

# OCEAN SKY

OCEAN SKY INTERNATIONAL LIMITED

**2023**

**SUSTAINABILITY  
REPORT**

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## **Sponsor's Statement**

This Sustainability Report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**").

This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the 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 the General Building category and Grade C1 for the 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. The Group has established a successful track record and continues to explore suitable property development and investment opportunities.

### **Property Development**

#### **Singapore**

The Group successfully completed the redevelopment and sale of a 456 square metre luxury detached house at Nim Drive. The project which commenced in 2017, marks the Group’s successful foray into the property development business in Singapore.

As part of Ocean Sky’s approach to developing 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 and Cairnhill 16. Located at 17 Balmoral Road in District 10, Sloane Residences is a 12-storey freehold development featuring an exclusive collection of 52 stunning residences nestled in an impeccable neighbourhood of distinction. Located at 16 Cairnhill Rise in District 9, Cairnhill 16 is a 15-storey luxury hilltop development with 39 exclusive units 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 ("**Report**") of the Group for our financial year ended 31 December 2023 ("**FY2023**").

We believe that paying close attention to sustainability issues is critical to not only profitability and shareholder value, but also to the long-term viability of our business. As such, the key material economic, environmental, social, and governance ("**EESG**") factors (collectively, "**Sustainability Factors**") relevant to our business have been identified and cautiously reviewed by the Group. Taking into account the feedback that we receive from our engagement with our stakeholders, we also strive to manage all material Sustainability Factors to address sustainability risks across the operations and create long term value for all our valued stakeholders.

The Board of Directors (the "**Board**") continues to play an integral role in leading our Group's sustainability endeavours. The Board oversees, determines, and monitors material Sustainability Factors and integrates Sustainability Factors into the Group's corporate strategy. As part of our continual efforts to strengthen the knowledge of our directors on sustainability reporting and to meet the requirement of Rule 720(6) of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), we confirm that all directors have attended one of the approved sustainability training courses.

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 the accuracy of data and information. To align with the Sustainability Reporting Guide Practice Note 7F set out by the SGX-ST, our sustainability reporting process has been subjected to an internal review. We may seek external assurance in the future.

### REPORTING FRAMEWORK, PERIOD AND SCOPE

This Report is prepared in compliance with the requirements of Rules 711A, 711B of 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 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 out throughout a 12-month period, from 1 January to 31 December 2023 ("**Reporting Period**").

Our FY2023 Sustainability Report covers entities that have significant impact on the Group and summarises the expectations from various stakeholders, the general business environment in which the Group is operating and the management approach in relation to the material Sustainability Factors. Entities with revenue contribution of less than 5% to the Group's revenue are considered to have insignificant impacts and joint venture activities in which the operational control is exercised by different respective management teams have been excluded from the reporting scope.

We recognise the importance of aligning our climate-related disclosures with the Task Force on Climate-related Financial Disclosures Recommendations (“**TCFD**”), and we are committed to identifying and managing key climate-related risks and opportunities relevant to our business to meet the expectations of various stakeholders. For more insights and information on our TCFD-aligned climate-related disclosures, please refer to page 19-21.

The information disclosed in this Sustainability Report, read together with the information in the Annual Report for FY2023 will provide the readers with a holistic view of the operations of our Group. We strive to improve the reporting and management of all material Sustainability 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 the SGX website or our company website <https://www.oceanskyintl.com> for our Sustainability Report.

On behalf of the Board,

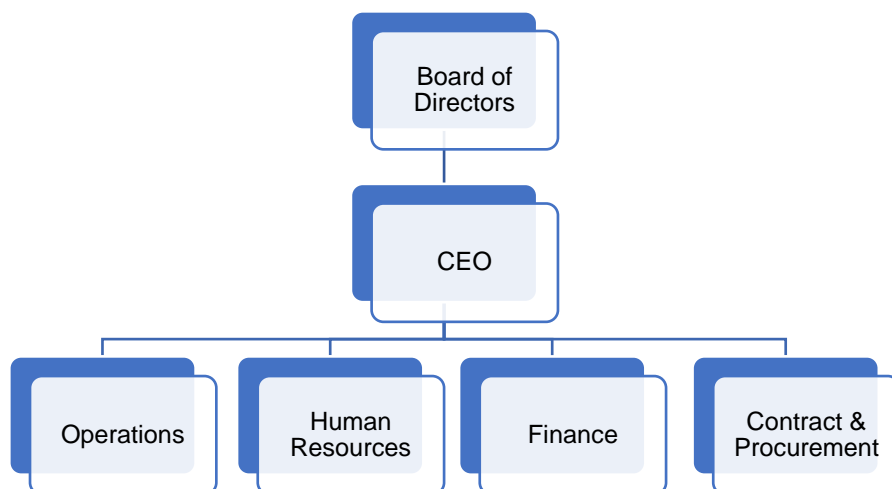
Ang Boon Cheow Edward  
Executive Chairman & Chief Executive Officer

8 April 2024

# POLICY, PRACTICES AND PERFORMANCE REPORTING

## SUSTAINABILITY GOVERNANCE

To ensure that sustainability is embedded across all aspects of our organisation, the Group's sustainability governance structure is integrated into our corporate governance framework to drive, govern, and manage the sustainability risks and opportunities across our operations.



The Board is ultimately accountable for oversight of the Group's sustainability agenda, including but not limited to, overseeing the determination and management of material Sustainability Factors (including climate-related risks and opportunities) and integrating sustainability-related considerations into the Group's strategic direction, target setting, and policies.

Our sustainability efforts are led by the Chief Executive Officer ("**CEO**") who is in charge of strategic management of material Sustainability Factors, implementation of sustainability initiatives and monitoring of the Group's progress on sustainability performance. The CEO reports to the Board regularly and is supported by the Financial Controller and staff from various business functions, namely, operations, human resources, and contract & procurement, who are responsible for the coordination of the sustainability reporting process, data collection, and implementation of sustainability-related initiatives and programmes across the Group.

## SUSTAINABILITY METHODOLOGY



## 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 Group	Engagement Platform	Engagement Frequency	Key Concerns/Feedback Raised
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• Meetings</li> <li>• Performance appraisal</li> <li>• Welfare &amp; social events</li> <li>• Training</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Monthly</li> <li>• Annually</li> <li>• Ad hoc</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Workplace safety</li> <li>• Workers' welfare</li> <li>• Talent retention and career progression</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Email communications, phone calls</li> <li>• Meetings</li> <li>• Company website (<a href="https://www.oceanskyintl.com">https://www.oceanskyintl.com</a>)</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Ad hoc</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• On time project completion</li> <li>• Service quality</li> <li>• Workplace safety</li> <li>• Competitive prices</li> </ul>
<b>Suppliers and Service Providers</b>	<ul style="list-style-type: none"> <li>• Email communications, phone calls</li> <li>• Meetings</li> <li>• Site visits</li> <li>• Trade events</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Ad hoc</li> <li>• Ad hoc</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Prompt payment</li> <li>• Service quality</li> <li>• Compliance to laws and regulations</li> <li>• Sustainable and environmentally responsible practices</li> </ul>
<b>Investors / Shareholders</b>	<ul style="list-style-type: none"> <li>• Announcements via SGXNet, company website</li> <li>• General meetings</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Ad hoc / Half-Yearly</li> <li>• Annually</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to rules and regulations</li> <li>• Financial results</li> <li>• Business updates</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>• Seminars conducted by regulators</li> <li>• Relevant government association memberships</li> <li>• Email communications</li> </ul>	<ul style="list-style-type: none"> <li>• Ad hoc</li> <li>• Ad hoc</li> <li>• Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to rules and regulations</li> </ul>

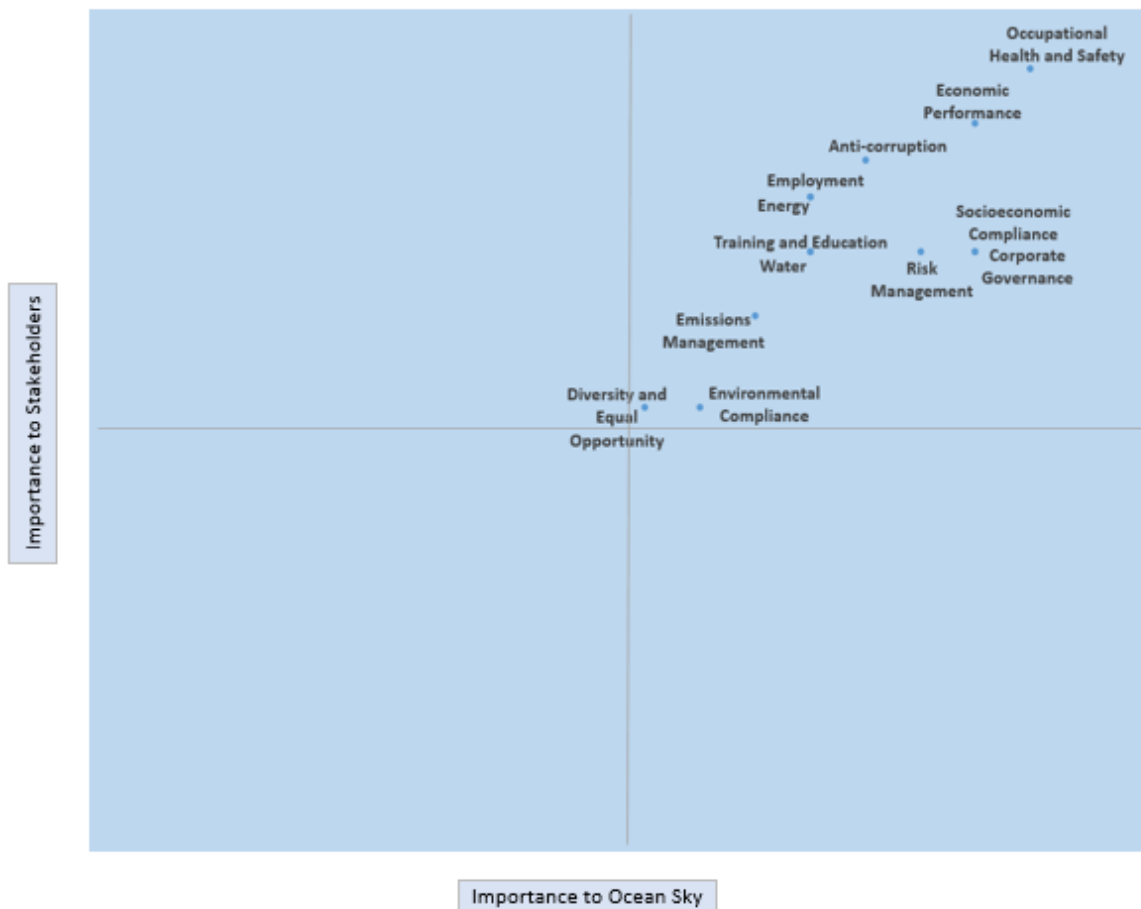
## MATERIALITY ASSESSMENT

We are cognisant of the fact that our material sustainability issues can directly and indirectly impact our ability to create long-term value for our stakeholders. In FY2023, a full-scale materiality assessment was conducted, involving both our key internal and external stakeholders to understand expectations and ensure that their interests and concerns are addressed. Our materiality assessment methodology is as follows:



Our sustainability process began with identifying relevant factors through consultation with experts, internal workshops, and stakeholder engagements. We considered the actual and potential impacts of Sustainability Factors on the economic, environmental, social and governance aspects during the identification process. Next, we assessed the pervasiveness of factors across the Group and clustered the relevant factors together. Thereafter, the Management conducted a materiality assessment, incorporating inputs from stakeholder engagements and prioritising Sustainability Factors that were deemed material based on the overall significance of sustainability impact on the business and its influences on the assessments and decisions of our company's stakeholders. Subsequently, the Board validated and approved the outcomes of the materiality assessment. The result of this process is a materiality matrix, which is disclosed in this Report as follows:

## Ocean Sky Materiality Assessment FY2023



## ECONOMIC

### ECONOMIC PERFORMANCE

For detailed financial results, please refer to the following sections in our 2023 Annual Report:

- Financial highlights, pages 4 to 5;
- Financial review, pages 16 to 17; and
- Financial statements, pages 53 to 112.

### 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 by preventing conflicts of interest and prohibiting unethical behaviour. We have in place a code of conduct and a whistleblowing policy that hold our employees and business partners to the highest standards, including, but not limited to unlawful and unethical conduct, such as corruption 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 declarations from our employees and embedded internal controls in place to help us detect any potential misconduct as stated in our whistleblowing policy, reflecting our steadfast dedication to 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 an independent investigation and appropriate follow-up on such matters.

To ensure independent investigation of such matters and 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. Please refer to the “Corporate Governance” section in our 2023 Annual Report for more information on our whistle-blowing policy.

<b>FY2023 Target</b>	<b>FY2023 Performance</b>	<b>Short, Medium, and Long-Term Target</b>
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 ended 31 December 2023.	Target met.  No reported incidents of corruption in FY2023.	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.

## **ENVIRONMENTAL**

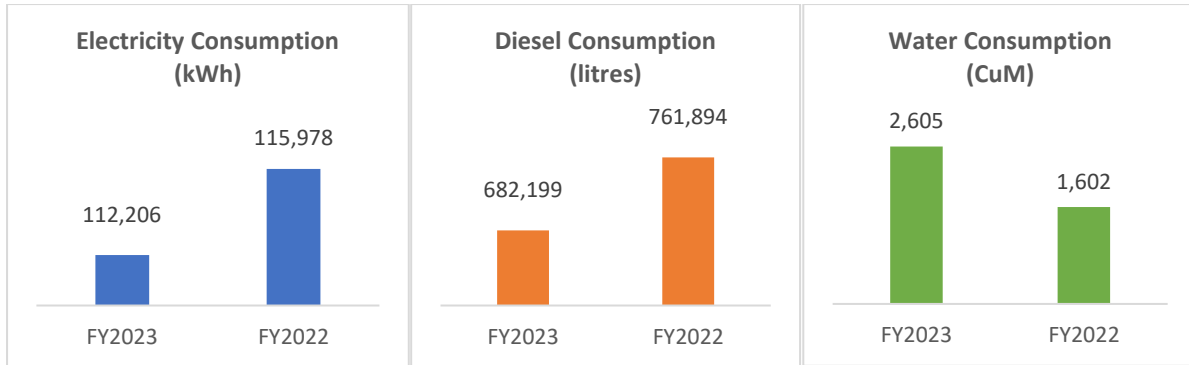
### **ENERGY AND WATER**

The Group is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our worksites and in the environment where we operate.

In the year 2016, ATSB was awarded the BCA Green and Gracious Builder (SMC) Award, for which we successfully completed a 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.

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. During FY2023, we engaged a solar energy system developer for the installation of 325 kWp solar PV system on our office building's rooftop located at Tuas. This initiative reflects our efforts in energy conservation. The solar PV system commenced operation in November 2023.

In FY2023, our water consumption increased significantly by 63% from 1,602 CuM in FY2022 to 2,605 CuM in FY2023. An investigation into suspected water leakage underground which may have caused the increase is currently ongoing to address the issue. Our diesel consumption decreased by 10.5% (FY2022: increase by 34.7%) compared to the previous year due to lower diesel consumption for direct operation works performed by the Group as certain scopes of the construction works were outsourced to third-party sub-contractors. The decrease in electricity consumption by 3.3% (FY2022: 6.7%) was attributed to the installation of solar panels.



We remain vigilant with the use of water resources, and we also 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 environmental impact by finding ways to increase efficiency across our operations. In FY2023, we achieved the target set by maintaining a 4.5-star rating from the 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 conserving electricity and water. With continued effort, we are confident that we can continue to maintain or reduce our consumption and improve our sustainability practices.

FY2023 Target	FY2023 Performance	Short, Medium, and Long-Term Target
We will continue to maintain or lower our energy and water consumption in FY2023. We also target to maintain the 4.5-star NABERS rating.	Target partially met. <ul style="list-style-type: none"> <li>Consumed less electricity and diesel, while water consumption increased.</li> <li>Maintained 4.5-star rating from NABERS.</li> </ul>	We will continue to maintain or lower our energy and water consumption. We will also target to maintain the 4.5-star NABERS rating.

## EMISSIONS MANAGEMENT

The Group acknowledges that our energy consumption and the resultant greenhouse gas (“**GHG**”) emissions contribute to climate change. Accordingly, we are committed to reducing our carbon footprint to preserve the environment we operate in and enhance returns to shareholders. During the Reporting Period, we have started tracking and disclosing our GHG emissions arising from our operations for the first time, particularly Scope 1 and Scope 2 emissions. The Group will work towards establishing medium and long-term emission targets in the future as we mature in our sustainability journey. Key statistics on GHG emissions during the Reporting Period are as follows:

Performance Indicator	FY2023
Direct Scope 1 GHG Emissions (tCO <sub>2</sub> -e) <sup>1</sup>	1,841
Indirect Scope 2 GHG Emissions (tCO <sub>2</sub> -e) <sup>2</sup>	47

<sup>1</sup> Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

<sup>2</sup> Scope 2 GHG emissions are calculated based on the emissions factors published by the Singapore Energy Market Authority.

FY2023 Target	FY2023 Performance	FY2024 Target
Not applicable. There was no target set for FY2023.	We have started tracking and disclosing our GHG emissions arising from our operations for the first time, particularly Scope 1 and Scope 2 emissions.	We aim to identify the major contributors to emissions and maintain or reduce the GHG emissions arising from our operations.

## 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, prioritising occupational health and safety, and complying 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.

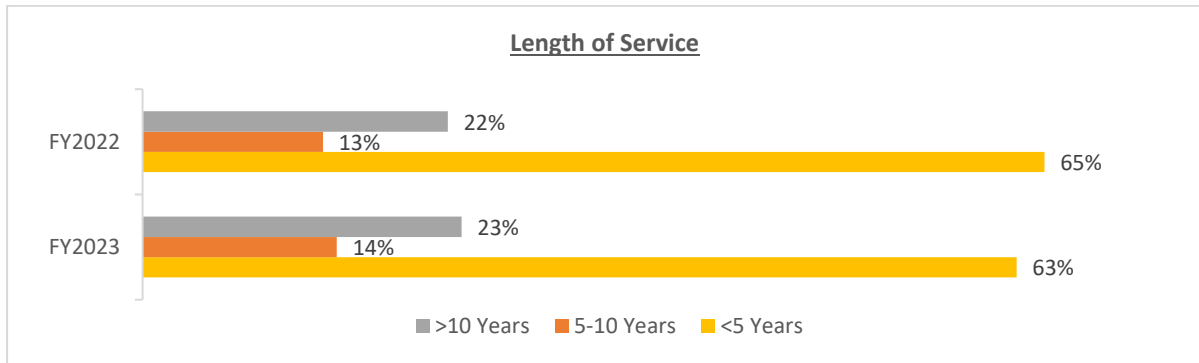
## EMPLOYMENT

Every employee plays an essential role in our Group. We achieve success by promoting a collaborative work environment in which everyone is committed to achieving 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.

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

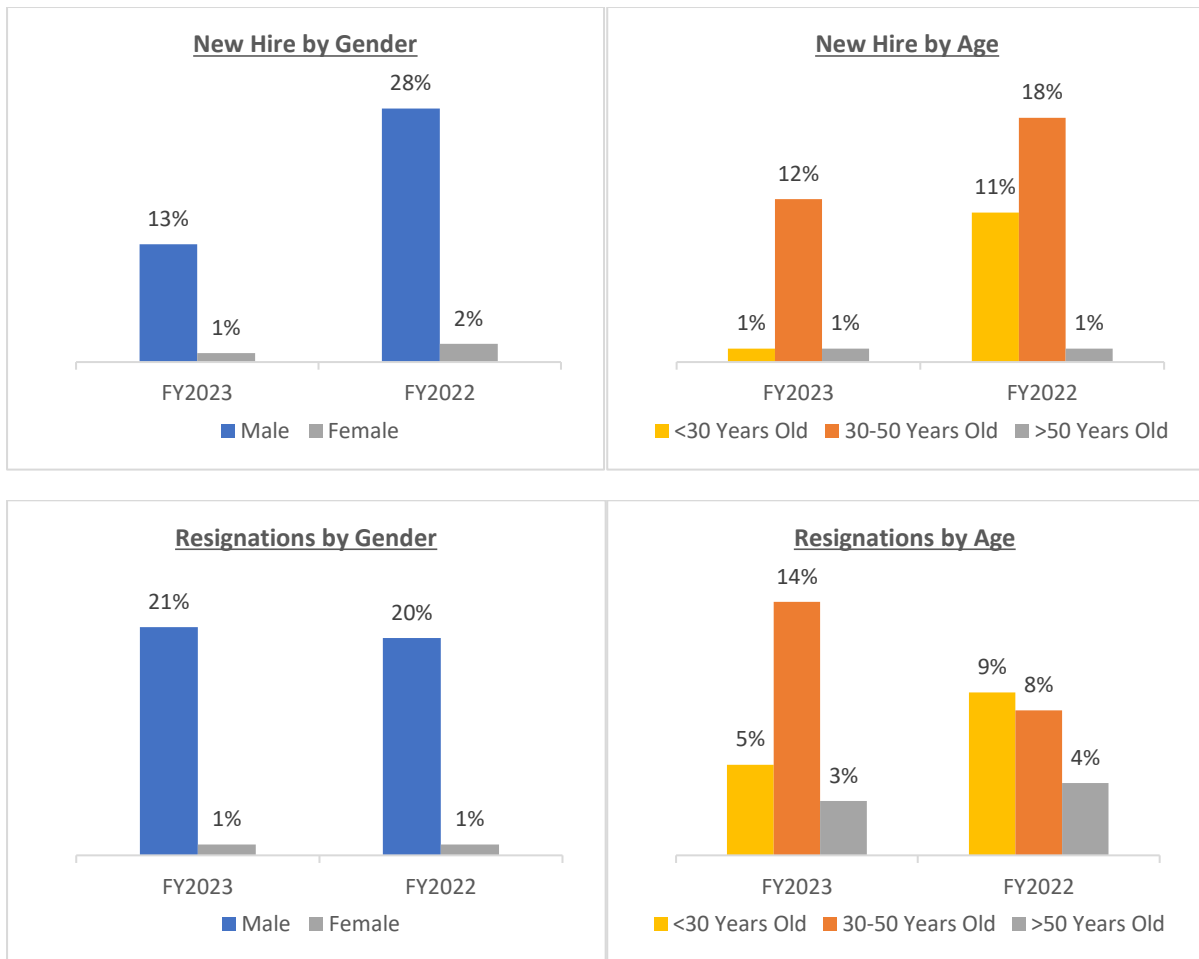
The Group had a total of 179 employees as of 31 December 2023 (FY2022: 195), with 14% new recruits (FY2022: 30%) and 22% resignations (FY2022: 21%). In FY2023, the age group of 30 - 50 years old accounted for the highest number of new hiring activities (FY2022: 30 - 50 years old). Major attrition affected the age group of 30 to 50 years old the most (FY2022: less than 30 years old). We spoke to our foreign workers, and some of them cited their preference to be reunited with loved ones and return to their home countries. In FY2023, we did not experience any difficulties in recruiting foreign workers as international borders opened and travel resumed.

Key statistics in relation to the length of service of all employees are as follows:



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

**Group Employment at A Glance**



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 FY2023, our key event celebration with employees includes Labour Day. We also conducted workers' welfare lunch and appreciation dinner in 2023.



FY2023 Target	FY2023 Performance	Short, Medium, and Long Term Target
We strive to maintain our hiring practices based on merits and conduct key events to increase camaraderie.	Target met.  Maintained hiring practices based on merits and conducted key employee events.	We strive to maintain our hiring practices 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. Ocean Sky adopted a policy of Board Diversity, which 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.

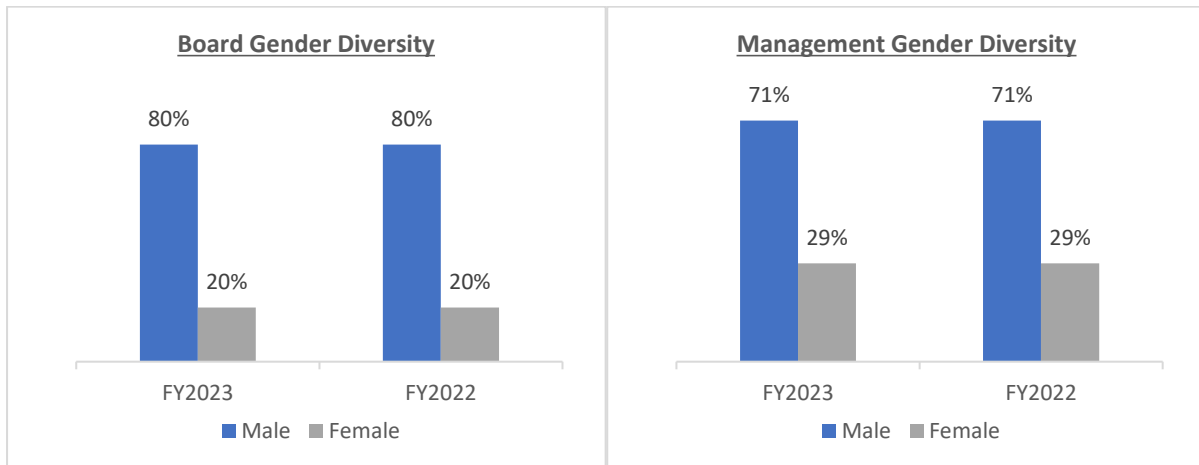
In reviewing Board composition, the NC will consider the benefits of all aspects of diversity, including, but not limited to, those described in the Board Diversity policy, in order to maintain an appropriate range and balance of skills, experience, and backgrounds in the composition of the Board. The NC has not set a specific target for board diversity as it may detract from the more fundamental principle that the candidate must be of the right fit and meet the relevant needs and vision of the Company. The NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new Directors.

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 diverse representation of the Board.

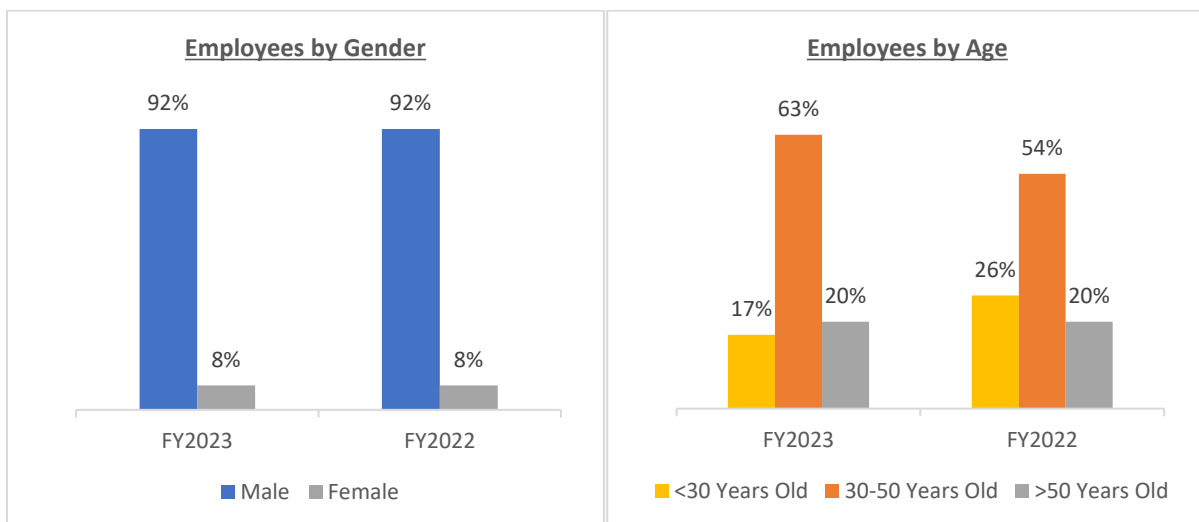
For detailed description of the Group’s Corporate Governance, please refer to our 2023 Annual Report pages 18 to 41.

**Board and Management Diversity**

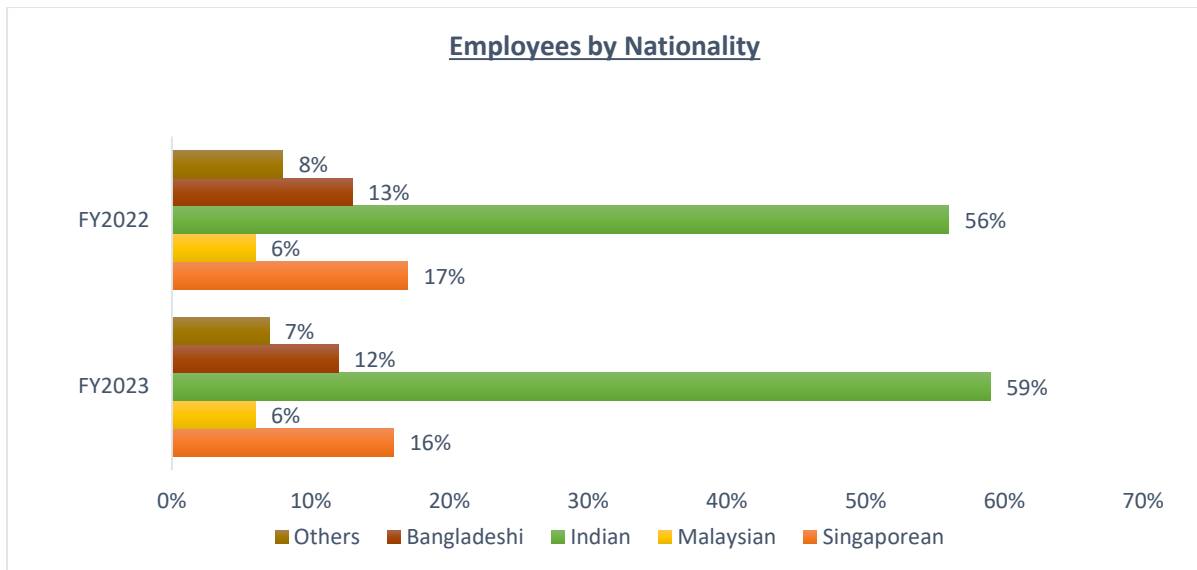


Our commitment to management diversity means that we are actively working towards creating a workplace that is inclusive for all employees, regardless of their gender, race, ethnicity, or any other characteristic. By promoting diversity in management, we are better equipped to understand and respond to the needs of diverse stakeholders. We understand that achieving diversity in management is a continuous journey, and we are committed to taking the necessary steps to make it a reality. In FY2023, 29% of our management workforce comprised female management (FY2022: 29%<sup>3</sup>). We are proud to be hiring 100% (FY2022: 100%) of our management from our local community to strengthen our commitment to sustainability and local community development.

**Group Workforce Diversity**



<sup>3</sup> Figures has been restated due to correction.



**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 skill sets and competencies.

FY2023 Target	FY2023 Performance	Short, Medium, and Long Term Target
We will continue to track and improve the representation of diverse employees as well as ensuring no discrimination in our Group throughout the years.	Target met.  Tracked and improved the representation of diverse employees, no cases of discrimination reported.	We will continue to 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 the health and safety of our employees is of the utmost importance to 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, eventually maximising our performance in the workplace. By implementing job safety guidelines, we are committed to providing a hazard-free workplace to ensure the well-being of both our employees and the environment.

Ocean Sky employs a variety of measures to ensure the health and safety of all our staff. Daily onsite work briefings, including risk assessments, required safety measures, designed personal safety protections, and most importantly, the spirit of teamwork, is strongly emphasised on each individual project site by our designated competent safety coordinators. The Lead safety coordinator and safety officers are always on random site visits to ensure safety compliance and provide necessary discussions and comments to the respective teams to further improve the safety measures and well-being of the ongoing project. Weekly pest control is conducted to ensure all kinds of pests are removed from the workplace to keep our employees 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 the 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:

No.	Name of Certificate	Issue Date	Expiry Date
1	ISO 9001:2015 (Quality Management System)	16-Jun-23	23-Jun-26
2	ISO 45001:2018 (Occupational Health and Safety Management System)	16-Jun-23	23-Jun-26
3	ISO 14001:2015 (Environmental Management System)	16-Jun-23	23-Jun-26
4	BizSafe Certificate Level 3 (Awarded to ATSC)	26-Oct-23	24-Oct-26
5	BizSafe Star Certificate (Awarded to ATSB)	22-Jun-23	23-Jun-26
6	BCA Green and Gracious Builder (SMC) Award	14-Mar-22	12-Jan-25

During this Reporting Period, there was one recorded work-related accident. One of our workers accidentally cut his left index finger when unloading the material from the storage area. To prevent such an incident from reoccurring, the supervisor will brief the team on the work procedures on a daily basis before the start of each work shift. There is also a plan to review and re-brief the Risk Assessment and Safe Work Procedures as well as conduct refresher training on the proper method of placing and taking GI pipe from the storage area.

FY2023 Target	FY2023 Performance	Short, Medium, and Long Term Target
We endeavour to maintain the certifications that we have obtained and target to have zero reportable incidents of work-related accidents to the Ministry of Manpower.	Target partially met.  We maintained certifications that we have obtained and there was 1 incident of work-related accident reported.	We endeavour to maintain the certifications that we have obtained and target to have zero reportable incidents of work-related accidents.

## 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 FY2023 to monitor our workforce's professional development.

Performance Indicators	FY2023		FY2022	
	Male	Female	Male	Female
Number of employees	164	15	180	15
Total training hours	808	12.5	1509	9
Average training hours per employee	4.9	0.8	8.4	0.6



At Ocean Sky, we strive to develop the skills of all our workforce, regardless of their gender. Each year, all new recruits are required to attend a set of programmes and courses provided by the Group. Due to the nature of our industry, we have a significantly larger male workforce compared to a female workforce. There were more training sessions 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 FY2023 (FY2022: 26 programmes). The list of training programmes provided in FY2023 is as follows:

<b>Training Programmes</b>	
1	Basic Traffic Control Course
2	Construction Safety Orientation Course (CSOC) Recertification Assessment
3	Apply Workplace Safety and Health (WSH) in Construction Sites
4	Registered Earthworks Supervisor Course via Online
5	Perform Rigger and Signalman Course
6	Supervise Safe Lifting Operations
7	HEO Hydraulic Excavator Operation (As Lifting Machine)
8	Continual Educational Training (CET) Structural Steel Works via Online
9	Fire Watchman Course
10	Operate Lorry Crane Refresher Course
11	Continual Educational Training (CET) Reinforced Concrete Works via Online
12	Construction Plant Operations
13	Coretrade Familiarisation Course with Skills Assessment in Enhanced Aluminium Formwork
14	Occupational First Aid Course
15	Occupational First Aid Refresher Course
16	Coretrade Supervisor (Structural) via Online Learning Management System at own pace and time
17	WSH Committee Members Training Course
18	Perform Work in Confined Space Operation
19	Supervise Work in Confined Space Operation
20	Amendments to the Singapore Companies Act
21	Ethical Business Conduct: Advanced Cases in Corporate Governance
22	Issues that Trigger Tax Audit and Tax Investigations: Case Studies and Practical Advice from the Field
23	Financial Reporting Standards (FRS) Updates Seminar 2023
24	The Impact of Recession on ESG Goals
25	Applying the IFRS Sustainability Disclosure Standards
26	Climate Reporting Fundamentals for ListCos




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 to stay competitive in our industry. We are committed to providing our employees with the support they need to stay current in their skillset. During FY2023, we have revised our target set for the year after due consideration whereby new joiners are provided with more courses to enable them to carry out their work effectively.

FY2023 Revised Target	FY2023 Performance	Short, Medium, and Long Term Target
We will continue to provide relevant training programmes and courses to employees for the advancement of their development.	Target met.  Provided training programmes and courses to employees for the advancement of their development.	We will continue to provide relevant training programmes and courses to employees for the advancement of their development.

## 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:

Organisation	What They Do
Singapore Chinese Chamber of Commerce & Industry  	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  	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  	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 leading practices in corporate governance to ensure the 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 mediums 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, and 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 long-term interests and create value for the Group and its stakeholders.

Please refer to the 2023 Annual Report pages 18 to 41 for details of the Group's Corporate Governance Report.

<b>FY2023 Target</b>	<b>FY2023 Performance</b>	<b>Short, Medium, and Long Term Target</b>
Continue to adhere to the Code of Corporate Governance 2018 to ensure greater transparency, accountability and maximisation of long-term shareholder value.	Target met.  Continued to adhere to the Code of Corporate Governance (except where otherwise explained).	Continue to adhere to the Code of Corporate Governance 2018 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 for making informed decisions with regard to the risk exposure and risk appetite of the Group. For detailed disclosure of our risk management, please refer to pages 31 to 36 of our 2023 Annual Report.

<b>FY2023 Target</b>	<b>FY2023 Performance</b>	<b>Short, Medium, and Long Term Target</b>
We aim to perform risk assessment annually and ensure 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.	We aim to perform risk assessment annually and ensure compliance on disclosures in accordance with the SGX-ST requirements.

## SOCIOECONOMIC COMPLIANCE

All 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 that requires commitment and dedication from everyone involved. The Group regularly updates relevant staff with developments in international and local regulations.

<b>FY2023 Target</b>	<b>FY2023 Performance</b>	<b>Short, Medium, and Long Term Target</b>
We aim to maintain zero incidence of non-compliance with the applicable laws and regulations.	Target met.  No reported incidence of significant fines or non-monetary sanctions for non-compliance with laws and regulations.	We aim to maintain zero incidence of significant fines or non-monetary sanctions for non-compliance with the applicable laws and regulations.

## 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 use double-sided printing to reduce paper waste.
- Re-using water for washing to reduce water waste.
- Switching off lights and air-conditioners during lunch breaks.
- Recycling materials from one project to another where possible.

<b>FY2023 Target</b>	<b>FY2023 Performance</b>	<b>Short, Medium, and Long Term Target</b>
We target to maintain zero 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.	We target to maintain zero reported incidents of non-compliance with the relevant laws and regulations.

# CLIMATE-RELATED DISCLOSURES

## GOVERNANCE

The Board of Directors is ultimately accountable for oversight of the Group’s climate-related issues across the Group including, but not limited to, overseeing the management of climate-related risks and opportunities, and integrating climate-related considerations into the Group’s strategic direction and policies, as well as approving the strategy, initiatives, and performance targets relating to addressing climate risks. The Board ensures that climate-related issues are discussed regularly during board meetings and is responsible for setting the tone and direction for the Group in the way climate-related risks are managed in the Group’s businesses.

The CEO supports the Board by strategically managing climate-related risks and opportunities, driving the implementation of group-wide climate-related initiatives, and recommending policies, guidelines, and procedures to support climate-related management efforts as well as climate disclosures. The CEO is also responsible for monitoring and managing sustainability and climate-related concerns raised by stakeholders and reporting to the Board pertaining to climate-related risks relevant to the business.

## STRATEGY

We have begun developing our internal capabilities to address the Recommendations of the TCFD in order to manage critical climate-related risks and opportunities within our organisation in a more strategic manner. Based on our climate risk assessment conducted in FY2023, we have identified and assessed climate-related risks and opportunities across our operations that have potential financial impacts in the short (Year 2025), medium (Year 2030) and long term (Year 2050) as follows:

Climate-related Risks	Description	Anticipated Financial Impact	Timeframe
<b>Physical risk</b> Rising mean temperatures and increased extreme weather events	Increased frequency and severity of flash floods and rising mean temperatures as a result of climate change can affect work productivity and increase economic damage to our assets, machinery equipment, and building.	Increased operating costs and insurance premium	Medium to Long term
<b>Transition risk (Policy and Legal)</b> Expansion of carbon pricing mechanism	Stricter constraints on emissions (i.e. Singapore Carbon Pricing (Amendment) Act 2022 issued to advance Singapore’s transition towards net-zero) and the increase in carbon emissions pricing will inevitably increase our operating expenses and costs.	Increased carbon emission reduction cost	Medium to Long term
<b>Transition risk (Reputation)</b> Enhanced climate reporting requirements	Increased expectations and stringent sustainability and climate disclosure requirements imposed by various stakeholders such as regulators and investors may lead to increased compliance costs. Failure to comply with relevant climate reporting requirements imposed by the authority may lead to	Increased operating and compliance costs	Short to Medium term

	adverse impacts on the Group's reputation.		
<b>Transition risk (Market)</b> Shift in customer preference	Rising sea levels and extreme weather conditions have increased the demand for flood-resistant buildings and infrastructure. Failure to meet the needs and demand of changing customer preferences for low-carbon construction materials may lead to losing market share.	Decreased product demand and revenue	Medium to Long term
<b>Opportunities (Resilience)</b> Increased supply chain resilience and adaptability	Investing in resilient materials and adopting sustainable approaches, e.g., sourcing for low carbon building materials, and mitigating the climate-related impacts across value chain, will help the Group increase its adaptability in the future.	Decreased operating costs  Increased business revenue	Medium to Long term

## RISK MANAGEMENT

Recognising the critical importance of climate-related risks, we leveraged our Enterprise Risk Management (“**ERM**”) which governs the risk management process in the Group and enables the identification, prioritisation, assessment, management, and monitoring of key risks to the Group’s business. The Group’s risk management and internal controls system in place is adequate and effective in addressing the material risks in the Group’s current business environment including climate-related risks.

Our ongoing efforts involve performing risk assessment annually and ensuring compliance with disclosures in accordance with the SGX-ST requirements. We will look into updating the risk register and incorporating sustainability issues, including climate-related risks and opportunities, into our ERM framework in FY2024 so that relevant risks and opportunities are identified, strategically assessed, and effectively managed through our comprehensive risk management process.

To uphold a resilient system of risk management and internal controls, safeguarding the interests of our shareholders and the assets of the Group, we will ensure clear roles and duties between the Board and CEO on climate-related risk management matters are established in the future. The CEO reviews all significant control policies and procedures and highlights all significant matters to the Board which oversees the Company’s risk management framework and policies, with the assistance of an external risk management consultant and internal auditors.

## METRICS AND TARGETS

### METRICS

As we strive to mitigate climate change impacts, we have established climate-related metrics such as those disclosed below to give our stakeholders a clearer picture of how we manage climate-related risks and opportunities. We keep track of our climate performance by adopting various performance metrics:

- Electricity consumption (kilowatt hour)
- Diesel consumption (litres)
- GHG emissions Scope 1 and Scope 2 (tCO2-e)
- Water consumption (cubic meters)

Additionally, we have begun monitoring and disclosing our Scope 1 and Scope 2 GHG emissions in the report.

## **TARGETS**

We have realised the significance of monitoring our indirect Scope 3 emissions, and we aim to report our Scope 3 emissions coverage in categories pertinent to the Group as soon as the data is obtainable. In accordance with our pledge to combat climate change, the Group has established climate-related objectives as mentioned below:

- Energy: To maintain or lower our energy consumption.
- Water: To maintain or lower our water consumption.
- GHG Emissions: To identify the major contributors to emissions and strive to maintain or reduce the GHG emissions arising from our operations.

For further details, please refer to pages 7 to 9.

## GRI CONTENT INDEX

<b>Statement of use</b>	Ocean Sky International Limited has reported the information cited in this GRI content index for the period 1 January to 31 December 2023 with reference to the GRI Standards.	
<b>GRI 1 used</b>	GRI 1: Foundation 2021	
<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
GRI 2: General Disclosures 2021	2-1 Organizational details	Pg. 1-2
	2-2 Entities included in the organization's sustainability reporting	Pg. 2
	2-3 Reporting period, frequency and contact point	Pg. 2-3
	2-4 Restatements of information	Pg. 12
	2-5 External assurance	Pg. 2
	2-6 Activities, value chain and other business relationships	Pg. 1-2
	2-7 Employees	Pg. 9-13
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	AR Pg. 22-24
	2-10 Nomination and selection of the highest governance body	AR Pg. 27
	2-11 Chair of the highest governance body	AR Pg. 20
	2-12 Role of the highest governance body in overseeing the management of impacts	Pg. 4
	2-13 Delegation of responsibility for managing impacts	Pg. 4
	2-14 Role of the highest governance body in sustainability reporting	Pg. 4
	2-15 Conflicts of interest	Pg. 6-7
	2-16 Communication of critical concerns	Pg. 4-5, 7
	2-17 Collective knowledge of the highest governance body	Pg. 2
	2-18 Evaluation of the performance of the highest governance body	AR Pg. 27
	2-19 Remuneration policies	AR Pg. 28-31
	2-20 Process to determine remuneration	AR Pg. 28-29
	2-21 Annual total compensation ratio	AR Pg. 30-31
	2-22 Statement on sustainable development strategy	Pg. 2-4
	2-23 Policy commitments	Pg. 6-7



	2-24 Embedding policy commitments	Pg. 6-7
	2-25 Processes to remediate negative impacts	Pg. 6-7
	2-26 Mechanisms for seeking advice and raising concerns	Pg. 6-7
	2-27 Compliance with laws and regulations	Pg. 17-18
	2-28 Membership associations	Pg. 16
	2-29 Approach to stakeholder engagement	Pg. 4-5
	2-30 Collective bargaining agreements	Pg. 9
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pg. 5-6
	3-2 List of material topics	Pg. 5-6
	3-3 Management of material topics	Pg. 6-18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pg. 6
	201-4 Financial assistance received from government	AR Pg. 95
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Pg. 6-7
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pg. 7-8
GRI 303: Water and Effluents 2018	303-5 Water consumption	Pg. 7-8
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pg. 8-9
	305-2 Energy indirect (Scope 2) GHG emissions	Pg. 8-9
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pg. 9-10
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pg. 13-14
	403-5 Worker training on occupational health and safety	Pg. 13-14
	403-9 Work-related injuries	Pg. 13-14
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pg. 14-16
	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 14-16
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg. 11-13