



**OCEAN SKY**

OCEAN SKY INTERNATIONAL LIMITED

**2022** | SUSTAINABILITY REPORT

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### Sponsor Statement

The sustainability report has been prepared by Ocean Sky International Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B:Rules of Catalyst.

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

# CORPORATE PROFILE

Ocean Sky International Limited (“**Ocean Sky**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is a Catalist-listed construction and property company. The Group is engaged in the civil engineering, construction and related services business (“**Construction and Engineering Business**”), and the business of property development, investment and management (“**Property Business**”).

## [Construction and Engineering Business](#)

Ocean Sky, through its wholly-owned subsidiary Ang Tong Seng Holdings Pte. Ltd., owns a 100% stake in two civil engineering and construction companies, namely Ang Tong Seng Brothers Enterprises Pte Ltd (“**ATSB**”) and Ang Tong Seng Construction Pte. Ltd. (“**ATSC**”), that operate primarily in Singapore.

Established in 1981, ATSB specialises in detailed and high-quality engineering services such as earthwork, roadwork, drainage work, basement work and structural works involving demolition and underground infrastructure as well as other general building works.

Registered with the Building and Construction Authority of Singapore, ATSB is currently classified under Grade C3 for General Building category and Grade C1 for Civil Engineering category.

To increase productivity and improve service delivery to customers, ATSC was established in 2018 to streamline the Group’s civil engineering operations through the wholesaling and leasing of construction-related machinery, equipment, materials and supplies.

## [Property Business](#)

Ocean Sky continues to grow its property development and investment business in Singapore and the Asia Pacific region.

## [Property Development](#)

### [Singapore](#)

The Group, through its wholly-owned subsidiary Atlantic Sky Investment Pte. Ltd., successfully redeveloped a 999-year leasehold property spanning 456 square metres at 6 Nim Drive into a luxury detached house. The property was sold under a new signature brand of the Group’s property development business which continues to explore suitable property development opportunities in Singapore.

As part of Ocean Sky’s approach to develop synergistic partnerships, the Group’s wholly-owned subsidiary, Arctic Sky Investment Pte. Ltd., entered into a joint venture with Tiong Seng Holdings Limited and formed TSky Development Pte. Ltd. (“**TSky Development**”) in 2017 to enhance its presence in Singapore’s property development market.

TSky Development successfully completed the redevelopment and sale of Sloane Residences. Located at 17 Balmoral Road in District 10, this 12-storey freehold development is an exclusive collection of 52 stunning residences nestled in an impeccable neighbourhood of distinction.

TSky Development is currently redeveloping Cairnhill 16. Located at 16 Cairnhill Rise in District 9, this 15-storey luxury hilltop development with 39 exclusive units is nestled in a serene enclave that is a short walk to the heart of Orchard Road.

#### *Cambodia*

The Group's wholly-owned subsidiary, Pacific Sky Investment Pte. Ltd., together with its joint venture partners CIAC Investment Limited and Centra Properties Pte. Ltd., are developing a proposed 71-unit shophouse development project, Eco Garden Mall, on a freehold land area of approximately 9,185 square metres in Kandal Province. The sale of the first phase, comprising 28 completed units, is currently ongoing.

#### Property Investment

##### *Australia*

The Group's investment property in Melbourne, Australia's second largest city provides a source of recurring rental income.

541 Blackburn Road is a four-storey office building with a net lettable area ("**NLA**") of 3,555 square metres in Melbourne's Monash Technology precinct. Sitting on a freehold site area measuring 6,210 square metres, this investment property offers a 150-metre-long corner street frontage and has 157 on-site car parking lots.

## **BOARD STATEMENT**

We are pleased to present the annual Sustainability Report of the Group for our financial year ended 31 December 2022 ("**FY2022**").

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material economic, environmental, social and governance ("**EESG**") factors for the Group have been identified and cautiously reviewed by the Management. The data and information provided herein have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. With a view to aligning with Sustainability Reporting Guide Practice Note 7F set out by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), our sustainability reporting process has been subjected to an internal review. We may seek external assurance in the future.

The Board of Directors of the Company (the “**Board**”) oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group’s strategic direction and policies.

## REPORTING FRAMEWORK, PERIOD AND SCOPE

This report is prepared in compliance with the requirements of Rules 711A and 711B of SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), and with reference to the Global Reporting Initiative (“**GRI**”) Standards 2021. We have chosen GRI as the sustainability reporting framework as it is internationally recognised and is widely adopted, enabling us to achieve a comprehensive and comparable disclosure of economic, environmental, social and governance performance. This report highlights the EESG related initiatives carried throughout a 12-month period, from 1 January to 31 December 2022.

Our Sustainability Report summarises the expectation from various stakeholders, general business environment in which the Group is operating and what the Group has done in order to ensure the sustainability of the Group over the years. Joint venture activities have been excluded as the operational control are exercised by different respective management teams.

The Financial Stability Board (“**FSB**”) has developed Task Force on Climate-related Financial Disclosures (“**TCFD**”) as a set of recommendations to encourage companies to disclose information related to climate-related risks and opportunities and the associated financial impacts thereof. We recognise the importance of aligning with TCFD recommendations, identifying and addressing climate-related risks and opportunities for our business sustainability. By disclosing this information, our stakeholders will be better informed of the Group’s sustainability. We will disclose our approach to addressing climate-related risk and opportunities based on TCFD as applicable to the Group’s business activities latest by financial year ending 31 December 2024.

The information disclosed in this Sustainability Report, read together with the information in the Annual Report for FY2022 (“**2022 Annual Report**”) will provide the readers with a holistic view of the operations of our Group. We strive to improve the reporting and management of EESG identified material factors in this report.

## FEEDBACK

We welcome feedback from our stakeholders with regards to our sustainability efforts as this would enable us to consistently improve our policies, systems and results. Please send your comments and suggestions to [enquiry@oceanskyintl.com](mailto:enquiry@oceanskyintl.com).

## ACCESS

No hard copies of this Sustainability Report have been printed as part of our efforts to promote environmental conservation. You may visit SGX website or our company website <https://www.oceanskyintl.com> for our Sustainability Report.

On behalf of the Board,

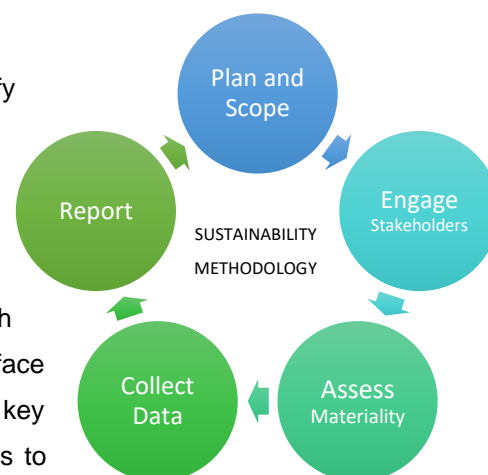
Ang Boon Cheow Edward  
Executive Chairman & Chief Executive Officer



14 April 2023




# POLICY, PRACTICES AND PERFORMANCE REPORTING

## STAKEHOLDERS ENGAGEMENT

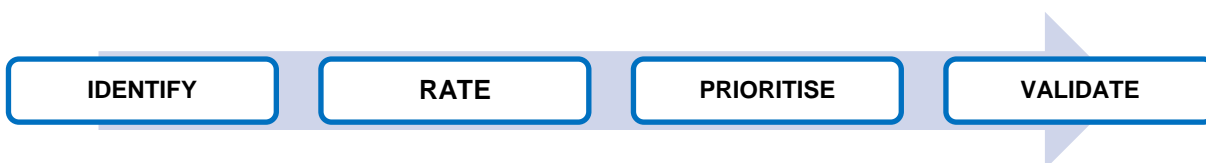
An important starting point in our sustainability journey is to identify our stakeholders and material factors relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating our corporate strategies. These key stakeholders include, amongst others, shareholders, employees, customers, suppliers and authorities. We adopt both formal and informal channels of communication such as face-to-face meetings and supplier visits to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.



Stakeholder	Engagement Platform	Frequency of Engagement	Key Concerns Raised
<b>Employees</b> 	Emails Meetings Performance appraisal Welfare & social events Training	Daily Monthly Annually Ad hoc Ad hoc	Workplace safety Workers' welfare Talent retention and career progression
<b>Customers</b> 	Email communications, phone calls Meetings Company website <a href="https://www.oceanskyintl.com">https://www.oceanskyintl.com</a>	Daily Ad hoc Ad hoc	On time project completion Service quality Workplace safety Competitive prices

<b>Suppliers and Service Providers</b> 	Email communications, phone calls Meetings Site visits Trade events	Daily Ad hoc Ad hoc Ad hoc	Prompt payment Service quality
<b>Investors/ Shareholders</b> 	Announcements via SGXNet, company website General meetings Annual report	Ad hoc / Half-Yearly Annually Annually	Compliance to rules and regulations Financial results Business updates
<b>Government and Regulators</b> 	Seminars conducted by regulators Relevant government association memberships Email communications	Ad hoc Ad hoc Ad hoc	Compliance to rules and regulations

## MATERIALITY ASSESSMENT



Our sustainability process begins with identifying relevant factors through consultation with experts, internal workshops and stakeholder engagements, relevant factors are then ranked to show the most pervasive issues. Thereafter, the Management conducts a materiality assessment, incorporating inputs from the stakeholder engagements. The assessed issues are then prioritised as material factors, which our Board then signed off. The result of this process is a list of material factors disclosed in this Sustainability Report.

To determine if an EESG factor is material, we assess the interests of stakeholders in economy, environment, social, and governance focus areas against the impact on the Group. Applying the guidance from GRI, we have identified and, where relevant, maintained the following material EESG factors:



### ECONOMIC

- Economic Performance
- Anti-corruption



### ENVIRONMENTAL

- Energy
- Water



### SOCIAL

- Employment
- Diversity and Equal Opportunity
- Occupational Health and Safety
- Training and Education



### GOVERNANCE

- Corporate Governance
- Risk Management
- Socioeconomic Compliance
- Environmental Compliance

# ECONOMIC

## ECONOMIC PERFORMANCE

For detailed financial results, please refer to the following sections in our 2022 Annual Report:

- Financial highlights, pages 4 to 5
- Operations review, pages 18 to 19; and
- Financial statements, pages 43 to 117.

## ANTI-CORRUPTION

We are committed to ensuring that our Group is free from any form of corruption, and we take such commitment very seriously. We strive to maintain a culture of integrity, preventing conflicts of interest and prohibiting unethical behaviour. We hold our employees and business partners to the highest standards and expect them to follow all applicable laws and regulations.

We educate our staff on the risks of corruption and the importance of adhering to established rules and regulations. In addition, we have obtained conflicts of interest declaration from our employees and embed internal controls in place to help us detect any potential misconduct such as whistle-blowing policy, reflecting our steadfast dedication towards maintaining the highest ethical standards.

### *Whistle-blowing policy*

The Company has put in place a whistle-blowing framework whereby staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The framework includes arrangements for independent investigation and appropriate follow-up of such matters.

To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are addressed and sent to the Audit Committee Chairman. The whistle-blowing policy provides assurance that employees will be protected from reprisal within the limits of the law or victimization for whistle-blowing in good faith and whose identity will remain confidential. A whistle-blower email address has been created for employees to report suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policy and arrangements have been made known to all staff. In addition, new staff is briefed on the policy during the orientation programme. The whistle-blowing policy and procedures are reviewed by the Audit Committee from time to time to ensure that they remain relevant. No whistle-blowing report was received during FY2022 (FY2021: Nil).

### Our 2-year Performance

FY2022	FY2021
No reported incidents of corruption (Target met)	No reported incidents of corruption (Target met)



### FY2023 Target

We will continue to remind our staff regarding our anti-corruption policy and strive to ensure that there will be no incidents of corruption in the Group for the financial year ending 31 December 2023 (“FY2023”).

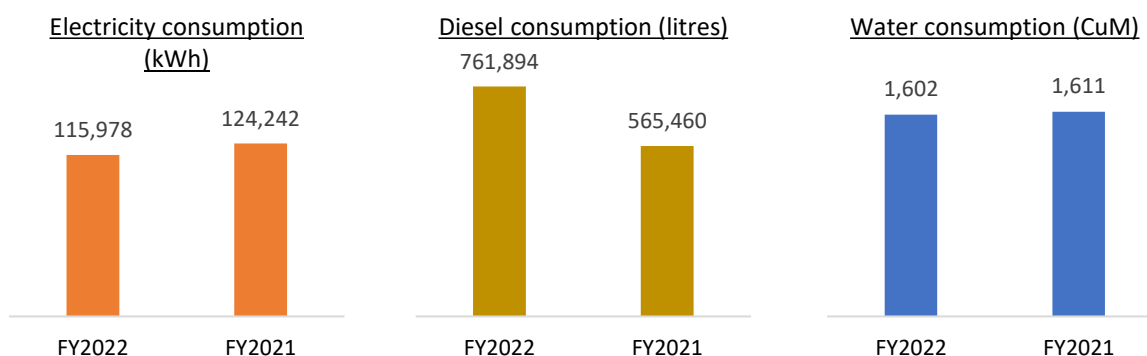
## ENVIRONMENTAL

### ENERGY AND WATER

The Group is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our worksites and the environment where we operate. We monitor our energy (both electricity and diesel) and water consumption at our workplaces to ensure that we use our resources economically, meaningfully and responsibly.

In the year 2016, ATSB was awarded the BCA Green and Gracious Builder (“**SMC**”) Award, for which we successfully completed recertification of the Award in March 2022 to demonstrate our continued commitment. To achieve cost reduction and improve service delivery, ATSC fabricates the supplies of construction related materials and undertakes the maintenance of machinery to support ATSB projects.

In FY2022, we saw a decrease in our electricity and water consumption compared with that of the previous year. Our electricity consumption decreased by 6.7%, while our water usage decreased by 0.6% compared to the previous year. This is a great achievement for the Group and a positive sign of our commitment to sustainability.



While these results are encouraging, there was a significant increase of 34.7% in the consumption of diesel due primarily to higher level of construction work activities in FY2022. However, we remain vigilant with the use of diesel and recognise the importance of reducing our carbon footprint and preserving the environment for future generations. We will continue to monitor our energy and water consumption closely and take steps to reduce our energy and water usage by finding ways to increase efficiency.

In FY2022, we achieved the target we set in FY2021 by maintaining a 4.5-star rating from National Australian Built Environment Rating System (“**NABERS**”) awarded by the Australian Government for our investment property in Melbourne, Australia.

Overall, we are encouraged by the progress we have made in preserving electricity and water. With continued effort, we are confident that we can continue to reduce our consumption and improve our sustainability practices.

#### Our 2-year Performance

<b>FY2022</b>	<b>FY2021</b>
Consumed lower electricity and water while diesel consumption increased (Target partially met)	Consumed lower energy and water consumption (Target met)
Maintained 4.5-star rating from NABERS. (Target met)	Maintained 4.5-star rating from NABERS. (Target met)

#### FY2023 Target

We will continue to maintain or lower our energy and water consumption in FY2023. We will also target to maintain the 4.5-star NABERS rating.

## **SOCIAL**

We are aware that our business conduct has the potential to significantly affect society – both positively and negatively. We support and respect the protection of internationally proclaimed human rights. Our sustainability commitments touch on human rights: from fair employment, embracing diversity and equal opportunities, prioritise occupational health and safety to the way we comply with the applicable laws and regulations.

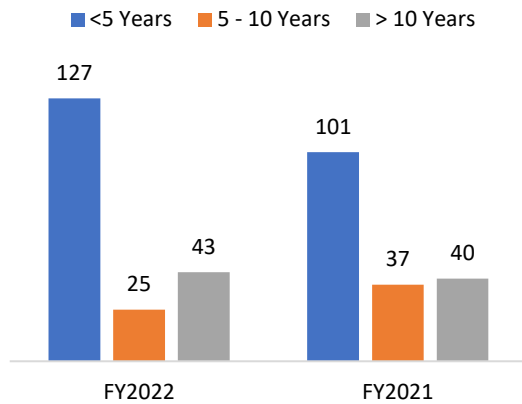
We respect and strive to protect human rights, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation. We continue to align our business practices with the UN Guiding Principles to uphold human rights and integrate them into our sustainability directives.

#### **EMPLOYMENT**

Every employee plays an essential role in our Group. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communications while showing care and support for each other. Our employees are the drivers

of our business, and we believe in creating a respectful, rewarding and safe working environment for our people.

### Lenght of Service



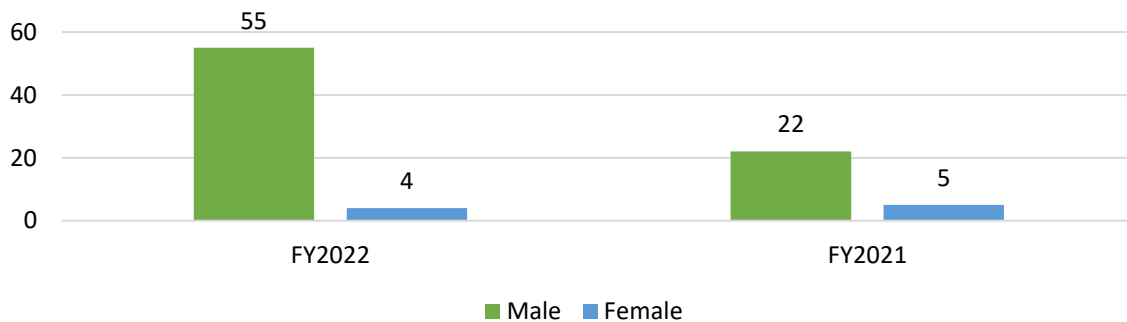
We provide competitive remuneration based on merits of all our employees. Long service awardees were given cash rewards for their continuous support and contribution. Our employees are not covered by collective bargaining agreements.

The Group had a total of 195 employees as of 31 December 2022 (FY2021: 178) with 30% new recruits (FY2021: 16%) and 21% resignations (FY2021: 28%). In FY2022, age group of 30 – 50 years old took up the most of new hiring activities (FY2021: 30 to 50 years old). Major attrition affected the age group of less than 30 years old the most (FY2021: 30 to 50 years old). We spoke to our foreign workers where some of them cited preference to be reunited with loved ones and return to their home countries. In FY2022, we did not experience any difficulties in recruiting foreign workers as international borders open and travel has resumed.

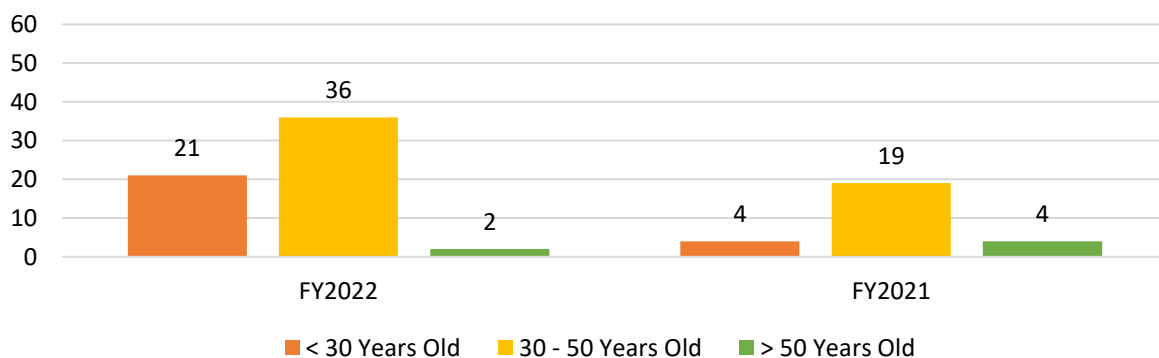
The following is the detailed breakdown of hiring and resignations based on genders and age groups:

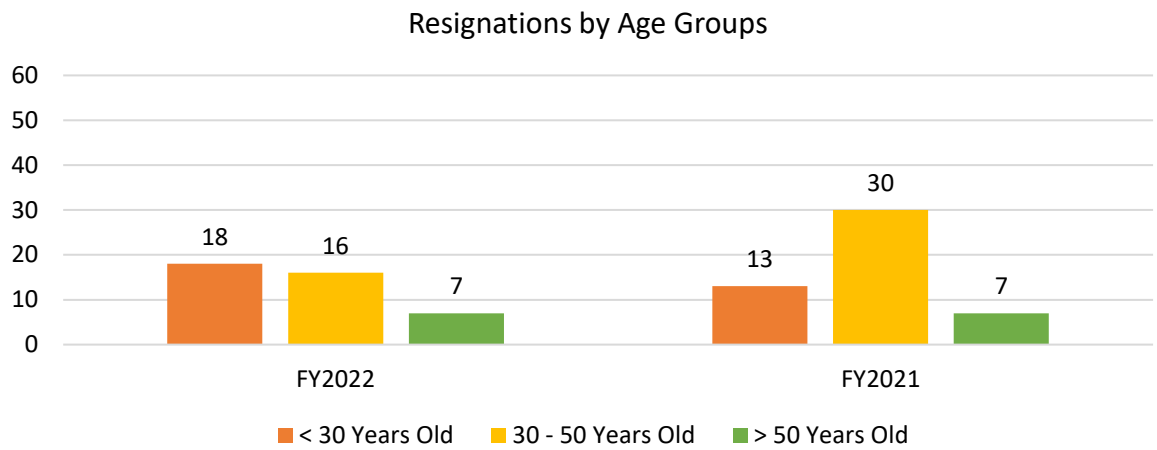
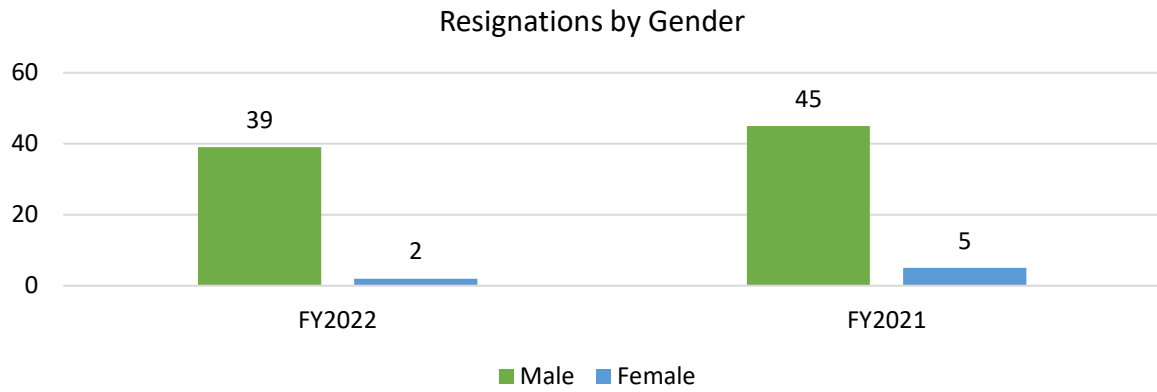
### Group Employment at A Glance

#### New Hire by Gender



#### New Hire by Age Groups





At Ocean Sky, we value celebrating key events with our employees. These events create an atmosphere of camaraderie and team spirit and make our workplace more enjoyable. In FY2022, our key event celebration with employees includes Chinese New Year and Labour Day. We also conducted ATS Annual Appreciation Dinner in 2022.





Our 2-year Performance

FY2022	FY2021
Maintained hiring practice based on merits and conducted employee key events (Target met)	Maintained hiring practice based on merits and conducted employee key events (Target met)

FY2023 Target

We strive to maintain our hiring practice based on merits and conduct key events to increase camaraderie.

**DIVERSITY AND EQUAL OPPORTUNITY**

*Board Diversity*

Ocean Sky recognises the value of Board diversity. Board diversity will benefit the Group in many ways, including increased innovation, better decision-making, and improved stakeholders’ relationships. In FY2022, we officially adopted a policy of Board Diversity. This policy reinforces our commitment to promoting diversity and inclusivity in our workplace and leadership. At present, the Board has one female independent director.

We understand that a Board composed of appropriately qualified members with a broad range of relevant professional, business and industry experiences, in addition to diversity in thought and background, is essential to the effective governance of its business and ensuring long-term sustainable growth.

The Nominating Committee (“**NC**”) reviews and assesses the Board composition on behalf of the Board and makes recommendations to the Board for the appointment of new directors and re-appointment of retiring Directors. The NC also oversees the conduct of the annual review of the Board, Board Committees and individual Director’s effectiveness.

In reviewing Board composition, the NC will consider the benefits of all aspects of diversity, including but not limited to, those described in the Board Diversity policy, in order to maintain an appropriate range and balance of skills, experience and backgrounds on the composition of the Board.

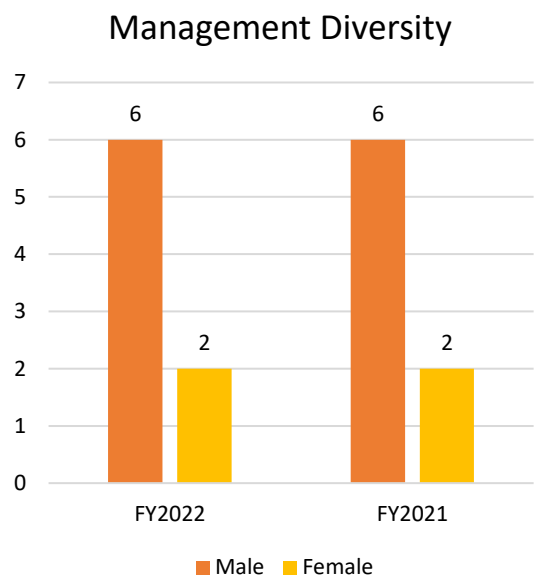
In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merits against objective criteria and with due regard for the benefits of diversity on the Board. The NC will consider the balance of skills, experience, independence, knowledge and the diversity representation of the Board.

For detailed description of the Group's Corporate Governance, please refer to our 2022 Annual Report pages 20 to 41.

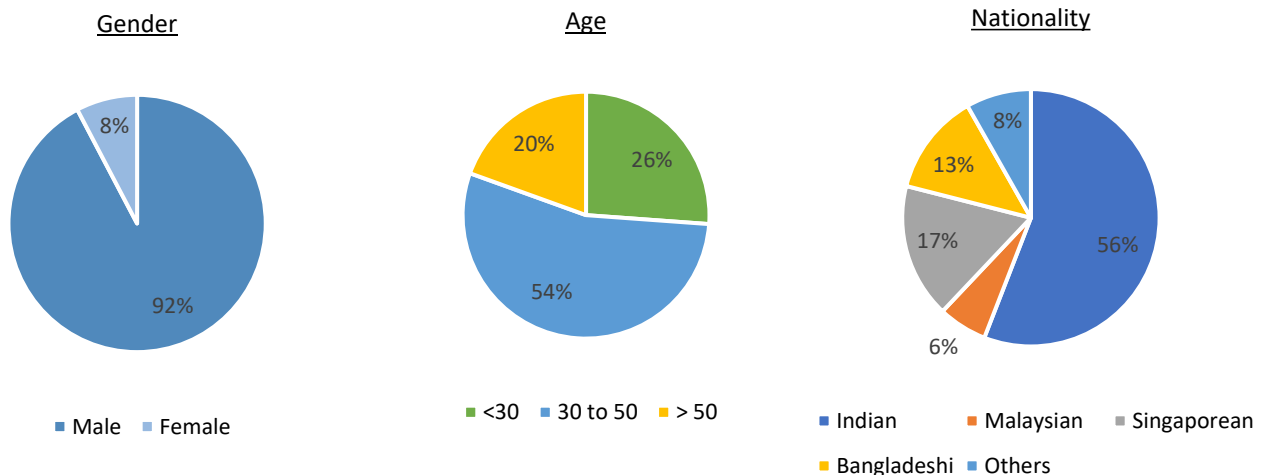
*Management Diversity*

Our commitment to management diversity means that we are actively working towards to create a workplace that is inclusive for all employees, regardless of their gender, race, ethnicity, or any other characteristic. By promoting diversity in the management, we are better equipped to understand and respond to the needs of diverse stakeholders. We understand that achieving diversity in the management is a continuous journey, and we are committed to taking the necessary steps to make it a reality.

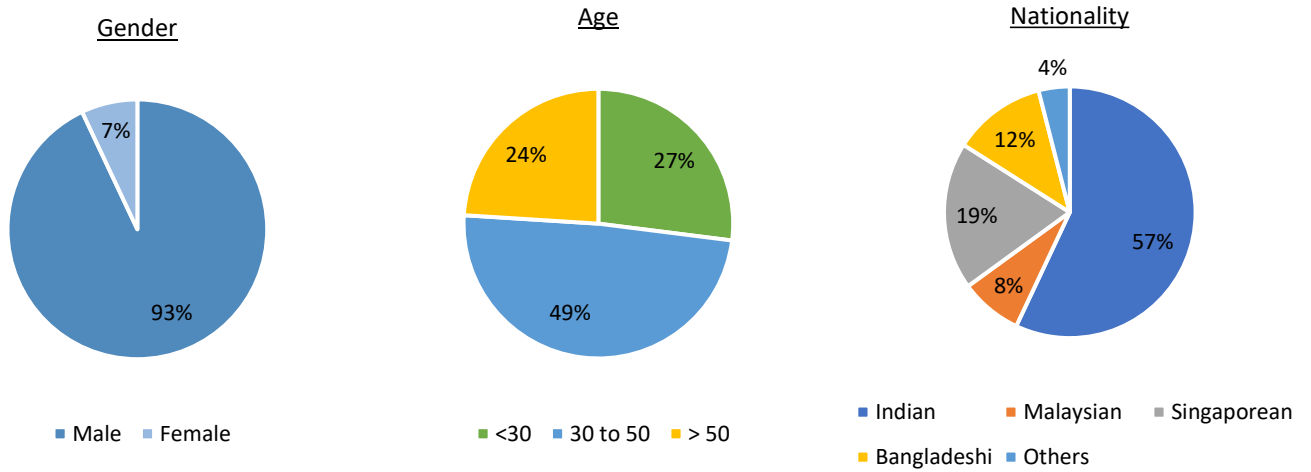
In FY2022, 25% of our workforce comprised female management (FY2021: 25%). We are proud to be hiring 100% of our management from our local community to strengthen our commitment to sustainability and local community development this year.



**Group Workforce Diversity 2022**



**Group Workforce Diversity 2021**



***Non-discrimination***

We do not discriminate against employees according to their race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality. We strive to achieve a fair proportion of diversity in terms of gender, age and nationality in our workforce. We aim to provide equal opportunities to all employees based on their individual skillset and competencies.

**Our 2-year Performance**

FY2022	FY2021
Tracked and improved the representation of diverse employees, no cases of discrimination reported (Target met)	Tracked and improved the representation of diverse employees, no cases of discrimination reported (Target met)

**FY2023 Target**

We will continue track and improve the representation of diverse employees as well as ensuring no discrimination in our Group throughout the years.

**OCCUPATIONAL HEALTH AND SAFETY**

We are also committed to safeguarding our employees’ health and safety against any potential workplace hazards. The focus on health and safety of our employees is utmost important for Ocean Sky. It is not only a fundamental right for our workers to be able to work in a safe environment, but when our employees’ wellness is attained, our productivity increases, and eventually would maximise our performance in workplace. By implementing job safety guidelines, we are committed to provide a hazard-free workplace to ensure the well-being of both our employees and environment.

Ocean Sky employs a variety of measures to ensure the health and safety of all our staff. Daily onsite work briefing, including risks assessments, required safety measures, designed personal safety protections, and most importantly, the spirit of teamwork, are strongly emphasised on each individual project site, by our designated competent safety coordinators. Lead safety coordinator and safety

officers are always on random site checks to ensure safety compliances and provide necessary discussions and comments to the respective teams, so as to further improve the safety measures and well-being at the ongoing project. Weekly pest control is carried out to ensure all kinds of pests are removed from workplace to keep our employee safe and healthy. Safety notice boards are prominently positioned in our workplace to notify employees and visitors of safety measures.

Given that we value our employees' health and safety as a priority within our organisation, achieving required certifications and implementing the framework of systems are vital to our organisation. The implementation of the framework has enabled us to systematically identify, reduce and mitigate risks involved in the operations within the Group. We currently have the following certifications:

<b>Current Certification</b>	<b>Date of issue</b>	<b>Expiry date</b>
ISO 9001:2015	24-Jun-20	23-Jun-23
ISO 45001:2018 (Occupational Health and Safety Management System)	24-Jun-20	23-Jun-23
BizSafe Certificate Level 3 (Awarded to ATSC)	30-Oct-20	29-Oct-23
BizSafe Star Certificate (Awarded to ATSB)	25-May-21	23-Jun-23
Certificate of Commendation (commitment to WSH in building a safe and healthy work culture through CultureSAFE)	2-Sep-21	1-Sep-23
BCA Green and Gracious Builder (SMC) Award	14-Mar-22	12-Jan-25

#### Our 2-year Performance

<b>FY2022</b>	<b>FY2021</b>
One reported incident of work-related accident (Target not met)	One reported incident of work-related accident (Target not met)

In FY2022, one of our workers experienced a fracture incident albeit wearing safety gloves during unloading the UPVC pipe. To prevent such an incident from happening again, several steps have been taken such as regular training for all staff to ensure that they are aware of their responsibilities of occupational health and safety, creating a dedicated team to ensure that processes are followed, providing a clear communication plan between management, employees and customers.

#### FY2023 Target

We endeavour to maintain our certifications that we have obtained and target to have zero reportable incident of work-related accident to the Ministry of Manpower in FY2023.

## **TRAINING AND EDUCATION**

Ocean Sky understands that employee training and education take time, but these are also important parts of our Group's growth and development. Employee training and education are integral to the success of our organisation, and we are committed to providing our employees with the tools and resources necessary to remain knowledgeable and up to date in their skillsets. We have started to



analyse employee training by tracking average training hours in FY2022 to effectively tracking our workforce's professional development.

<b>Employee Gender</b>	<b>No. of Employees in 2022</b>	<b>Total Training Hours</b>	<b>Average Training Hours per Employee in FY2022</b>
Female	15	9	0.6
Male	180	1509	8.4

At Ocean Sky, we strive to develop the skills for all of our workforce, regardless of their gender. Due to the nature of our industry, we have significantly more male workforce compared with female workforce. There were more training sessions being required for male employees due to construction related roles compared to female employees in office-based roles. While we may be operating in a male-dominated industry, we believe that everyone should be given the training opportunities to succeed.

A total of 26 training programmes were provided to our employees in FY2022 (FY2021: 27 programmes). The list of the training programmes provided on FY2022 is as follows:

<b>Course Title</b>	<b>Employee Category</b>
Listed Entity Director 9 – Environmental, Social and Governance Essentials	Directors
Workshop for Top Management (bizSafe)	Management
Working Capital and Treasury Management	Management
Time Management	Management
Speaking Up, Raising Concerns & Whistleblowing	Management
Overview of Business Valuation for Financial Reporting	Management
Fraud Investigation of Asset Misappropriation Schemes	Management
Financial Reporting Standards (FRS) Virtual Workshop 2022	Management
	Office Staff
Advanced Certificate in WSH	Site Staff
Apply Workplace Safety and Health (WSH) in Construction Sites	Site Staff
Basic Traffic Control Course	Site Staff
Construction Safety Orientation Course (CSOC) Recertification Assessment	Site Staff
Continual Educational Training (CET) – Structural Steel Works	Site Staff
Continual Educational Training (CET) Construction Plant Operations	Site Staff
Continual Educational Training (CET) Reinforced Concrete Works	Site Staff
CoreTrade Supervisor (Structural)	Site Staff
Fire Watchman Course	Site Staff
HEO Hydraulic Excavator Operation as Lifting Machine	Site Staff
JTC Safety Induction Course	Site Staff
Occupational First Aid Course	Site Staff
Operate Forklift (w/class 3 licence)	Site Staff
Perform Rigger & Signaller Course	Site Staff
Registered Earthworks Supervisor Course	Site Staff
Supervise Safe Lifting Operations	Site Staff
Supervise Workplace Safety and Health for Formwork	Site Staff
Timber Form Work	Site Staff

We strive to maintain a culture of continuous learning and development that encourages employees to become more proficient in their roles. We will provide each employee with access to appropriate training opportunities as well as the time needed to complete training activities. Additionally, we will provide resources for employees to explore additional educational opportunities related to their current positions or for personal growth.

We also recognise that employee training and education can be challenging at times, but it is essential for us to stay competitive in our industry. We are committed to providing our employees with the support they need to stay current in their skillset.

### Our 2-year Performance

FY2022	FY2021
Provided trainings to our employees for their development, 52% of our total employee attended the training. (Target met)	Provided trainings to our employees for their development, 20% of our total employee attended the training. (Target met)

### FY2023 Target

We will continue to provide trainings to our employees for their development and will target at least 10% of our total employee to attend external trainings annually.

### Membership Associations

We believe that value creation for communities is key to our long-term success. As such, we have joined several associations that share our values and commitment to promoting value creation in our industry and beyond. Our memberships in the following associations provide us with access to valuable resources and information that help us to continuously improve:



Singapore Chinese Chamber of Commerce & Industry promotes the development of industry and commerce, the economic prosperity, cultural and educational activities as well as the community services of Singapore.



Singapore-China Business Association commits to developing economic and trade exchanges and cooperation between Singapore and China and promoting friendship between Singapore and China.



Singapore Contractors Association Limited commits to be an effective voice of the construction industry advocating business-friendly practices, promoting industry development, and fostering a safe and productive work environment.

# GOVERNANCE

## CORPORATE GOVERNANCE

The Board and the Management of Ocean Sky are committed to the best practices in corporate governance to ensure sustainability of the Group's operations. We believe that our constant drive for corporate excellence will enable us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and its value to our shareholders.

In support of our corporate mission, "*Creating value through enterprise and innovation*", we embed the following Core Values to guide ourselves and our people:

- Teamwork  
We place collaborative effort at the heart of our business, encouraging people to participate and be involved
- Integrity  
We uphold the highest standards of transparency and honesty in our commitments to our clients, business partners and stakeholders
- Innovation  
We strive to find different solutions to better serve our clients
- Quality  
We emphasise expertise, innovation and efficiency in all that we do
- Ownership  
We encourage team members to take pride and personal accountability in their work, acting with the company's long-term success in mind

In terms of sustainability, we have engaged stakeholders through various medium and channels to ensure that the business interests are aligned with the stakeholders, to understand and address the concerns so as to improve service standards, as well as to sustain business operations for long-term growth.

To ensure that core sustainability issues are incorporated into our corporate agenda, we have established a dedicated governance framework to drive, govern and manage the sustainability function. This structure drives our priorities to protect the long-term interests and create value for the Group and stakeholders.

The sustainability is managed by Chief Executive Officer ("**CEO**") who then reports to the Board. The CEO would collaborate with the Management on sustainability initiatives and share sustainability best practices across the Group as well as oversee the monitoring of quantitative and qualitative measurements, setting sustainability performance benchmarks and key performance indicators.

The CEO also works closely with other business functions, namely, operations, human resource and procurement in the Group's sustainability efforts and the development of the Group's sustainability programme. The Board has the ultimate responsibility for the Group's sustainability strategy, reporting and maintain oversight of the Group's sustainability direction and reviews the strategy annually.

Please refer to the 2022 Annual Report pages 20 to 41 for details of the Group's Corporate Governance Report.

#### Our 2-year Performance

<b>FY2022</b>	<b>FY2021</b>
Continued to adhere to the Code of Corporate Governance (except where otherwise explained) (Target met)	Continued to adhere to the Code of Corporate Governance (except where otherwise explained) (Target met)

#### FY2023 Target

Ocean Sky will continue to adhere to the Code of Corporate Governance 2018 so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

### **RISK MANAGEMENT**

The Board is committed to ensuring that the Group has an effective and practical enterprise risk management framework in place to safeguard Shareholders' interests, and the sustainability of the Group as well as to provide a basis to make informed decision having regard to the risk exposure and risk appetite of the Group. For detailed disclosure on our risk management, please refer to pages 32 to 33 of our 2022 Annual Report.

#### Our 2-year Performance

<b>FY2022</b>	<b>FY2021</b>
Performed risk assessment and ensured compliance on disclosures in accordance with the SGX-ST requirements (Target met)	Performed risk assessment and ensured compliance on disclosures in accordance with the SGX-ST requirements (Target met)

#### FY2023 Target

We aim to perform risk assessment annually and ensure compliance on disclosures in accordance with the SGX-ST requirements.

### **SOCIOECONOMIC COMPLIANCE**

All of our staff are reminded of the importance of upholding the highest business ethics standards. Ocean Sky is determined to make sure our values and policies align with the highest levels of such compliance in order to protect our company and the community.

We understand that this is an ongoing process which requires commitment and dedication from everyone involved. The Group regularly updates relevant staff with development in international and

local regulations. We have achieved the target we set last year. There was no (FY2021: Nil) non-compliance with laws and regulations in FY2022.

#### Our 2-year Performance

FY2022	FY2021
No reported incidence of significant fines or non-monetary sanctions for non-compliance with laws and regulation (Target met)	No reported incidence of significant fines or non-monetary sanctions for non-compliance with laws and regulation (Target met)

#### FY2023 Target

We aim to maintain zero incidence of non-compliance with the applicable laws and regulations in FY2023.

### ENVIRONMENTAL COMPLIANCE

We view compliance with relevant codes and regulations on environmental issues as mandatory. To preserve the environment, we strive to continue the following initiatives:

- Only print when necessary and/or double-sided printing to reduce paper wastage
- Re-using water for washing to reduce water wastage
- Switching off lights and air-conditioners during lunch break
- Recycling materials from one project to another where possible.

#### Our 2-year Performance

FY2022	FY2021
No reported incidents of non-compliance with the relevant laws and regulations (Target met)	No reported incidents of non-compliance with the relevant laws and regulations (Target met)

#### FY2023 Target

We target to maintain zero reported incidents of non-compliance with the relevant laws and regulations in FY2023.

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	2-3	Reporting period, frequency and contact point	2 - 4
	2-4	Restatements of information	None
	2-5	External assurance	2
	2-6	Activities, value chain and other business relationships	1 - 2
	2-7	Employees	8 - 11
	2-8	Workers who are not employees	None

	2-9	Governance structure and composition	AR 22 - 25
	2-10	Nomination and selection of the highest governance body	AR 8 - 13
	2-11	Chair of the highest governance body	AR 22
	2-12	Role of the highest governance body in overseeing the management of impacts	AR 20 - 21
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	2-20	Process to determine remuneration	AR 29 - 30
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<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	12

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