



# SUSTAINABILITY REPORT 2020

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## 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 2020 to 31 December 2020 (“FY2020”).

### **Reporting Period & Standard**

The reporting period is the same as that of the financial year of the Group (1 January 2020 to 31 December 2020). 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 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.

## 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.

## BOARD STATEMENT ON SUSTAINABILITY

Ouhua Energy Holdings Limited (“Ouhua Energy” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to issue its third sustainability report prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Group endeavour 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 and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board of Directors (“Board”) and senior management (“Management”) remains committed to establish and maintain an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. 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 relevant ESG topics caused by its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, and 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 is 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 its stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continual improvement.

## ABOUT THE GROUP

### Corporate Profile

Ouhua Energy Holdings Limited (“Ouhua Energy” or the “Company”, and together with its subsidiaries, the “Group”) is one of the leading importers of liquefied petroleum gas (“LPG”) in the People’s Republic of China (“PRC”) in terms of quantity. Ouhua Energy is strategically based in Chaozhou City, Guangdong Province, the “Ceramics Capital” of the PRC. Production of ceramics relies heavily on LPG. 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

##### 1. Our Beliefs

We believe in being safe and environmentally friendly, as well as building sincerity and trust

##### 2. Our Vision

To establish an internationally renowned enterprise and build an integrated energy brand

##### 3. Mission Statement

To honour our obligations to our investors, to lead the way forward for the industry, and to share our success with society.

##### 4. Entrepreneurial Spirit

We are unwavering, cooperative, responsible and innovative.

##### 5. Management Principles

These are founded on the fundamentals of 4S: Spread, Syncretize, Share, and Service

##### 6. Our Service Motto (BLUE)

**B** - for Bright, the way we stay flexible and adaptive to our customer needs

**L** - for Labor-saving, the cornerstone of efficiency

**U** - for Ultra-pure, the impeccable quality of our product

**E** - for Expediently, so our customers always enjoy maximum convenience

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 stations, to further integrate advanced technology into its operations and extend the product chain which utilises the same raw materials to ensure that it retains a competitive position in imports. In year 2020, Chaozhou Ouhua Energy Co., Ltd was designated as one of the designated delivery warehouse for LPG by Dalian Commodity Exchange.

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 aims to continuously seek for business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we have also upheld 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.

## **GOVERNANCE STRUCTURE**

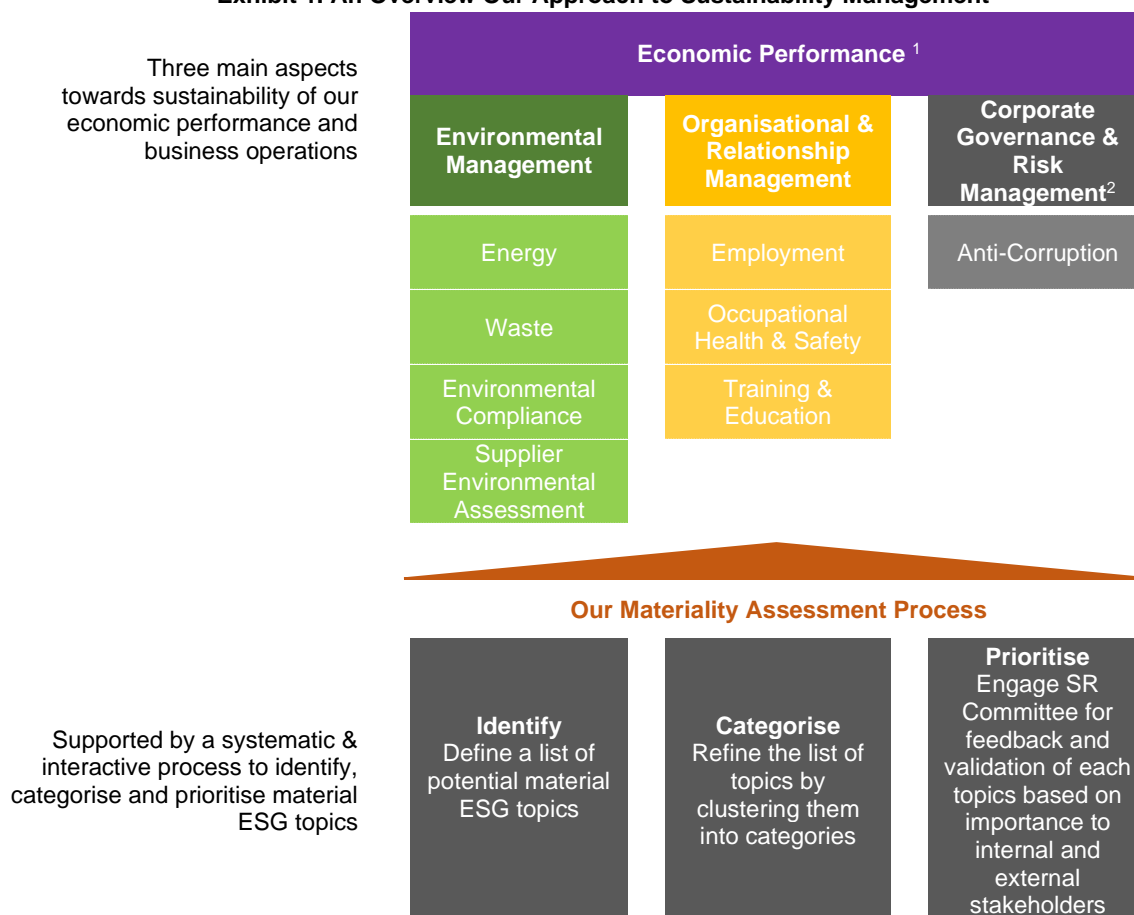
Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by our Executive Chairman and Chief Executive Officer ("CEO"), comprises of specific working groups with senior management and board level representatives from across our different businesses executes and reports on the material ESG aspects. The Board and the Audit Committee review and oversee the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

## **STRATEGIC APPROACH FOR SUSTAINABILITY**

Ouhua firmly believes that while our businesses are driven by earnings, what we do must also have a positive impact on environment, employees and all other stakeholders in our value chain. In FY2020, the Group have with the help of an independent external consultant reviewed and defined our approach to sustainability management.

We have reviewed the three main aspects towards our economic performance and existing non-financial topics for FY2020 reporting disclosure. The Management concluded that these topics remain material (see Exhibit 1) to the sustainability of our economic performance and business operations.

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



1. Please refer to Financial Statement of the annual report.

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

## STAKEHOLDER ENGAGEMENT

Ouhua recognises that knowing and understanding the demands and concerns of stakeholders is key to sustainable growth and that regular engagement with stakeholders helps us to better determine material areas of focus. The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions.

Our stakeholders are those who have a considerable influence on our business, and whom our business has a significant impact on.

In FY2020, the SR Committee with the support of independent external consultant have reviewed and ascertained that employees, customers, shareholder and investors, business partners remained as our key stakeholder groups (See Exhibit 2).

## Exhibit 2. Our Key Stakeholder Groups

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### Employees

We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.



### Customers

We strive to maximise our customer satisfaction, which reflects sales and revenue. We ensure that we understand our customer needs and expectations and we aim to build long lasting relationships with our customers so that they are likely to engage our services again.



### Shareholders and Investors

We aim to maintain profitability in our Group and maximise shareholders' return. We also strive to maintain corporate governance and improve level of transparency through reporting and communication.



### Business Partners

We work closely with our business partners / subcontractors to ensure that all our operations that were carried out are in line with our sustainability efforts and industry practices.



### Community

We work closely with our community and remains fully committed to continue procuring responsibly while generating positive economic and social benefits for the local community we operate in.

### List of Memberships of Association

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices. The Group participate 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



## MATERIALITY ASSESSMENT

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

Guided by an external independent consultant and having considered the topics of concerns and expectation of identified key stakeholders. The SR Committee together with the Management have assessed and prioritised the material topics to focus on for the Group.

Material ESG Topics		2021 Targets and Commitments
<b>ENVIRONMENTAL MANAGEMENT</b>		
<b>Energy</b>	❖ To continue explore new business models, products and services, and undertake research and development that focus on energy efficiency and new energy solutions.	
<b>Waste</b>	❖ Ensure waste disposal are in accordance with regulatory requirements. ❖ Wastes produced consist of domestic wastes that could be controlled and reduced through recycling.	
<b>Environmental Compliance</b>	❖ Zero incidents of non-compliance. ❖ No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.	
<b>ORGANISATIONAL &amp; RELATIONSHIP MANAGEMENT</b>		
<b>Employment</b>	❖ Continue to promote diversity and equal opportunity in the workplace. ❖ Comply with local labour regulations across our operations.	
<b>Training and Education</b>	❖ Achieve an average of 2 hours of training per employee annually. ❖ Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.	
<b>Occupational Health and Safety</b>	❖ Zero fatalities and/or workplace injuries.	
<b>CORPORATE GOVERNANCE</b>		
<b>Anti-Corruption</b>	❖ Zero incidents of bribery and corruption, including facilitation payment. ❖ Zero tolerance towards all forms of bribery and corruption.	

The material ESG topics were also reviewed by the Board and determined as being relevant. Moving forward, to keep abreast of critical issues, the SR Committee, supporting the Board in its oversight, will continue to review annually material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends.

## 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 minimizing our environmental footprint across our value chain, including our business operations, suppliers and customers. Our environment efforts are largely focused on maximizing 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 believe in providing safe and environmentally friendly energy, and envision to establish an internationally renowned enterprise, to build an integrated energy brand for a world of sustainable energy. In order to address the challenges of climate change, we recognise that innovation is critical.

#### **Energy consumption**

At Ouhua, we consumed a total of 6,142,000 kJ, a marginal increase of 25 % as compared to 4,910,000 kJ in FY2019. The increased consumption were due to larger scale upgrading and maintenance works performed on machineries during the COVID-19 period. Falling energy costs and improved performance of new and emerging technologies such as energy storage are bringing about significant changes in the energy landscape. As a result of these technological changes, our customers and market needs will shift, and we will leverage that to reduce our consumption levels Year-On-Year ("YOY").

### WASTE

Ouhua has a strict policy on waste management, in compliance with all local government regulations. 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 operating within the yards. 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 practicable. In FY2020, there were no hazardous waste generated, the amount of non-hazardous waste generated is 94.21 tonnes and these were being disposed of through licensed waste collectors for recycling and reuse whenever possible. There were no significant spills noted in 2020.

### ENVIRONMENTAL COMPLIANCE

Environmental compliance forms an integral part of the Group's sustainability philosophy. With increased pressure on corporations to be accountable for their environmental footprint and 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 conform to local environmental laws and regulations. The Group maintains a zero tolerance for non-compliance and encourage our stakeholders to report any incidences via our established whistle blowing channels. All employees of Ouhua are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

In FY2020, there were no incidents of non-compliance and penalties pertaining to environmental-related issues. The Board and Management continues to review and improve current environmental management system and practices and 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, our commitment and target, 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 firmly believes that its suppliers and subcontractors as key business partners that are capable to create positive economic impact, thus enhancing stakeholder's return. In this respect, the Group maintains a rigorous selection process in vendors selection, which are based on the past track records and adherence to occupational health and safety standards. Before trading, we will review the supplier's qualification and registration procedures. We also request suppliers to follow up should there be any changes made. From time to time we pay visits to our supplier and also communicate with them via exchange of information and industry conferences. At the same time, we explore different suppliers every year to make sure we have a stable supply.

The Group have also established procurement policies and guidelines to guide our process, such as:

- Guidelines and procedures in selecting and evaluating vendors
- Code of conduct when dealing with vendors

As we consider sustainability as one of the key factors in selecting a supplier, for that reason, we evaluate the potential candidates based on their sustainability performance and practices. Often, there would be a collaboration with partners and suppliers to redesign our product offerings to reduce the negative impact on the environment in this area. In addition to importing most of the raw materials, namely butane and propane, from overseas suppliers and processing these into LPG, we directly purchase LPG from domestic refineries.

In FY2020, there were 6 new suppliers, of which all of them were screened against the above criteria and guidelines. The Group remains fully committed to continue procuring responsibly while generating positive economic and social benefits for the local community we operate in.

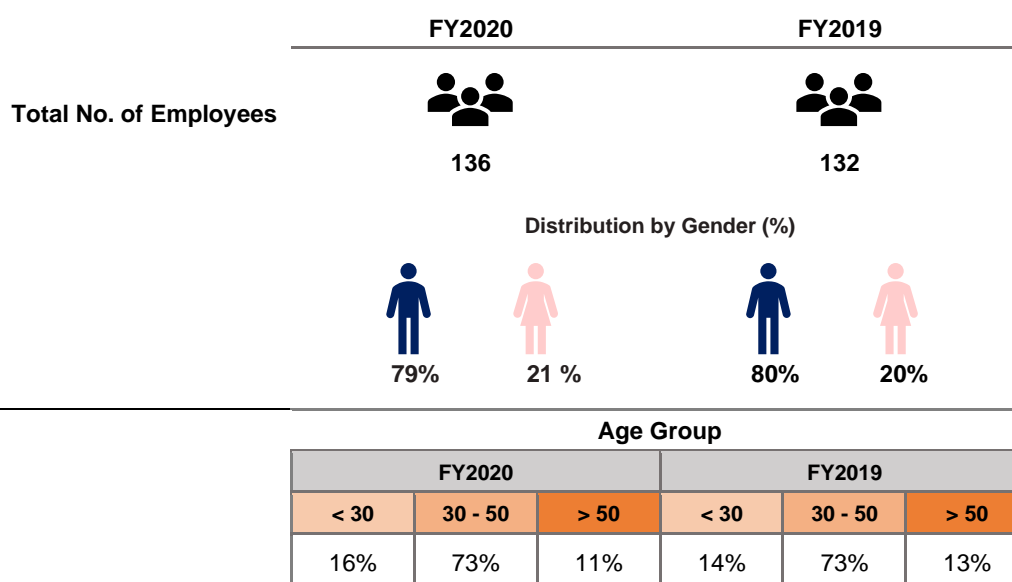
## ORGANISATIONAL & RELATIONSHIP MANAGEMENT

### 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 2020, we have a total of 136 fulltime employees. The Group continue to be able 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 beyond their abilities.

In FY2020, we have 13 new hires, whereas 9 employees left the Group. Employment numbers for high-skilled positions remains consistent, with our key management personnel unchanged.



We strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group has instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability or gender. Employees are required to observe and adhere to all relevant policies and practices. Ouhua makes a conscious effort to maintain diversity in the middle management, to generate creativity and innovation and improve the organization's culture. There were no reported incidences of discrimination raised by our employees in FY2020.

The Group also has an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This is to reinforce 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 FY2020.

## Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and sets packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2020, in addition to the competitive remuneration offered, we extended our employees a set of benefits including but not limited to:

Employment Benefits	Descriptions
<b>Life insurance</b>	In the event that 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 child care.
<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 basic 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 organize 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 organize 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>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, to keep up with the best industry practices to provide the optimal working conditions for our people.

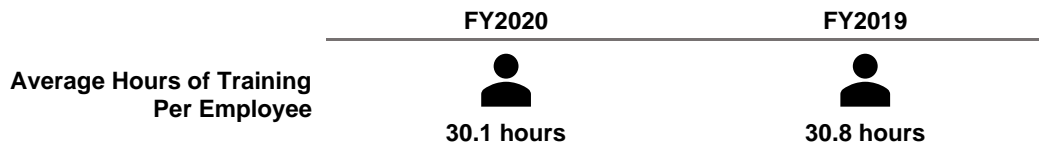
The Group continually cultivates a transparent and inclusive environment for all employees, as well as ensures a top-down approach to promote fair and ethical business dealings. Ouhua maintains zero tolerance towards unethical labour practices such as child labour, forced labour, slavery and human trafficking across all our operations.

## TRAINING & EDUCATION

The Group recognises that employees need to stay informed and be updated in their skill sets in the ever-changing work environment. To encourage and support our employees to develop their fullest potential and have 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 work nature.

In FY2020, The Group manages to maintain a total of 30.1 average training hours for employees, only a marginal 2% decrease, compared to 30.8 hours clocked in FY2019 despite COVID-19's impact. 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 skills upgrading to equip employees to meet strategic targets of the Group. We believe that more skilled employees enhance Ouhua'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, in the event that any staff obtains a higher education or qualification certificates, we offer a potential upward revision in salary.

In addition, learning and development roadmaps have been put in place starting FY2020 to ensure employees are optimally trained through feedbacks obtained from annual technical tests and implementing job positions analysis to accurately develop performance for current and new employees. Most importantly, internal surveys are conducted to obtain employees' opinion on the effectiveness and relevancy of the training provided to ensure future programs provided

### Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted on an annual basis 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 FY2020, all 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 of directors and senior management. Whilst keeping our strength of superior technical ability close at heart, we take pride in building a safe, conducive and healthy workplace as our commitment to developing our people. Being a largely labour-intensive Group, we regard workplace safety with utmost importance and recognise our duty of care to account for the safety and health of each of our employees. We are constantly striving to build a safe and conducive workplace by ensuring that our Group complies with all relevant safety and environmental legislation, with the aim of minimizing the likelihood and impact of any possible hazardous occurrence.

### Occupational Health & Safety Management Framework

To facilitate the physical supervision of the workplace safety, and the relaying of workplace safety and health (“WSH”) related messages; we have established a Safety Committee. Collectively as a Group, the Safety Committee comprises of both employee and employer representatives that makes up 20% of the total number of employees in the organization.

The Safety Committee oversees the subsidiaries’ operations to ensure that safety standards are upheld at all times and also up to industry leading practices. In addition, the role and responsibilities of the Safety Committee includes reviewing, effectively implementing and reinforcing safety standards and regulations to ensure all areas of safety are adequately covered.

The Committee members meet at least once a month to review safety inspection results, infrastructures and incidents, as well as to coordinate and organise safety-related activities. Going forward, in order to facilitate the effectiveness of the supervision of workplace safety, the Group plans to have more workers join the safety committee.

The Group seeks to learn from past mistakes and strive to prevent similar incidents from reoccurring. All near-miss incidents and accidents would be promptly reported to the Safety Committee, which will further provide timely incident analysis briefings to the employees. These safety briefings aim to strengthen the safety awareness of employees, and to remind them of

Key Elements of Our Health & Safety System





established safety measures and precautions, as well as safety protocols in the event of similar incidents.

We also ensure each worker is well protected before the start of each assignment, through documenting on the personal protective equipment record to ensure that each worker is sufficiently equipped with protective gears. We have also developed a list of protocols and precautions for workers, to ensure that their safety is fully covered in all areas of work.

### **Workplace Health & Safety Performance**

Category	FY2020	FY2019
	Total	Total
Injury resulting in temporary disabilities	-	-
Death or Total Permanent Disabilities	-	-

In FY2020, there were no incidents of fatalities across the Group's business operations. The Group strives to continue to maintain its health & safety standards and continuous improvement in its Operational Health and Safety processes and performance.



## CORPORATE GOVERNANCE

### ANTI CORRUPTION

Ouhua is committed to uphold the highest standards of corporate governance and business integrity across its business activities, which are essential for the long-term viability of the Group's businesses and the enhancement of shareholder value. All employees are expected to observe and uphold Ouhua'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, including a direct channel to the Audit Committee, for reporting suspected bribery, corruption, dishonest practices or other similar matters.

The whistle-blowing 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, be protected from reprisal. The policy and its effectiveness will be reviewed by the Audit Committee periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required. In FY2020, there were no incidents of regulatory non-compliance across Ouhua's group of businesses. There were also no reported incidents pertaining to whistleblowing for this reporting period under review. The Group continues to work towards reinforcing a full compliance culture.

#### **Moving Forward**

The Audit Committee continues to support the Board in its oversight of anti-corruption and is responsible for driving Ouhua's focus on implementing effective compliance and governance systems. At an operational level, the respective department within the Group continues to be responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, information technology, compliance and reputational related risks.

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 FY2020 Notes to The Finance 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 FY2020 – Group Structure
	102-6 *	Markets served	Refer to AR FY2020 – Note 32 Segment Reporting
	102-7 *	Scale of the organization	136 Full Time Employees
	102-8 *	Information on employees and other workers	Page 11
	102-9 *	Supply chain	Page 10
	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 FY2020 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 Refer to AR FY2020 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 FY2020 – Notes to The Finance 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
	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	FY2019 Sustainability Report
	102-52 *	Reporting cycle	1 January 2020 to 31 December 2020
	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 17 - 19
	102-56 *	External assurance	The Group has not sought external assurance for this sustainability report.
	GRI 306 Waste	DMA	Management approach disclosures
306-2		Waste by type and disposal method	Page 9
306-4		Waste diverted from disposal	
306-5		Waste directed to disposal	
GRI 307: Environmental Compliance	DMA	Management approach disclosures	Page 9-10
	307-1	Non-compliance with environmental laws and regulations	Page 9-10

Category	Disclosure	Description	Page Reference and Remarks
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened Using environmental criteria	Page 10
	308-2	Negative environmental impacts in the supply chain and actions taken	Page 10
GRI 401: Employment	DMA	Management approach disclosures	Page 11
	401-1	New employee hires and employee turnover	Page 11
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 12
	401-3	Parental leave	Page 12
GRI 403: Occupational Health and Safety	DMA	Management approach disclosures	Page 14
	403-1	Occupational Health and safety management system	Page 14-15
	403-2	Hazard identification, risk assessment, and incident investigation	Page 15
	403-9	Types of injury and rate of injury	
GRI 404 Training and Education	DMA	Management approach disclosures	Page 13
	404-1	Average hours of training per year per employee	Page 13
	404-2	Programs for upgrading employee skills and transition assistance programmes	Page 13
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance.
GRI 205 Anti-Corruption	DMA	Management approach disclosures	Page 16 Refer to AR FY2020 Corporate Governance
	205-3	Confirmed incidents of corruption and actions taken	Page 16 Refer to AR FY2020 Corporate Governance

