

# SUSTAINABILITY REPORT 2021

FOR THE SECURITY OF TOMORROW



**OCEANUS**  
GROUP

SUSTAINABILITY REPORT 2021 .....	0
CEO's Message .....	2
Organisation Profile.....	4
Reporting Practice.....	8
Stakeholder Engagement and Materiality Assessment .....	9
Our Sustainability Story.....	12
Focus 1: Governance and Ethics .....	14
Focus 2: Economic Performance .....	17
Focus 3: Food Security .....	18
Focus 4: Human Capital.....	22
Focus 5: Environment .....	25
Focus 6: Community Engagement .....	28
SGX Five Primary Components Index.....	29
GRI Standards Content Index .....	29

## CEO's Message

Dear Stakeholders,

On behalf of our Board of Directors, it is my pleasure to present to you Oceanus Group Limited's ("Oceanus" or the "Company", and collectively with its subsidiaries, the "Group") Sustainability Report 2021 (the "Report"). The Report covers our sustainability performance and efforts from 1 January 2021 to 31 December 2021 (the "reporting period").

Oceanus Group's mission is to build a sustainable today for the security of tomorrow. Our four growth pillars – Food Production, Distribution, Services and Innovation – have experienced a significant boost over the year, bringing forth our cross-pillar synergy and strength to navigate the uncertain global economic situation for long-term growth.

The heart of Oceanus lies in our focus to continuously create value for our stakeholders through passion, astuteness and devotion. We are committed and well-positioned to capture global food security needs and become a leading food security player in the global supply chain.

Over the past year, we have made significant progress in our four business pillars. Under the Food Production pillar, we entered into an exclusive contract with a major seafood producer in Vietnam to distribute seafood products into the Chinese market. We also achieved a 1.2 million ton trade volume in both China and Southeast Asia.

Under the Distribution pillar, Sino Food Group, a subsidiary, became an approved frozen food distributor of a Fortune Global 500 company where the Group exports frozen food products from over 200 exporters in Europe and North and South America, to China. The Distribution business had also expanded its list of fast-moving consumer goods ("FMCG") offering and is looking to expand its footprint in the food distribution sector in Asia.

Additionally, we consolidated our suite of multimedia companies into a single entity – Oceanus Media Group ("OMG"). OMG, under the Services pillar specialises in producing 'futurealistic' experiences through augmented reality, interactive live-stream and immersive media content. The various experiences encompass the brand's six key building blocks which are Virtual Expansion, Hyper-Immersion, Live Broadcast, Human Connection, Social Interaction and Media Technology.



To support the Group's customers and its own growing online and offline distribution business in the region, the Services pillar also saw the start of Oceanus' warehousing and logistics solution Oceanus Tradelog Pte Ltd. Within the first few months of incorporating, Oceanus TradeLog has secured a contract to provide SATS subsidiary Country Foods with both warehousing and logistics services for its frozen meat products..

Last but not least, our Innovation pillar will continue to broaden the Group's online capabilities and initiatives in Asia through digital transformation and technological advancements.

The future of Oceanus will see the Group become a leader in the FoodTech space to ensure food security in this region.

We are deeply grateful and appreciative of the support we have received from our stakeholders over the years. Staying true to our belief in building sustainability today for the security of tomorrow, we will look ahead and advance towards a long-lasting, sustainable growth for the Group.

Sincerely,

**MR PETER KOH**

Chief Executive Officer

## Organisation Profile

Founded in 1988 and headquartered in Singapore, Oceanus Group Limited was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Beginning as a one of the region's largest land-based aquaculture company producing juvenile abalones, the Group is now diversified across the four key operating segments are as follows:

- **Food Production** – seafood farming assets in China, and export of wild-caught and farmed seafood to global customers;
- **Distribution** – network across countries such as China, Southeast Asia, Europe and Australia, with growing portfolio of food commodities, frozen meats and various FMCG products;
- **Services** – logistics and warehousing, digital immersive marketing, and land leasing and management; and
- **Innovation** – innovation and digitalisation of supply chain management, and development of blockchain-enabled digital exchange.

## Key Highlights For the Year

### Food Production

Aquaculture has always been the cornerstone pillar of Oceanus' business. Today, we continue to leverage on cutting-edge farming technologies to keep us at the forefront of addressing global food security challenges.



- **Achieved 1.2 million tonnes of seafood trade volumes**

The Group is working to bridge the gap between food producers and merchants by expanding presence further down the supply chain, reaching 1.2 million tonnes of seafood volumes traded during the year.

- **Exclusive contract with partners in Vietnam**

Subsidiary Asia Fisheries entered into an exclusive contract with a major seafood producer in Vietnam to distribute seafood into the Chinese market.

- **Partnership growth with Universal Aquaculture**

Associate company Universal Aquaculture initiated collaboration with Grobest Group to develop the World's First Next-gen Functional Performance Shrimp Feed for their Hybrid Biological Recirculation System™.

## Distribution



Having built upon the Group's established corporate presence and global trading network worldwide, effort is being placed in further strengthening position and accelerating expansion through a digital platform and own brand of FMCG products.

- **3.6 million tonnes of frozen meat exports and growing**

Since its establishment, Oceanus subsidiary Sino Food Group has become an approved distributor for China Resources Wufeng, which is a member of China Resources, a state-owned enterprise and Fortune

Global 500 company, paving the way towards exponential volume in frozen meat distribution in China.

- **Further expansion of product offerings**

Subsidiaries Guangzhou ISC, Co., Ltd Recherche Living and Shenzhen Jiade Yifeng Supply Chain were set up to further expand on the Food Commodities and Gourmet Goods market in Asia

## Services

The Group has added more in-house logistics, consultancy and marketing capabilities and expertise to its already comprehensive suite of services. This marks another step in the Group becoming a leading FoodTech company bolstering food security and the global food supply chain.

- **Establishment of Oceanus Tradelog**

Subsidiary Oceanus Tradelog was established to support the warehousing and logistics services needs of the Group's food production and distribution pillars. It secured a warehousing and logistics contract with international food industry player and SATS subsidiary Country Foods.

- **Consolidation of multimedia capabilities into Oceanus Media Global (OMG)**

Consolidated all award-winning multimedia capabilities under Oceanus Media Global (OMG) to provide 'futurealistic experiences' through a state-of-the-art Extended Reality Studio to create next-gen brand and consumer experiences.

- **Tapping into growing Cambodian market**

Established associate company Aquarii, which taps on the growing Cambodian market by connecting international businesses and investors to Cambodia through two components to its business– an online business platform and advisory business.

## Innovation

Innovation is at the heart of our business, and will continue to be our engine of change. Connecting with our vision to accelerate our 'tech-up' operations for the next lap, we will continue to innovate not just in cutting-edge food production technologies, but also rethink our supply chain approach to build a truly seamless, omnichannel experience for customers.

- **Increased offerings and revenue on e-commerce platforms**

Set up of SG.eMart to spearhead the development of Oceanus' e-commerce and digital trading capabilities, enhancing its presence in the region. With the push into e-commerce, the Group has managed to double its product offerings to customers and increased in sales volume ten-fold on the various platform, including its own SGFarmer platform.

- **Pioneering immersive experiences for business and consumers**

Key highlights include the development of HP's first interactive virtual showroom for personalised e-commerce experiences, Singapore's National Day 2021 AR visual effects production and engineering of Southeast Asia's first virtual, avatar-mapping concert.



## Reporting Practice

### Reporting Principles & Statement of Use

This Report is produced in accordance with the Global Reporting Initiative (“GRI”) Standards “Core” option, covering our performance from 1 January 2021 to 31 December 2021. The GRI standards were selected as it is a globally recognized sustainability reporting standard that is recommended by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and represents the global best practices for reporting on economic, environmental and social topics. The following principles were applied to determine relevant topics that define the report content and ensure quality of information: a) GRI principles for defining report content: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness; b) GRI principles for defining report quality: Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness. The Board of Directors has reviewed and approved the reported information, including the material topics.

The Report is also prepared in accordance with the primary components of report content as set out by the SGX-ST’s “Comply or Explain” requirements on sustainability reporting under Listing Rule 711B.

The United Nations Sustainable Development Goals (“UN SDGs”) have also been incorporated into the Report, which highlights the Group’s contributions to sustainable development.

### Reporting Scope

This Report covers the entirety of the Group’s operations in Food Production, Distribution, Services and Innovation.

### Restatements

There are no restatements of information made from previous reporting periods.

### Assurance

Internal controls and verification mechanisms have been established by management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external Environmental, Social and Governance (“ESG”) consultant for the selection of material topics as well as compliance with GRI Standards and SGX-ST Listing Rules. The Board of Directors has therefore assessed that external assurance is not required for the Report. The Group will continue to assess the need to further enhance the credibility of our sustainability report through internal review or external assurance.

### Availability & Feedback

This Report supplements the Group’s 2021 Annual Report, which is available online at <https://oceanus.com.sg/> and on SGXNet. Detailed section reference with GRI Standards is found at the GRI Standards Content Index section of this report.

## Stakeholder Engagement and Materiality Assessment

The Group understands sustainable growth is dependent upon meeting and exceeding the reasonable expectations of our key stakeholders. We determine the material topics based on the principle of materiality to stakeholders. We have engaged in meaningful and productive dialogues with them and participated in various industry and government forums to keep abreast of any material stakeholder issues.

We identify key stakeholders as groups that have material impact or have the potential to be impacted by our operations. The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement Platforms	Issues of Concerns	Our Responses	Section Reference
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Performance appraisal system</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration</li> <li>• Staff benefits</li> <li>• Occupational health &amp; safety</li> <li>• Compliance with local labour laws</li> <li>• COVID-19 safety measures</li> </ul>	<ul style="list-style-type: none"> <li>• Employees are remunerated based on merit and performance</li> <li>• Provide frequent updates to employees on the latest COVID-19 safety rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Focus 4: Human Capital</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier socioeconomic and environmental assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Engage suppliers on compliance matters during on boarding or negotiations</li> </ul>	<ul style="list-style-type: none"> <li>• Focus 3: Food Security</li> <li>• Focus 5: Environment</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Annual Reports</li> <li>• Product quality feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Quality and safety of products</li> <li>• Food safety certifications</li> <li>• Compliance with local health and safety regulations</li> <li>• Marketing and labelling</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that food products comply with safety standards</li> <li>• Maintain high product and food quality and monitor customer feedback</li> <li>• Comply with food labelling requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Focus 4: Human Capital</li> </ul>
<b>Governments and regulators</b>	<ul style="list-style-type: none"> <li>• Quarterly announcements on SGX</li> <li>• Annual Reports</li> <li>• Sustainability Reports</li> <li>• Ongoing dialogues</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory and industrial requirements</li> <li>• Environmental compliance with local regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Meet local and international standards on food security and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Focus 1: Governance and Ethics</li> <li>• Focus 5: Environment</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Engagement in community services</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental impact</li> <li>• Social development</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct events to serve the community</li> </ul>	<ul style="list-style-type: none"> <li>• Focus 6: Community Engagement</li> </ul>

Stakeholders	Engagement Platforms	Issues of Concerns	Our Responses	Section Reference
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Annual Reports</li> <li>Investor relations management</li> <li>Annual General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Keep shareholders and investors well informed through informative quarterly reports, annual reports and annual general meetings</li> </ul>	<ul style="list-style-type: none"> <li>Focus 1: Governance and Ethics</li> <li>Focus 2: Economic Performance</li> </ul>

The Group conducts an annual review over the material ESG factors to assess their alignment and relevance to the Group’s business objectives and strategy. During this process, the Group considers any changes in the internal business activities, the external local and global sustainability landscape, as well as the recommendations of the external ESG consultant. We have taken the following steps to identify and present the relevant material factors in this report:

1. Identification: Initial selection of material topics based on the risks and opportunities to the sector.
2. Prioritisation: Material topics are prioritised based on their alignment with the concerns of internal and external stakeholders including whether they are aligned with key organisational values, policies, operational management systems, goals and targets.
3. Review: Review the relevance of previously identified material topics.
4. Validation: Validate the selected material topics and their prioritisation in the Report with the Board.

The table below illustrates the material topics selected and their relevance to each of the Group’s operating segments. The table indicates the respective focus areas where further information on the GRI material topics can be found in the Report.

Focus Areas	Material Topics	Where the impact occurs
Focus 1: Governance and Ethics	GRI 205: Anti-corruption GRI 307: Environmental Compliance GRI 417: Marketing and Labelling GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance	Group-wide
Focus 2: Economic Performance	GRI 201: Economic Performance	Group-wide
Focus 3: Food Security	GRI 203: Indirect Economic Impacts GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment GRI 416: Customer Health and Safety	Group-wide
Focus 4: Human Capital	GRI 401: Employment GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 408: Child Labour GRI 409: Forced or Compulsory Labour	Group-wide

Focus Areas	Material Topics	Where the impact occurs
Focus 5: Environment	GRI 302: Energy GRI 303: Water and Effluents GRI 305: Emissions GRI 306: Waste	Group-wide
Focus 6: Community Engagement	GRI 413: Local Communities	Group-wide

## Our Sustainability Story

### Our Vision & Values

To be a FoodTech leader throughout the seafood value chain with an integrated supply chain that spans from upstream farming to downstream distribution and FMCG. We believe that in order to lead an industry dealing in global food security, the Group needs to establish a strong path towards sustainability.

### Our Mission

To produce and supply quality, nutritional and affordable seafood products and raw materials, by engaging in sustainable land- and sea-based farming practices created through innovation in R&D as well as to preserve the environment so that our next generation can enjoy a bountiful supply of safe and sustainable seafood.

### Our Sustainability Philosophy

The Group's impact on sustainability can be organised into 6 key focus areas. Good corporate governance guides the Group in considering the interests and concerns of key stakeholders on sustainability when making business decisions. Economic performance is integral to the Group as it provides the financial support for the Group to implement sustainable practices and initiatives.

By considering sustainability issues as part of the Group's strategy formulation process, we strive to grow our business and operate without harming the environment and achieve our long term goal of being a key provider of food security and food safety to the global supply chain. We envision to shape the future of aquaculture through sustainable R&D and research-based farming, which can only be achieved by developing strong competencies and know-how within the Group. As a commitment to employee wellbeing, we provide career development reviews and prioritise workplace safety. We are mindful of our environmental impacts and consider environmental and social factors when managing our operations and supply chain. Community engagement is important to the Group as we hope to generate positive impacts to society.

### Contribution to the Sustainable Development Goals

The Group's business focuses are aligned with the UN SDGs. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The Group's contributions to this global agenda are highlighted below.



UN SDGs	The Group's contribution	Read more in the following sections
	Promote good corporate governance and adhere to laws and regulations.	Focus 1: Governance and Ethics
	Provide working opportunities and access to international food markets to local or rural farming communities.	Focus 2: Economic Performance
	Improve food security in countries where we operate and develop food trading platforms to facilitate access to food.	Focus 3: Food Security
	Strengthen development in farming communities through knowledge sharing and linking them to international food markets.	Focus 6: Community Engagement
		
	Provide training programmes and performance appraisals to ensure equal development opportunities for all employees.	Focus 4: Human Capital
	Provide equal opportunities in employment, remuneration and career development irrespective of gender.	
	Utilise sustainable farming and ensure that food production practices do not contribute to environmental waste or threaten surrounding sea life. Reduce energy consumption whenever possible.	Focus 5: Environment
		
		

## Focus 1: Governance and Ethics

### Corporate Compliance

GRI 419-1

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, Listing Rules of the SGX-ST, and the Securities and Futures Act, amongst others.

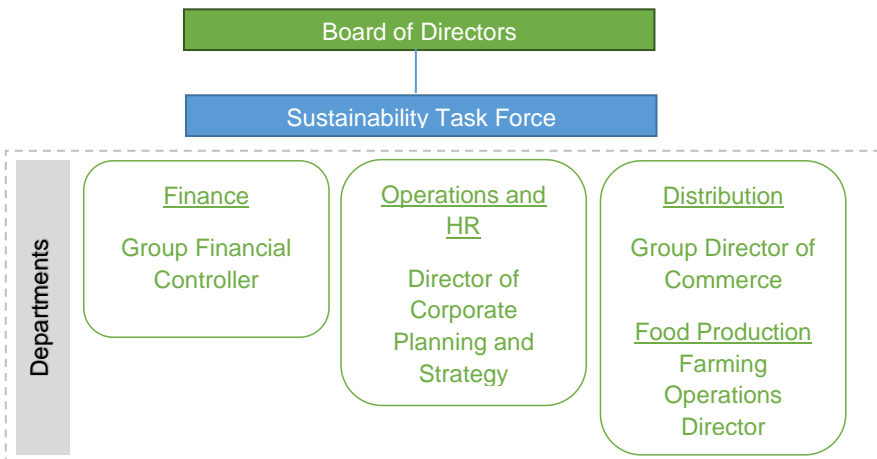
Review of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our auditors. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to Directors by email, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors.

There were no incidents of non-compliance with social and economic laws and regulations in FY2021.

### ESG Governance and Statement of the Board

At the Group, sustainability is prioritised at the board level. We have established a Sustainability Task Force (“STF”) which comprises heads of different departments and is chaired by the Group Chief Financial Officer. The STF reports to the Board on sustainability matters and executes decisions made by the Board.



The Board has considered sustainability issues when formulating the Group’s strategy, approved the material environmental, social and economic topics identified and overseen that the factors identified are managed and monitored.

Please refer to the Corporate Governance Report in our 2021 Annual Report for more information on corporate governance practices, precautionary measures and risk management structure.

### **Anti-corruption**

*GRI 205-1, 205-2, 205-3*

The Group takes a strong stance against corruption and malpractice. All employees are educated on the Group's zero tolerance for corruption practices.

In the event of reported corruption incidents, independent investigations will be carried out in an appropriate and timely manner as and when required. Mitigating and preventive measures will be implemented to improve on the existing internal controls and policies to prevent recurrence.

There were no incidents of corruption in FY2021.

### **Whistle-blowing Policy**

The Group has implemented a whistle-blowing policy where wrongful acts or concerns can be raised without fear of reprisal. The whistleblowing policy is part of the Group's commitment to create an environment of integrity and transparency. Employees and external suppliers are strongly encouraged to report any concerns or wrongful act to the whistleblowing hotline. Any reported instance of unethical conduct will be thoroughly investigated and followed with appropriate disciplinary action.

### **Interested Person Transactions**

The Group has adopted an internal policy in respect of any transactions with interested persons and established procedures for the review and approval of such transactions.

All interested person transactions will be properly documented and submitted to the Audit Committee for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

There were no interested person transactions in FY2021. The Company has not adopted any interested person transaction mandate which requires approvals from our shareholders.

### **Dealing in Securities**

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by Management who may possess unpublished material price-sensitive information of the Group.

The Group has advised Directors and all key executives not to deal in the Company's shares during the period commencing one month prior to the announcement of the Company's interim, half-yearly and full-year results and ending on the date of the announcement of the results.



The Group has reminded our Directors and officers that it is an offence under the Securities and Futures Act 2001, for a listed issuer or its officers to deal in the listed issuer's securities as well as securities of other listed issuers when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and executives are expected and reminded to observe insider-trading laws at all times even when dealing in securities within permitted trading periods. The Group has further reminded our Directors and officers not to deal in the Company's securities on short-term considerations.

### **Risk Management**

The Group adopts a precautionary approach in strategic decision making by implementing a comprehensive risk management framework. We have integrated the process for identifying, assessing and managing material ESG related risks into our organization's overall risk management framework. Please refer to the Corporate Governance Report in our 2021 Annual Report for more information on the Group's risk management practices.

### **Tax Compliance**

*GRI 207-1, 207-2, 207-3*

The Group's strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in, which indirectly support the local governments and authorities in their economic, environmental and social development and objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

The Group identifies tax related risks as part of its enterprise risk management framework which is reported regularly to the Company's Audit Committee. Implementation of tax compliance related policies and procedures are delegated to the respective business units and are monitored by the Group's Chief Financial Officer.

Relevant staff attend tax related trainings to keep updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings. The Audit Committee will be engaging an internal auditor in FY2022 to monitor compliance with the tax governance and control framework. Any instances of non-compliance are reported to the Audit Committee and resolved promptly.

### **Customer Privacy**

*GRI 418-1*

The Group prioritises data security to safeguard the personal data of our customers and employees. In FY2021, there were zero substantiated complaint concerning breaches of customer privacy and also zero instance of data leaks or losses of customer data.

## Marketing and Labelling

GRI 417-1, 417-2, 417-3

We comply with local regulations regarding marketing and labelling for all our products, which has established the Group as a reputable FMCG supplier with consumers.

Where our products are intended for Halal consumption, they will be labelled with appropriate Halal certifications. All ingredients are clearly labelled on our products.

The Group's marketing strategy strives to maintain and develop our brand visibility which ensures our business sustainability. Currently, our abalone products are advertised and listed in online platforms such as Redmart, Qoo10 and Amazon with factual product descriptions on the website page. Our products are currently on the shelves on Haomart and Caltex. In the future, the Group plans to have its products on the shelves of major supermarkets such as NTUC Fairprice and Cold Storage.

There were no incidents of non-compliance with marketing and labelling regulations in FY2021.

## Governance and Ethics Targets

Governance and Ethics Targets for FY2022
FY2022 Target
Zero incidents of non-compliance with all relevant laws & regulations
Zero complaints concerning breaches of customer privacy and losses of customer data
No reported incidents of significant tax related non-compliance
No incidents of non-compliance with marketing and labelling regulations of food products

## Focus 2: Economic Performance

Strong economic performance underpins the Group's continual drive to adopt sustainable practices. The Group strives to achieve strong financial performance to create wealth for our stakeholders and employees as well as provide the financial ability to support sustainability initiatives and practices.

The financial performance of the Group is reviewed by the Audit Committee and the Board on a regular basis.

Details of our financial performance can be found in the audited financial statements, which have been prepared in accordance with Singapore Financial Reporting Standards (International) and the provisions of the Singapore Companies Act 1967. The audited financial statements can be found in the Group's Annual Report 2021 available online at SGXNet and <https://oceanus.com.sg/>.

### Focus 3: Food Security

With the ongoing global supply chain constraints, governments and businesses are increasingly aware of the importance of food security. The Group is committed to becoming a key player in improving food security across the globe. We aim to achieve this by providing quality food distribution services, continual innovation, and sustainable farm management.

#### Food Production and Distribution

With a wide network of partners in China and a growing network across Southeast Asia, the United States, the United Kingdom and Australia, the Group has been successful in distributing fresh, frozen and packaged seafood products to various platforms and successfully connect both suppliers of seafood products to customers as well as facilitating business-to-business (“B2B”) sales. Our food distribution network encompasses not only seafood products but also a wide range of FMCG products with a distribution presence throughout China, Middle East as well as the Asia Pacific region.

The Group has expanded its business capabilities to include warehousing and logistics solutions to support both external customers and the Group’s distribution business. In this area, we have secured a contract to supply warehousing and logistics services for frozen meat products. The Group aims to ramp up its logistics and warehousing capabilities to manage warehousing facilities within the next two to three years. Along with our capabilities in warehousing, we will also look into distributing frozen food products. The Group has secured distribution deals totaling 875 tonnes for the export of frozen meat to neighbouring countries in South East Asia. These developments are a strong affirmation that the Group is on track to playing a significant role in global food security.

#### Supplier Management

*GRI 308-1, 308-2, 414-1, 414-2*

The Group is committed to developing a sustainable supply chain that distributes eco-friendly products sourced and manufactured in a sustainable manner.

#### Canned Seafood Products

We verify that our canned seafood products are sourced from countries that follow the strict laws and quotas on fishing. On top of that, we periodically assess the competency of our suppliers based on their environmental compliance and environmental impacts.

#### Other Seafood and FMCG Products

Our subsidiaries ensures that the following procedures are implemented for every batch of products shipped from its suppliers:

- Products originate from suppliers that are registered and supervised by regulatory authorities, such as Department of Fisheries Malaysia;
- Products are tested to certify that they are free from ruminant ingredients;

- No other material of animal origin (other than fish) is being used at the supplier's fish meal processing plant; and
- End products are packaged with new, clean, sealed, impermeable, moisture-resistant and durable materials.

Relevant authorities will verify the procedures to further ensure the quality and safety of our products.

Our suppliers are thoroughly assessed for both quality and safety to ensure that our juvenile abalones are well-fed. With a diversified pool of feed suppliers, we are able to adapt quickly in the event that a certain source of feed is deemed unsuitable for use at our farms. Our suppliers are also spread across a wide region in China to ensure geographical diversification which mitigates supplier risk in our supply chain.

Additionally, the Group only sources from suppliers with proper reputation and certifications for sustainable farming.

In FY2021, 26% of new suppliers were screened using environmental and social criteria. No significant actual and potential negative environmental or social impacts were recorded in our periodic supplier assessments.

## Innovation

### Digital Innovation

In alignment with our vision to become a leading food security provider, we have been working to establish a digital exchange platform to enhance our distribution network and enable us to tap into consumer markets globally. Through our platform, businesses would be able to access our portfolio of more than 2,000 FMCG products. In a bid to encourage truly sustainable farming practices and enhance food safety across our product offerings, we are developing the ability to oversee product delivery and quality with the use of cutting-edge technologies such as blockchain, which will be instrumental in supporting our growing distribution network.

### Research

In order to further support our transition, our subsidiary Oceanus Tech is focusing on pursuing cutting-edge aquaculture technologies. The Group has partnered with educational bodies such as Temasek Polytechnic, James Cook University, Jimei University on R&D on aquaculture and biomedical sciences.

OOI leads our in-house R&D and assess various risks associated with the Group's farms, including its technology and systems as well as adoption of latest technologies.

## Efficient Farm Management

Over the past few years, we have transitioned from full-sized abalone farming to a hatchery business model where we focus on spawning and producing juvenile abalones.

As a result of this transition, the Group has increased our productivity by mitigating our exposure to mortality risks and yield inefficiencies associated with full-sized abalone farming which would take a further two to five years. This establishes the Group as a premium juvenile abalone supplier to local farming businesses. At the same time, the Group provides the local farmers with expertise and know-how in waste management and sustainable feeding practices to minimise waste generated. We also propagate our aquaculture know-how by working closely with our farm plot lessees and contract-farming partners, guiding them on the best aquaculture practices. This creates a synergistic working relationship within the growing aquaculture industry in China.

Since local sea farmers in China procure our juvenile abalones and breed them to market-size abalones for sale, the change in our operations provides them with a bigger market share which stimulates the local supply chain and economy.

The Group re-enters the value chain by buying the adult abalones back from local farms for further processing before distributing them into the market. This inevitably provides local farmers with more business opportunities as well.

## Customer Health and Safety

*GRI 416-1, 416-2*

For products that we distribute, we evaluate our suppliers to ensure that they meet regulatory standards in product manufacturing, safety and labelling.

### **Canned Seafood Products**

The Group endeavours to become a global seafood producer that distributes seafood of premium quality and taste, and food safety is unequivocally our topmost priority. We aim to eliminate any health risks of food products for our consumers by carefully evaluating the processing factories that we engage for the manufacturing and distribution of food products.

From the procurement of seafood to the packing and distribution of our products, we exercise extreme caution in evaluating the quality of our suppliers' products to ensure food safety along our value chain. The Group also works closely with suppliers to ensure smooth delivery of products.

Prior to commencing production, we would perform site inspections at the processing factories, and we only engage factories with relevant Government certifications for food processing and food safety. This ensures that our factories comply strictly with safety regulations, and our products adhere to the highest food safety standards. We also play an active role in sourcing for suppliers to ensure that they offer quality products and services with competitive pricing.

Existing suppliers are assessed by periodically based on specified criteria and feedback is also provided by the operation teams to suppliers to ensure standards of products or services delivered by suppliers.

The Group only works with factories that are Hazard Analysis and Critical Control Point (“HACCP”) and Health Sanitary certified to ensure food safety. Each batch of canned abalone is required to go through health audits and issued with the Country’s Health Certificate and Country of Origin labels.

**Other Seafood and FMCG Products**

Before each order is exported to customers via the Group’s respective distribution subsidiaries, tests and checks are conducted to freshness and integrity of packaging prior to shipment. Microbiological tests are also conducted for traces of harmful microbes such as E. Coli, Salmonella and Shigella. Such tests are conducted to not only ensure that the product specifications required by each customer is met, but also prevent selling products may pose a threat to consumers.

**Food Security Targets and Performance**

Food Security Performance for FY2021		
FY2021 Target	Status	Performance Update
Zero product safety incidents	✓ Met	There were zero incidents in respect of product safety.
Zero customer complaints related to product safety	✓ Met	There were zero customer complaints related to product safety.
Zero non-compliance with product safety regulations	✓ Met	There were zero incidents of non-compliance with product safety regulation.
Food Security Targets for FY2022		
FY2022 Target		
Zero product safety incidents		
Zero customer complaints related to product safety		
Zero non-compliance with product safety regulations		

## Focus 4: Human Capital

The Group is committed to the sustainable development of the community and our staff. We value the contributions of all our staff, and we treat everyone equally and with respect. We implement measures to ensure workplace safety and we strive for zero fatal accidents at all worksites.

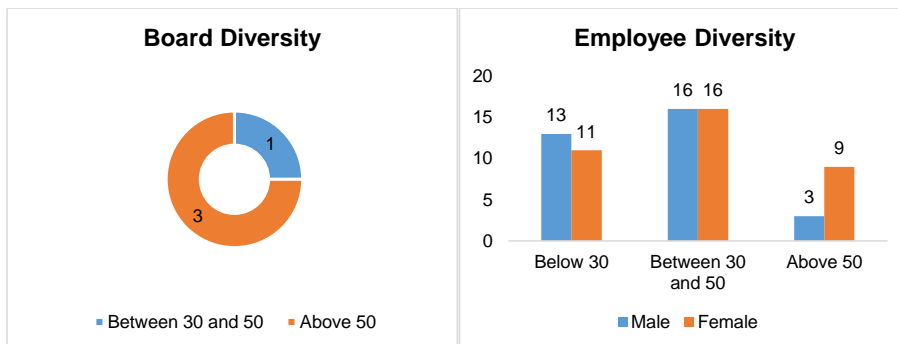
We aim to provide a work environment for our staff that fosters fairness, equity and respect for social and cultural diversity, regardless of their gender and age.

### Workforce Diversity

GRI 202-1, 202-2, 401-1, 405-1, 405-2

The Group believes that workforce diversity promotes creativity and integration of different perspectives. We embrace workforce diversity and do not discriminate against gender or age in staff employment. All employees are fairly remunerated regardless of age or gender.

As at the end of FY2021, we had a total strength of 68 full-time employees.



We endeavour to provide employment opportunities for the local communities we operate in. For our regional operations outside of Singapore, 4.4% of the blue-collar workers and 95.5% of the management are locals. In FY2021, approximately 50% of the management of our farming operations in China were hired from the local community. As at the end of FY2021, our new hire rate was 42.6% and turnover rate was 16.2%.

### Employee Wellbeing and Development

GRI 401-2, 401-3, 404-3, 406-1, 408-1, 409-1

The Group believes in promoting staff well-being and productivity for the growth of our business, and we ensure that all employees are entitled to competitive benefits in line with industrial standards, including healthcare, insurance and parental leave. All eligible employee are entitled to parental leave and in FY2021, 6 employees took parental leave.

In addition, all employees are given opportunities to develop their fullest potential. We invest in our employees to keep them up-to-date with the latest technical knowledge

to improve productivity. On top of that, we conduct annual performance appraisals to compensate employees fairly based on their experience, contributions and performance. In FY2021, 100% of employees received performance appraisals.

The Group makes an effort to ensure that all staff remain engaged and motivated on the job. Some staff retention strategies include regular team bonding activities, renovations of the pantry area to promote staff relaxation, as well as attractive wage reviews in China.

The Group strives to be socially responsible in employment practices. There were no incidents of child labour or forced labour during the Group's operations and no workplace health and safety incidents in FY2021.

The Group also implements a non-discrimination policy to ensure ethical labour practices on a group level. Any employee who feels that he/she is unfairly discriminated will have ample avenues to inform our Human Resource Department, and all correspondences will be kept in strict confidence. There were no incidents of discrimination in FY2021.

### **Occupational Health and Safety**

*GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9*

A safe working environment allows our staff to work safely without fear of getting injured. This helps to build loyalty amongst our staff and support the sustainability of the Group. As such, the Group prioritises the health and safety of all employees in our daily operations. We provide all staff and workers with adequate health and safety trainings, especially workers who are directly involved in farming operations. As such, there are minimal risks associated with farming operations.

#### **COVID-19 Safety Measures**

In FY2021, the COVID-19 global pandemic continues to pose challenges to businesses. Safety measures remain implemented by the Singapore Government including safe distancing and movement restrictions. During these unsettling times, we stay committed to prioritising the safety of our employees. We ensure that all employees are briefed on COVID-19 safety measures and policies with the expectation of full adherence. Some of the safety measures include putting in place SafeEntry visitor management and temperature taking for employees and visitors. We also increased the frequency of cleaning and disinfection of our premises, especially areas with high contact points.

We have implemented robust safety measures in our sites overseas. All employees at their respective premises are required to monitor their health and temperate daily, and social distancing is mandated among all employees.

Staff who are working in our farms and whose hometowns have been affected by COVID-19 outbreaks are instructed to continue living in the farm staff quarters and not return to their homes to mitigate the risk of infection. Any staff returning from affected areas were required to be isolated in their rooms for 14 days. Management has also



advised staff to be vaccinated where possible. To date, 50% of staff in China have received their vaccinations.

In FY2021, there were no occupational health and safety related incidents and no incidents of COVID-19 transmission among employees. In addition, there were no reported incidents of non-compliance with local COVID-19 laws and regulations.

### Human Capital Targets and Performance

Human Capital Targets and Performance for FY2021		
FY2021 Target	Status	Performance Update
Zero incidents of workplace health and safety	✓ Met	There were zero incidents in respect of workplace health and safety.
Human Capital Targets for FY2022		
FY2022 Target		
Zero incidents of workplace health and safety		
Zero incidents of non-compliance with local COVID-19 rules and regulations		

## Focus 5: Environment

### Managing Climate Change

*GRI 201-2, 203-2*

The Group is aware that climate change poses a significant risk to our abalone farming yields and operations. As such, we actively mitigate business risks due to climate change through innovation.

Due to the extreme sensitivity of abalones to changes in environmental factors, a deviation of more than 5° Celsius from the optimal water temperature level would result in a significant increase in mortality rates. Small amounts of pesticides, bacteria or harmful chemicals can also severely impact the growth of abalones. In these aspects, climate change poses a significant risk to our operations. This was particularly evident in 2011 when our farms suffered major stock losses and infrastructural damages due to Typhoon Usagi.

In order to effectively mitigate the risk and impact of climate change, our hatcheries are equipped with nettings and structures to provide shade against excessive sunlight and to keep the water temperature cool. These structures are also made to be collapsible in the event of strong winds or typhoons.

In addition, our abalone farms are equipped with a flow-through system whereby seawater is pumped into the tanks. In the event of sea pollution or unsuitable seawater conditions, these flow-through pipes can be shut down within short notice to isolate the tanks and minimize impact of ocean change. Other mitigating measures include daily cleaning and maintenance of all tanks and frequent farm inspections to ensure that farming conditions and water quality are kept at optimal levels.

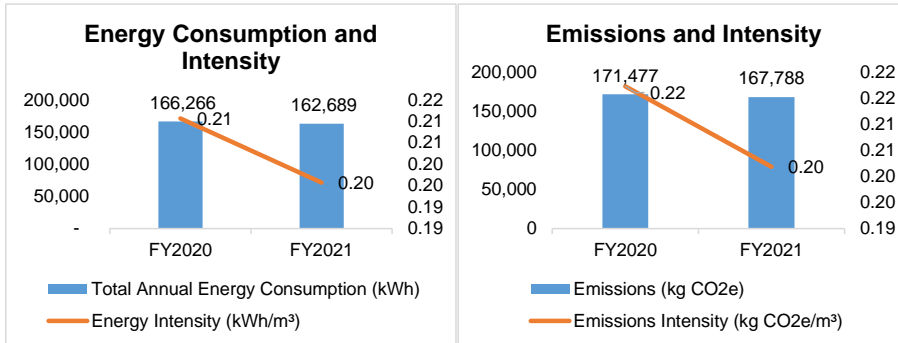
### Energy and Emissions Management

*GRI 302-1, 302-3, 302-4, 305-2, 305-4, 305-5*

The Group encourages energy-saving practices among employees to reduce our carbon footprint. Numerous initiatives in line with our environmental policy have been implemented to reduce energy consumption and increase energy efficiency in our daily operations.

This includes an optimal activation of seawater pumps and strict implementation of environmental policies amongst all staff and workers, such as shutting down equipment and appliances when not in use.

We believe that increasing energy efficiency at all stages of our farming operations will effectively reduce energy usage. As previously mentioned, we shade our tanks with black nettings to allow for water temperatures to remain cool during the summer without having to use water cooling equipment thus saving our energy consumption. Our farms are also located closer to the shoreline to reduce energy needed to pump seawater. These measures effectively reduce our carbon footprint in our daily operations.



Energy intensity was derived using the total volume usage of hatcheries in cubic meters (m<sup>3</sup>) as the denominator. In FY2021, the total energy consumption at our hatcheries decreased by 2.2% as operations were downscaled due to COVID-19. As a result, our total GHG emissions for the year decreased as well. Our energy intensity decreased slightly from 0.21 kWh/m<sup>3</sup> in FY2020 to 0.20 kWh/m<sup>3</sup> in FY2021. Similarly, our emissions intensity decreased from 0.22 kgCO<sub>2</sub>e/m<sup>3</sup> in FY2020 to 0.20 kgCO<sub>2</sub>e/m<sup>3</sup> in FY2021. We endeavour to continuously improve our energy conservation efforts in the future.

Commented [DGC1]: To indicate the unit of measure in the chart above for more clarity

### Water and Effluents Management

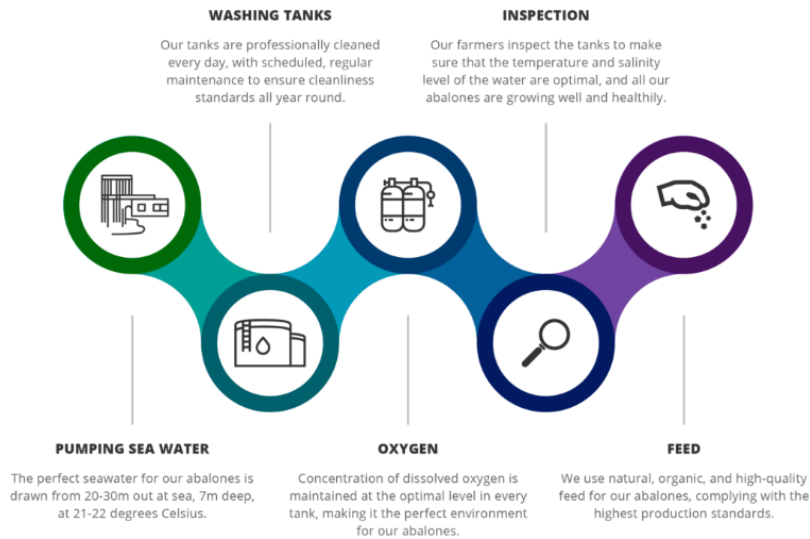
GRI 303-1, 303-2, 304-2, 306-1, 306-2

Seawater needs to be pumped through the tanks to regulate the water temperature in the tank and to allow abalones to absorb micronutrients present in the seawater that are essential for their growth.

As such, our tanks are built with a flow-through system which draws seawater into it and lets seawater flow back into the sea. In order to mitigate the risk of water pollution in our operations, we ensure that all feeds added into the tanks are all-natural and free from harmful chemicals and pollutants. In this case, feeds are largely comprised of vegetable materials like seaweed.

Usage of water main is largely for the purpose of tank cleaning, of which 5,833 tonnes of water were used.

The Group takes extra precaution in ensuring strict compliance with local environmental regulations including biosecurity protocols and codes during daily operations. Our abalones are fed local kelp and algae, so no foreign nutrients are added to the ecosystem. We ensure that our operations have no adverse impact on local habitats and diversity.



## Environmental Compliance

GRI 307-1

There were no incidents of non-compliance with environmental laws and regulations, and no negative environmental impact in the supply chain in FY2021.

## Environmental Targets and Performance

Environmental Performance for FY2021		
FY2021 Target	Status	Performance Update
Analyse and monitor energy and water usage	✓ Met	Implement water and energy monitoring procedures at the farms in China, including data analysis to ensure efficient usage.
Environmental compliance	✓ Met	Continuous education of all relevant staff on proper procedures to ensure full environmental compliance.
Environmental Targets for FY2022		
FY2022 Target		
Analyse and monitor energy and water usage		
Zero incidents of environmental non-compliance		

## Focus 6: Community Engagement

As a company that focuses on social well-being, we do our best in giving back to the community and enhancing their people's quality of life through various means other than supplying quality products.

### Giving Back to Society

*GRI 203-2, 413-1*

#### Charitable Acts

The Group aspires to bring about positive social and environmental impacts to the local community.

The Group aspires to bring about positive social and environmental impacts to the local community.

Since 2018, we have been a proud sponsor of the Republic Polytechnic Education Fund ("RPEF"), which provides provide financial assistance schemes to students.

In a bid to do more for environmental sustainability, we have extended our commitment to support Waterways Watch Society, which fosters appreciation of waterways in Singapore and promotes conservation efforts. We pledged to donate S\$1 for every online abalone sale.

We will continue to maintain our community engagement efforts and do our part as a responsible corporate citizen.

## SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	Stakeholder Engagement and Materiality Assessment
2	Policies, Practices and Performance	<ul style="list-style-type: none"> <li>▪ CEO's Message</li> <li>▪ Focus 1 to 6</li> </ul>
3	Board Statement	ESG Governance and Statement of the Board
4	Targets	<ul style="list-style-type: none"> <li>▪ Governance and Ethics Targets</li> <li>▪ Food Security Targets</li> <li>▪ Human Capital Targets</li> <li>▪ Environmental Targets</li> </ul>
5	Framework	Reporting Practice

## GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Organisation Profile
102-9	Supply chain	Organisation Profile
102-10	Significant changes to the organisation and its supply chain	Organisation Profile
102-11	Precautionary Principle or approach	Organisation Profile
102-12	External initiatives	Organisation Profile
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	CEO's Message
102-15	Key impacts, risks, and opportunities	CEO's Message, Our Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Focus 1: Governance and Ethics
102-17	Mechanisms for advice and concerns about ethics	Focus 1: Governance and Ethics
102-18	Governance structure	ESG Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement and Materiality Assessment
102-42	Identifying and selecting stakeholders	Stakeholder Engagement and Materiality Assessment
102-43	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment
102-44	Key topics and concerns raised	Stakeholder Engagement and Materiality Assessment
102-46	Defining report content and topic Boundaries	Reporting Practice

GRI Standards	Disclosure Content	Section Reference
201-1	Direct economic value generated and distributed	Annual Report 2021
201-2	Financial implications and other risks and opportunities due to climate change	Dealing with Climate Change
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Workforce Diversity
202-2	Proportion of senior management hired from the local community	Workforce Diversity
203-2	Significant indirect economic impacts	Focus 3: Food Security
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
207-1	Approach to tax	Tax Compliance
207-2	Tax governance, control, and risk management	Tax Compliance
207-3	Stakeholder engagement and management of concerns related to tax	Tax Compliance
207-4	Country-by-country reporting	Not applicable. Country-by-country tax information is confidential.
302-1	Energy consumption within the organization	Energy and Emissions Management
302-3	Energy intensity	Energy and Emissions Management
302-4	Reduction of energy consumption	Energy and Emissions Management
303-1	Interactions with water as a shared resource	Water and Effluents Management
303-2	Management of water discharge-related impacts	Water and Effluents Management
304-2	Significant impacts of activities, products, and services on biodiversity	Energy and Emissions Management
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions Management
305-4	GHG emissions intensity	Energy and Emissions Management
305-5	Reductions in GHG Emissions	Energy and Emissions Management
306-1	Waste generation and significant waste-related impacts	Water and Effluents Management
306-2	Management of significant waste-related impacts	Water and Effluents Management
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance
308-1	New suppliers that were screened using environmental criteria	Supplier Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management
401-1	New employee hires and employee turnover	Workforce Diversity
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Benefits and Development

GRI Standards	Disclosure Content	Section Reference
401-3	Parental Leave	Employee Benefits and Development
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
403-9	Work-related injuries	Occupational Health and Safety
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Benefits and Development
405-1	Diversity of governance bodies and employees	Workforce Diversity
405-2	Ratio of basic salary and remuneration of women to men	Workforce Diversity
406-1	Incidents of discrimination and corrective actions taken	Employee Benefits and Development
408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Benefits and Development
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Benefits and Development
413-1	Operations with local community engagement, impact assessments, and development programmes	Giving Back to Society
414-1	New suppliers that were screened using social criteria	Supplier Management
414-2	Negative social impacts in the supply chain and actions taken	Supplier Management
416-1	Assessment of the health and safety impacts of product and service categories	Customer Health and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety
417-1	Requirements for product and service information and labelling	Marketing and Labelling
417-2	Incidents of non-compliance concerning product and service information and labelling	Marketing and Labelling
417-3	Incidents of non-compliance concerning marketing communications	Marketing and Labelling
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy
419-1	Non-compliance with laws and regulations in the social and economic area	Corporate Compliance