration

practices to ensure compliance with the updated employment laws and keep up with the best industry practices to provide the optimal working conditions for our people.

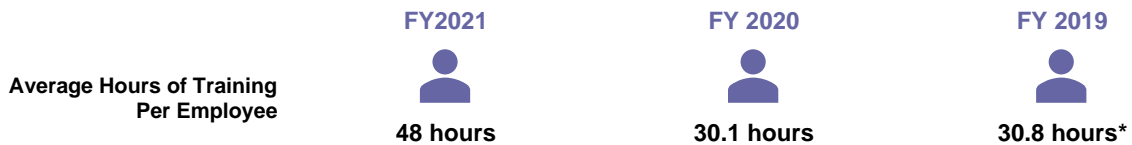
The Group strives to continuously cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings. We maintain our zero-tolerance stance on unethical labour practices such as child labour, forced labour, slavery, and human trafficking throughout our entire organisation.

## TRAINING & EDUCATION

The Group recognises that employees need to stay updated in their skill sets in our ever-changing global work environment. To encourage and support our employees to develop their potential and craft out a fulfilling career, both on-the-job and ad-hoc trainings are made available to our employees. Employees are encouraged to attend courses which are relevant to their respective job scopes.

In FY2021, The Group has achieved an average of 48 training hours per employee, a significant increase of 59% from FY2020 (an average of 30.1 training hours per employee). The Group places high priorities on these training sessions which aim to empower employees on the technical skills and safety across different modes of operations, such as:

- Special topics – case study training
- Workplace Health and Safety training
- Pre-job training
- Training for internal transfers
- External third-party training and study visits
- System training
- Etiquette training
- Operating machineries safety procedures



### Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocate budget and plan programmes to equip employees with the relevant skills to meet strategic targets of the Group. We believe that more skilled employees enhance Ouhua Energy’s human capital and contribute to employees’ satisfaction, which will then enhance overall performance. To incentivise employees to engage in continuous learning and self-upgrading, employees are offered potential salary increments in the event that they obtain higher education qualifications or qualification certificates.

In addition, the Group has established learning and development roadmaps according to feedback obtained from annual technical tests to ensure employees are optimally trained. Most importantly, internal surveys are conducted to obtain employees’ opinion on the effectiveness and relevancy of the training provided to ensure future programs provided are aligned with their career aspirations.

### Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted annually whereby there will be two-way communication and engagement between supervisors and subordinates to assess the



performance of the employee. Upon completion of the appraisal process, consideration of career advancement such as promotion; quantum of salary increments, and annual variable bonus will be determined based on the performance appraisal results. In FY2021, all full-time employees are assessed and remunerated fairly based on their experience, qualifications, and performance.

The Group shall continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

## OCCUPATIONAL HEALTH & SAFETY

Safety is an integral part of our business and a key focus area for our Board and Management. The Group recognises that it is the company’s responsibility to ensure that our employees’ safety is top priority. We firmly believe that all our employees deserve to work in a safe and healthy environment and a conducive working environment will boost morale, productivity, and efficiency of our workforce.

### Occupational Health & Safety Management Framework

To facilitate the physical supervision of the workplace safety, and the relaying of workplace safety and health related messages; we have established a group-wide Safety Committee. The Safety Committee comprises of both employee and employer representatives that make up 20% of the total number of employees in the organization.

The Safety Committee oversees subsidiaries’ operations to ensure that safety standards are always upheld and in line with industry-leading practices. The role and responsibilities of the Safety Committee include reviewing, implementing, and reinforcing safety standards and regulations to ensure all safety risks are adequately mitigated.

The Committee members meet at least monthly to review safety inspection results, infrastructure and incidents, as well as to coordinate and organise safety-related activities. Going forward, the Group has plans to have more workers join the Safety Committee to improve the effectiveness of workplace safety supervision.

The Group seeks to learn from past mistakes and strives to prevent similar incidents from recurring. All near-miss incidents and accidents are promptly reported to the Safety Committee, which will provide timely incident analysis briefings to employees. These safety briefings aim to strengthen the safety awareness of employees and to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

Key Elements of Our Health & Safety System





We also ensure each worker is well protected before the commencement of each assignment by updating personal protective equipment records to ensure that each worker is sufficiently equipped with protective gear. We have also developed a list of protocols and precautions for workers to ensure safety in the workplace.

**Workplace Health & Safety Performance**

| Category  | FY2021<br>Total  | FY2020<br>Total | FY2019<br>Total |
|---|--|-----------------|-----------------|
| <b>Injury resulting in temporary disabilities</b> | No incidents of injury resulting in temporary disabilities or fatalities across the Group’s business operations. |                 |                 |
| <b>Death or Total Permanent Disabilities</b>      |  |                 |                 |

In FY2021, there were no incidents of fatalities across the Group’s business operations. The Group strives to continue to maintain its health and safety standards and continuous improvement in its Operational Health and Safety processes and performance.

**Covid-19 Compliance and Safety Measures**

The outbreak of Covid-19 pandemic has greatly impacted the global economy and businesses worldwide, including the Group. To safeguard the health and safety of our employees, customers, and stakeholders, we have taken corresponding safety measures in accordance with the respective local government requirements such as distributing masks to employees, taking and recording body temperature, regular disinfection and safety checks on external visitors.

In FY2021, with continuous effort made by the Group as whole, there were no reported cases of Covid-19 infections in the workplace.

## 11 CORPORATE GOVERNANCE

### ANTI CORRUPTION

Ouhua Energy is committed to upholding the highest standards of corporate governance and business integrity across our organisation, which are essential for the long-term viability of the Group's operations and the enhancement of shareholder value. All employees are expected to strictly adhere to established policies and uphold Ouhua Energy's 'zero-tolerance' position on corruption, bribery, and extortion.

The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group. Suspected bribery, corruption, dishonest practice or other similar matters will be reported directly to the Audit Committee.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, protected from reprisal. The policy and its effectiveness will be reviewed and updated by the Audit Committee as and when it is deemed necessary. In FY2021, there were no incidents of regulatory non-compliance across Ouhua Energy's business operations.

#### **Moving Forward**

The Audit Committee continues to support the Board in its oversight of corporate governance and is responsible for driving Ouhua Energy's focus on implementing effective compliance and governance systems. In the meantime, respective departments within the Group continue to be responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage associated business risks at operational level to prevent corruption.

Please refer to the Corporate Governance section of the Annual Report for more information.

## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

| Category                      | Disclosure | Description  | Page Reference and Remarks   |
|-------------------------------|------------|--|--|
| GRI 102: General Disclosures  | 102-1 *    | Name of the organization                                     | Cover Page   |
|                               | 102-2 *    | Activities, brands, products, and services                   | Refer to AR FY2021 Notes to The Financial Statement – Note 1   |
|                               | 102-3 *    | Location of headquarters                                     | Long Wan Suo Cheng Town, Raoping County, Chaozhou City, Guangdong Province, The People's Republic of China |
|                               | 102-4 *    | Location of operations                                       | Long Wan Suo Cheng Town, Raoping County, Chaozhou City, Guangdong Province, The People's Republic of China |
|                               | 102-5 *    | Ownership and legal form                                     | Refer to AR FY2021 – Corporate Structure   |
|                               | 102-6 *    | Markets served   | Refer to AR FY2021 Notes to The Financial Statement - Note 33 Segment Reporting                            |
|                               | 102-7 *    | Scale of the organization                                    | 128 Full Time Employees  |
|                               | 102-8 *    | Information on employees and other workers                   | Page 12  |
|                               | 102-9 *    | Supply chain   | Page 11  |
|                               | 102-10 *   | Significant changes to the organization and its supply chain | No significant changes   |
|                               | 102-11 *   | Precautionary Principle or approach                          | Page 5   |
|                               | 102-12 *   | External initiatives   | Page 7   |
|                               | 102-13 *   | Membership of associations                                   | Page 7   |
| GRI 102: Strategy             | 102-14 *   | Statement from senior decision-maker                         | Refer to AR FY2021 - Chairman's Message  |
| GRI 102: Ethics and Integrity | 102-16 *   | Values, principles, standards, and norms of behaviour        | Page 4   |
| GRI 102: Governance           | 102-18 *   | Governance structure   | Page 5;<br>Refer to AR FY2021 - Corporate Governance   |

| Category                        | Disclosure      | Description  | Page Reference and Remarks  |
|---------------------------------|-----------------|--|---|
| GRI 102: Stakeholder Engagement | 102-40 *        | List of stakeholder groups                                 | Page 6 - 7  |
|                                 | 102-41 *        | Collective bargaining agreements                           | None  |
|                                 | 102-42 *        | Identifying and selecting stakeholders                     | Page 6 - 7  |
|                                 | 102-43 *        | Approach to stakeholder engagement                         | Page 6 - 7  |
|                                 | 102-44 *        | Key topics and concerns raised                             | Page 6 - 7  |
| GRI 102: Reporting Practice     | 102-45 *        | Entities included in the consolidated financial statements | Refer to AR FY2021 Notes to The Financial Statement – Note 2.2 and Note 12                                  |
|                                 | 102-46 *        | Defining report content and topic boundaries               | Page 2  |
|                                 | 102-47 *        | List of material topics                                    | Page 8 - 9  |
|                                 | 102-48 *        | Restatements of information                                | No restatement  |
|                                 | 102-49 *        | Changes in reporting                                       | No significant changes from previous reporting periods in the list of material topics and topic boundaries. |
|                                 | 102-50 *        | Reporting period   | Page 2  |
|                                 | 102-51 *        | Date of most recent report                                 | FY2020 Sustainability Report  |
|                                 | 102-52 *        | Reporting cycle  | 1 January 2021 to 31 December 2021  |
|                                 | 102-53 *        | Contact point for questions regarding the report           | Page 2  |
|                                 | 102-54 *        | Claims of reporting in accordance with the GRI Standards   | Core option   |
|                                 | 102-55 *        | GRI content index  | Page 18 - 21  |
|                                 | 102-56 *        | External assurance   | The Group has not sought external assurance for this sustainability report.                                 |
|                                 | GRI 302: Energy | DMA  | Management approach disclosures   |
| 302-1                           |                 | Energy consumption within the organisation                 | Page 10   |

| Category                                      | Disclosure | Description  | Page Reference and Remarks |
|---|------------|--|----------------------------|
| GRI 306:<br>Waste 2020                        | DMA        | Management approach disclosures  | Page 10                    |
|   | 306-2      | Waste by type and disposal method  | Page 10                    |
|   | 306-4      | Waste diverted from disposal   | Page 10                    |
|   | 306-5      | Waste directed to disposal   | Page 10                    |
| GRI 307:<br>Environmental Compliance          | DMA        | Management approach disclosures  | Page 10 - 11               |
|   | 307-1      | Non-compliance with environmental laws and regulations   | Page 10 - 11               |
| GRI 308:<br>Supplier Environmental Assessment | 308-1      | New suppliers that were screened Using environmental criteria                                      | Page 11                    |
|   | 308-2      | Negative environmental impacts in the supply chain and actions taken                               | Page 11                    |
| GRI 401:<br>Employment                        | DMA        | Management approach disclosures  | Page 12                    |
|   | 401-1      | New employee hires and employee turnover   | Page 12                    |
|   | 401-2      | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 13                    |
|   | 401-3      | Parental leave   | Page 13                    |
| GRI 403:<br>Occupational Health and Safety    | DMA        | Management approach disclosures  | Page 15 - 16               |
|   | 403-1      | Occupational Health and safety management system   | Page 15 - 16               |
|   | 403-2      | Hazard identification, risk assessment, and incident investigation                                 | Page 15 - 16               |
|   | 403-9      | Types of injury and rate of injury   | Page 15 - 16               |

| Category                              | Disclosure | Description  | Page Reference and Remarks   |
|---------------------------------------|------------|--|--|
| GRI 404:<br>Training<br>and Education | DMA        | Management approach disclosures  | Page 14 - 15   |
|                                       | 404-1      | Average hours of training per year per employee                                      | Page 14 - 15   |
|                                       | 404-2      | Programs for upgrading employee skills and transition assistance programmes          | Page 14 - 15   |
|                                       | 404-3      | Percentage of employees receiving regular performance and career development reviews | All full-time employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance. |
| GRI 205:<br>Anti-corruption           | DMA        | Management approach disclosures  | Page 17;<br>Refer to AR FY2021 - Corporate Governance  |
|                                       | 205-3      | Confirmed incidents of corruption and actions taken                                  | Page 17;<br>Refer to AR FY2021 - Corporate Governance  |

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