

SUSTAINABILITY REPORT OF ASIAPHOS LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

About this Report

AsiaPhos Limited (hereafter referred to as “AsiaPhos” and collectively with its subsidiaries, the “Group”) has been listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 7 October 2013. Following the cessation of mining in 2017 and production of P4 in 2018, the Group is focused primarily on trading of chemicals and commodity products. Prior to this, the Group was organised into product units as follows:

- (a) upstream segment relates to the business of exploration, mining and sale of phosphate rocks; and
- (b) downstream segment relates to the business of manufacturing, sale and trading of phosphate-based chemicals products such as P4, sodium trimetaphosphate/tripolyphosphate and sodium hexametaphosphate; and the sale of P4 by-products, such as slag, sludge and ferrophosphate.
- (c) Trading of chemical/non-chemical products

The Board is pleased to present the Group’s annual Sustainability Report (the “Report”) covering the period from 1 January 2023 to 31 December 2023 (the “reporting period”). This Report is set out on a “comply or explain” basis in accordance with [Rule 711B](#) and [Practice Note 7F](#) of the Singapore Exchange Securities Trading Limited (“SGXST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”). AsiaPhos has chosen the Global Reporting Initiative (“GRI”) Standards as it is an established international sustainability reporting standard and in respect of the extent to which such framework is applied, this Report has been prepared in accordance with the GRI Standards: Core Option, and should be read in conjunction with AsiaPhos’ Annual Report for the financial year ended 31 December 2023.

Information on our projects and significant events/ disclosures can be found in AsiaPhos’ Annual Report, and on SGXNET (i.e. the Sustainability Report should not be assumed to provide a comprehensive resource of the company’s significant events/ disclosures). This year’s Sustainability Report has removed references to the upstream (mining) segment,

following its classification as a discontinued operation in the Group's financial results; Accordingly, we have also removed mining-related references to the [qualified person's report \(QPR\)/ technical report](#) prepared by independent geologists Watts Griffis & McOuat (WGM), where applicable, in compliance with the requirements of Practice Note 4C of the Catalist Rules. However, those mining-related details are available via the company website and SGXNET/previous company announcements.

As announced by AsiaPhos on SGXNet on [27 April 2018](#), with effect from 27 April 2018, the Group would focus on chemical operations and no longer be deemed as a "mineral, oil and gas company" ("MOG") as defined under the Catalist Rules. As such, the Group did not instruct WGM to prepare a QPR for the financial year ending 31 December 2019 and the financial years thereafter.

In June 2018, the Group shut down the furnaces for maintenance and has not resumed production due to the lack of phosphate rocks, as a result of the Chinese government's actions which deprive the Group of access to its phosphate rocks which is a key raw material for cost efficient production of P4. Due to Government's wrongful action, we are currently not carrying out exploration and mining activity and also not producing P4.

Consequently, given the non-production status, this report excludes the impact of P4 plant as well as the smaller polyphosphate plants (for further details, please refer to the Group's SGXNET announcements).

Trading conditions remain challenging. Management continues to try to expand the geographical base of the Group's customers of downstream phosphate chemicals like STPP and STMP produced by our cooperation partner Lianyungang Zexin Food Ingredients Co Ltd.

As disclosed in the company's SGXNET announcement dated 29 November 2021, the group entered into a sale and purchase agreement with Sichuan Mianzhu Huaxinfeng Food Co.,Ltd ("Buyer") on 29 November 2021 in connection with the proposed disposal of these Phase 2 Factory Assets. Final payments for this disposal were received from the Buyer on

31 October 2022, and work is ongoing with the relevant authorities to register the transfer. The Buyer is a new company formed by our existing tenant (Lianyungang Zexin Food Ingredients Co Ltd) which has been renting the Phase 2 factory since May 2019.

International arbitration

As announced on 21 February 2023, the arbitral tribunal in a 2 to 1 majority determined that Article 13(3) of the China-Singapore Bilateral Investment Treaty (1985) did not afford jurisdiction over the Group's expropriation claims and Article 4 of the Treaty did not afford jurisdiction over the Group's remaining claims. The arbitral tribunal also ordered the Group to pay the sums of USD0.28 million and RMB6.35 million in legal costs to China.

On 20 March 2023, the Group filed a petition with the Swiss Supreme Court to inter alia set aside the Tribunal's jurisdictional award and the legal costs awarded.

On 24 January 2024, the Group was informed that the Swiss Supreme Court had turned down the appeal and ordered the Group to reimburse China for the abovementioned legal costs, The Group was ordered to pay CHF250,000 in compensation to China.

The CHF250,000 will be settled from the security deposit paid by the Group to the Swiss Supreme Court.

The Group intends to utilise part of the proceeds receivable from the sale of the P4 Plant to settle the legal costs awarded to China by the arbitral tribunal.

Please refer to the Company's announcements on SGXNET. The Group will make the requisite announcements in accordance with the Catalist Listing Rules when there are material developments.

P4 Plant

On 20 March 2023, the Group's wholly owned subsidiary Sichuan Mianzhu Norwest Phosphate Chemical Co Ltd ("SMNPC") entered into a Cooperation Agreement with Rongda Yuexiang Chemical Group Co Limited ("Rongda"). On 29 April 2023, the Company's shareholders approved the Cooperation Agreement which comprised the Proposed Lease, Proposed Sale Option, Proposed Disposal of the P4 Plant .

On 29 January 2024, SMNPC entered into a Supplementary Cooperation Agreement II ("Agreement II") with Rongda. Rongda made a payment of RMB20 million and SMNPC used part of it to fully repay the bank loan from Bohai Bank and obtain a release of the pledged assets.

Pursuant to the terms and provisions of Agreement II, Rongda made a payment of and RMB39.39 million on 8 February 2024 into an escrow account. SMNPC is to transfer the P4 plant, including the corresponding liabilities, into Sichuan Rongdafeng within 36 months from the effective date of Agreement II.

Management will work to carry out the necessary to obtain the release of the funds paid into the escrow and to complete the transaction. Please refer to SGXNET for detailed up-to-date disclosures.

Other Updates

As announced on 9 October 2023, a subsidiary of the Company had entered into a non-binding term sheet pertaining to a potential acquisition of a renewable energy business. The potential acquisition is subject to the execution of a definitive agreement and if completed, will allow the Company to diversify into new businesses or growth areas and supplement the Group's existing businesses. Please refer to the SGXNET announcements, *inter-alia*, dated 28 February 2024, for the latest update on the transaction.

Management will continue to source for other corporate, business, acquisition and financing opportunities as and when available and appropriate in order to enhance the value for shareholders.

“Comply or explain” & Climate-related disclosures

The Directors and management have attended updated sustainability training in-line with the SGX enhanced requirements on sustainability reporting (Practice Note 7F) and TCFD (Task Force on Climate-related Financial Disclosures), with one exception, i.e. there was one new director appointed during 2024 (to-date). New Directors will be encouraged to attend the relevant courses (including training on sustainability matters as prescribed by SGX-ST) within a reasonable timeframe.

This 2023 sustainability report includes a new TCFD Index, to reflect the company’s commitment to improve our SR reporting capabilities to remain aligned with SGX’s enhanced reporting requirements. Climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) was mandated for financial year (FY) 2022 on a “comply or explain” basis for all issuers, and FY 2023 and FY 2024 for issuers in certain carbon intensive industries, on a mandatory basis in phases.

In view of the company’s current level of operations (limited to trading/ non-manufacturing), it is the company’s view that the company’s climate-related disclosures are currently not material to disclose (but the Company’s anticipated diversification into new businesses, going-forward, is likely to change this materiality assessment). The company will continue to assess climate-related risks and opportunities, and ensure appropriate disclosure in-line with SGX requirements at the appropriate time.

This report will be available as a standalone report via SGXNET, following internal review by management and the Board. (Date of Report = 29 April 2024)

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Board Statement / Sustainability Statement of Management

On behalf of the Board of Directors (the “Board”) and the management, we are pleased to present AsiaPhos’ Sustainability Report.

‘Confirmation Statement’: “The Board has considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.”

As mentioned in the Annual Report / SGXNET announcements, it has been an extremely challenging few years for the Group since 2017, as our mining operations in Mines One and Two were interrupted, following requests from the Mianzhu City Government to vacate and rehabilitate Mine 2 and the Fengtai Mine, in addition to the non-renewal of the Mine 1 mining licence. This government action has also deprived our P4 operations of locally mined phosphate rocks and resulted in the suspension of P4 processing. Please refer to our recent corporate announcements on SGXNET, for updated information relating to these negotiations and our operations.

We have a sustainability workgroup (the “Workgroup”) which reports to the Board. This Workgroup reviews the environmental, social and governance factors (the “ESG Factors”) identified as material to AsiaPhos. The Board recognises the importance of sustainability practices and how it can benefit our Group’s business operations and performance. Working closely with the management, the Board oversees the management and monitoring of the ESG Factors that have been determined to be material to our business and our stakeholders, and takes them into account when formulating strategic policies and initiatives for AsiaPhos. In terms of executive remuneration, the Company believes the key sustainability principles (for example: good governance, strategy execution and effective risk management) are embedded within the remuneration framework.

We would like to record our appreciation to our stakeholders (including employees, customers, suppliers and other partners), for your continued efforts and support for Asiaphos. Likewise, for our customers and suppliers, there have

been challenges with regards to supply chain management and logistics planning. Significant efforts (and mutual understanding) from all parties to manage these risks and minimise disruption has helped us to fulfil contractual obligations whilst also strengthening these partnerships.

Please refer to the section “Climate related disclosures”, for details/description of the Board’s oversight of climate-related risks and opportunities, and Management’s role in assessing and managing these risks and opportunities.

Corporate Social Responsibility

Following the cessation of mining in 2017 and production of P4 in 2018, the Group is focused primarily on trading of chemicals and commodity products. We are aware of our responsibility towards the environment, our employees and the local community. We strive to make good use of and conserve resources, protect our environment, improve the welfare of our employees, and facilitate social and economic development of the neighbouring areas. While we expand our business operations, we continuously strive to ensure that the requirements of a responsible corporate citizen are embedded within our daily operations.

Environmental and safety

Currently, the company’s operations are focused on sales and trading of phosphate products.

We recognise that environmental monitoring is an ongoing obligation. We will continue to invest in safety and environmental protection features in new business that we will acquire.

Employees

The Group strives to further improve on human resource recruitment, training, appraisal and remuneration management.

The Group has standardised its form of employment, so as to ensure that the basic rights and interests of employees are protected, and to maintain good labour relations. We have purchased all necessary insurance for the employees in accordance with the relevant labour laws. We ensure that our employees and our outsourced workers pass the relevant health checks, possess social and commercial insurance before they undertake any work at our premises.

The Group is committed to staff upgrading. Where necessary for the scope of work, the Group sends employees to attend training, courses and seminars relevant to their scope of work, including orientation training for new employees, training for middle and senior management, professional training and safety training.

Directors and management staff have attended updated sustainability training, in-line with the enhanced SGX sustainability reporting rules.

Social

We strive to make a positive impact on the lives of people who live in the areas where we have a presence. We, as far as possible, employ local workers and provide these workers with relevant training and skills development.

The Group is committed to be in strict compliance with the laws, responding positively to government policies, paying taxes in due course, and helping to improve local employment, thus making significant contribution to the local fiscal revenue.

We seek to support and promote local businesses and economic activities by engaging them as suppliers. Whenever possible, we procure our raw materials from local suppliers within the vicinity of our operations.

Climate-related Disclosures/ Climate Resilience

The Directors and management are mindful of our responsibilities on climate-related disclosures and governance, and the Board has considered sustainability issues in the Company's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. Directors and management have attended updated sustainability training in-line with the SGX enhanced requirements on sustainability reporting (Practice Note 7F) and TCFD (Taskforce on Climate-related Financial Disclosures).

In view of the company's current level of operations (limited to trading/ non-manufacturing), it is the company's view that the company's climate-related disclosures are currently not material to disclose (but the Company's anticipated diversification into new businesses going-forward is likely to change this materiality assessment). In making this assessment, the Company also considered climate-resilience factors, based on RCP 2.6 and RCP 4.5 climate scenarios (commonly referred to as below 1.5°C and below 2.7°C scenarios) such as Physical Risks (e.g. flooding) and Transition Risks (e.g. carbon pricing and technology).

The company will continue to assess climate-related risks and opportunities, and ensure appropriate disclosure in-line with SGX requirements at the appropriate time, i.e. based on materiality. The Board oversees the identification, management and monitoring of climate related risk and opportunities by Management (for example: updates via Board meetings), and takes them into consideration in determining the Group's overall strategy, objectives and operations.

In terms of climate-related risks, it is relevant to note that the company's previous chemical operations were energy-intensive in nature, and faced numerous challenges with regard to government scaling-back of electricity-price subsidies despite being considered part of a strategically-important industry and relevant to the value-chain for agriculture/ fertiliser/ domestic food security. Transition risks related to these legacy businesses include higher carbon taxes, excess emissions cost, and regulatory reporting requirements.

Whilst our existing trading operations have a significantly lower-energy intensive footprint, we continue to be mindful of the developing climate-related risks and opportunities (for example, regulations pertaining to specific phosphate chemicals, which would have implications on market size and demand).

In terms of opportunities, as announced on 9 October 2023, a subsidiary of the Company had entered into a non-binding term sheet pertaining to a potential acquisition of a renewable energy business. The potential acquisition is subject to the execution of a definitive agreement and if completed, will allow the Company to diversify into new businesses or growth areas and supplement the Group's existing businesses. Please refer to the SGXNET announcements for the latest update on the transaction.

Please refer to the "[TCFD Index](#)" appended to this report, for a tabular summary of the specific climate-related disclosures made in this report, aligned to the [SGX Disclosure Matrix guidance in Practice Note 7F](#).

Identifying and prioritizing the Material ESG Factors / ‘Material Topics and Boundaries’

We have three levels of disclosure based on the importance of the issues to the Group and its stakeholders.

Critical Factors / Focus Areas	Monitored Activities	Positions
<p>We share our views, we measure and evaluate performance, and <u>we have set or plan to set goals or quantitative targets</u> on the most important issues</p>	<p>We share our views, we measure and evaluate performance on these issues to sustain the trust and confidence of our stakeholders, and for us to be a responsible business</p>	<p>We share our views on the issues that engage public interest and have a bearing on our business</p>
<ul style="list-style-type: none"> • Energy consumption • Emissions (GHG/etc) • Waste/ water management • Health & Safety <p>Targets: For these material factors, our policies and procedures are designed to ensure compliance with the applicable laws, rules and regulations in the jurisdictions in which we operate. <i>Based on the company’s current level of operations, none of these were identified as material, for the current SR reporting period.</i></p> <p>Climate: The above Critical Factors and Focus Areas are also relevant to how the Company identifies, assesses and manages climate-related risks, e.g. via regular updates to the Board, and seeking approvals for new businesses/ assets, in-line with corporate governance guidelines.</p>	<ul style="list-style-type: none"> • Corporate conduct / Anti-corruption • Corporate governance • Environmental compliance • Product responsibility • Forestry / Biodiversity • Key Stakeholders Engagement / Labour relations • Local communities / supporting local employment / economy • Customer Satisfaction • Physical & Cyber security • Work outsourced to third parties (e.g., freight and logistics) 	<ul style="list-style-type: none"> • Recycling/Recovery: P4 flue gas (and other waste/ by-products) integrated utilisation technology improvement • Training & education • Responsible usage of scarce natural resources

Environmental Governance

Not material for our trading operations. We are mindful of the principles of environmental stewardship, and will ensure that any new business activities for our company adhere to these responsibility principles. For example, our trading operations routinely demonstrate adherence to risk management and relevant rules and regulations, via material safety datasheets (MSDS) and sourcing of materials from responsible suppliers. We are also mindful of the developing climate-related risks and opportunities (for example, export regulations pertaining to specific phosphate chemicals, and specific markets, which would have implications on market size and demand). We are working towards Ecovadis-related monitoring and reporting framework with the relevant suppliers.

- . Internal and external environmental monitoring have been conducted, where required, to ensure compliance with the policies of the Group and regulatory requirements
- . Licenced third-party environmental consultants assist with detailed environmental impact assessments for new projects and as part of the licence applications process

Energy Consumption / Emissions

Not material for our trading operations. We are mindful of the principles of environmental stewardship, and will ensure that any new business activities for our company adhere to these responsibility principles.

Waste / water management

Not material for our trading operations. We are mindful of the principles of environmental stewardship, and will ensure that any new business activities for our company adhere to these responsibility principles.

Health & Safety

We have been subject to regular and ad hoc inspections by the local safety authorities to ensure that the requisite safety requirements are met in order to be allowed to continue with our operations.

The training that we provide can be divided into basic training, compulsory training and supplementary training, and may be conducted in-house or outsourced to external trainers.

Basic training includes orientation training and occupational safety training. Orientation training is conducted to educate our new employees on company policies and basic skills and knowledge which would be relevant to their respective job functions. Occupational safety training is conducted to equip our employees on occupational safety and to educate them on safety standards and precautions to be undertaken in the course of their work.

Compulsory training: As required by applicable laws, rules and regulations, including continual professional education on an annual basis. Such training is typically organised by the relevant accrediting organisations, governmental bodies and quality assurance associations.

Supplementary training: Conducted to enhance the skills of our employees, including training to update them on the latest development trends and technologies and personal improvement. Selected employees may be sent for external short term training courses. For example, our finance staff may attend courses and seminars conducted by external organisations to keep abreast with changes in accounting requirements.

Key Stakeholders Engagement

These disclosures give an overview of our Group's approach to stakeholder engagement.

Stakeholder consultation is undertaken through formal and informal communication on an ongoing basis.

Stakeholders	How we engage	Key Topics Raised	Refer to Sections
Employees	.Annual performance reviews .Workplace health and safety	.Employment prospects/ continuity of business / career advancement / health & safety	'Our People'
Communities	.Providing employment/ support local economy .Participate in local community projects .EIA (Environmental Impact Assessments) /Projects & Public Consultation	.Financial support to the community	.Corporate Social Responsibility: Social/ Procurement Practices; WGM QPR (Chapter 20)
Government and Regulatory Bodies	.Meetings/ Reports/ Applications .Site visits .Reports from 3 rd -party independent consultants (e.g. QPR)	.Environmental matters .Compliance with PRC laws & regulations .Applications for conversion/ renewal of licences	.Overall report (SR/AR); .WGM QPR (until April 2018, i.e. for the period when company was classified as an MOG company); .SGXNET reporting/ disclosures
Suppliers/ Contractors	.Meetings	.Procurement to support local economy . Business continuity .Compliance with applicable laws, rules & regulations .Ecovadis/ ESG monitoring and reporting framework.	.Social/ Procurement Practices

Our People

As at 31 December 2023, the Group employed a total of 10 employees. The Group strives to further improve on human resource recruitment, training, appraisal and remuneration management. Please refer to the Annual Report/ Corporate Governance Report, for details and guiding policies including people-related matters, diversity, anti-corruption policies, whistleblowing, etc.

The Group has standardised its form of employment, so as to ensure that the basic rights and interests of its employees are protected, and to maintain good labour relations. We purchased all necessary insurance for the employees in accordance with the relevant labour laws. We ensure that our workers pass the relevant health checks, possess social and commercial insurance before they undertake any work at our premises. In terms of diversity of hiring (including directors and senior management), we endeavour to consider all suitable candidates and are committed to ensuring a broad perspective of skills, experience and diverse viewpoints so as to maximise corporate performance.

The Group is committed to staff upgrading. The Group sends employees to attend training, courses and seminars relevant to their scope of work, including orientation training for new employees, training for middle and senior management, professional training and safety training.

We are undergoing a board renewal process and we will consider female candidates when we appoint new independent directors. The Board also recognises that gender diversity is only one aspect of Board diversity. In terms of qualifications and competencies, members of the Board include seasoned professionals in investment, financial, accounting and legal fields. The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making.

Social / Procurement Practices

We strive to make a positive impact on the lives of people who live in the areas where we have a presence. We, as far as possible, employ local workers and provide these workers with relevant training and skills development.

The Group is committed to be in strict compliance with the laws, responding positively to government policies, paying taxes in due course, and helping to improve local employment, thus making significant contribution to the local fiscal revenue.

We seek to support and promote local businesses and economic activities by engaging them as suppliers. Whenever possible, we procure our raw materials from local suppliers within the vicinity of our operations.

SGX 'Primary Components for Sustainability Reporting' Index (Source: SGX [Practice Note 7F](#))

#	Primary Component	Section Reference
1	Material ESG Factors	.Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries'
2	Climate-related disclosures consistent with the TCFD recommendations	Board Statement / Sustainability Statement of Management / TCFD Index
3	Policies, Practices and Performance	Board Statement / Sustainability Statement of Management
4	Board Statement	Board Statement / Sustainability Statement of Management
5	Targets	.Board Statement / Sustainability Statement of Management . Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries' (Targets = "to ensure compliance with the applicable laws, rules and regulations in the jurisdictions in which we operate.")
6	Framework	'About This Report'

4. Contents of Sustainability Reporting

Primary components

4.1 The sustainability report should comprise the following primary components:

- (i) Material ESG factors.** The sustainability report should identify the material ESG factors, and describe both the reasons for and the process of selection, taking into considering their relevance to the business, strategy, business model and key stakeholders.
- (ii) Policies, practices and performance.** The sustainability report should set out the issuer's policies, practices and performance in relation to the material ESG factors identified, providing descriptive and quantitative information on each of the identified material ESG factors for the reporting period. Performance should be described in the context of previously disclosed targets.
- (iii) Targets.** The sustainability report should set out the issuer's targets for the forthcoming year in relation to each material ESG factor identified.
- (iv) Sustainability reporting framework.** The issuer should select a sustainability reporting framework (or frameworks) to guide its reporting and disclosure. The sustainability reporting framework(s) selected should be appropriate for and suited to its industry and business model. The issuer should state the name of the framework(s), explain its reasons for choosing the framework(s) and provide a general description of the extent of the issuer's application of the framework(s).
- (v) Board statement.** The sustainability report should contain a statement of the Board on the Board having considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

Figure 2(Source: [SGX Practice Note 7F](#))

[GRI / TCFD Content Index](#)

GRI Content Index: GRI Standard / Disclosure Number and Title	Section Reference
GRI 101: Foundation	Note: ‘AR’ =Annual Report ‘SR’ = Sustainability Report
General Disclosures	
GRI 102: General Disclosures	
102-1 Name of the organization	AR, SR (Front Cover)
102-2 Activities, brands, products, and services	AR (Inside Front Cover, ‘About Us’ section)
102-3 Location of headquarters	AR (Back Cover)
102-4 Location of operations	AR (Inside Front Cover, ‘About Us’ section)
102-5 Ownership and legal form	AR (‘Substantial Shareholders’ / ‘Statistics of Shareholdings’ section)
102-6 Markets served	AR (‘Message to Shareholders’; ‘Segment Information’)
102-7 Scale of the organization	AR (‘Financial Review’, (‘Corporate Social Responsibility’), ‘Our People’)
102-8 Information on employees and other workers	‘Our People’ , AR (‘Corporate Social Responsibility’)
102-9 Supply chain	‘Our People’ , AR (‘Corporate Social Responsibility’)
102-10 Significant changes to the organization and its supply chain	AR (‘Message To Shareholders’)
102-11 Precautionary Principle or approach	AR (‘Corporate Social Responsibility’)
102-13 Membership of associations	CEO and Executive Director Dr Ong Hian Eng is a member of the Singapore-Sichuan Trade & Investment Committee (SSTIC).
2. Strategy	
102-14 Statement from senior decision-maker(s)	Sustainability Statement of the Board/Management , AR (‘Message to Shareholders’)
102-15 Key impacts, risks, and opportunities	AR (‘Message to Shareholders’)
3. Ethics and integrity	
102-16 Values, principles, standards, and norms of behaviour	‘About This Report’
102-17 Mechanisms for advice and concerns about ethics	Annual Report (‘Report on Corporate Governance’ (refer sub-sections on Internal Audit; Whistle-blowing policy);

GRI Content Index: GRI Standard / Disclosure Number and Title	Section Reference
	Independent Auditors' Report)
4. Governance	
102-18 Governance structure	Annual Report ('Board of Directors', 'Report on Corporate Governance')
5. Stakeholder engagement	
102-40 List of stakeholder groups	'Key Stakeholders Engagement'
102-41 Collective bargaining agreements	'Our People'
102-42 Identifying and selecting stakeholders	'Key Stakeholders Engagement'
102-43 Approach to stakeholder engagement	'Key Stakeholders Engagement'
102-44 Key topics and concerns raised	'Key Stakeholders Engagement' ; 'Material Topics and Boundaries'
6. Reporting practice	
102-45 Entities included in the consolidated financial statements	
102-46 Defining report content and topic Boundaries	'About this Report'
102-47 List of material topics	Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries'
102-48 Restatements of information	N.A. (First Report)
102-49 Changes in reporting	N.A. (First Report)
102-50 Reporting period	'About this Report'
102-51 Date of most recent report (prior to this report)	31 December 2022
102-52 Reporting cycle	Annually (31 December 2017 = first report)
102-53 Contact point for questions regarding the report	http://asiaphos.com/contact.php
102-54 Claims of reporting in accordance with the GRI Standards	'About This Report'
102-55 GRI content index	'GRI Content Index' (this section)
102-56 External assurance	We will aim to comply with prevailing SGX SR rules
MATERIAL TOPICS	Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries'
Economic Economic Performance	
GRI 103 : 103-1 to 103-3 Disclosures of Management Approach ('DMA')	
GRI 201: Direct economic value generated and distributed	Annual Report (Statement of Comprehensive Income)
Economic Indirect Economic Impacts	

GRI Content Index: GRI Standard / Disclosure Number and Title	Section Reference
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	
GRI 203-2: Significant indirect economic impacts	[Local Communities]
Economic Procurement Practices	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	
GRI 204: Proportion of spending on local suppliers	Social/ Procurement Practices : No specific % target; however, we endeavour to support and promote local businesses and economic activities by engaging them as suppliers. We currently procure our raw materials from local suppliers within the vicinity of our operations.
Economic Anti-Corruption	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	
GRI 205: 205-1: Operations assessed for risks related to corruption	Annual Report ('Report on Corporate Governance' (refer sub-sections on Internal Audit; Whistle-blowing policy); Independent Auditors' Report)
Environmental Energy	
	Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries'
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	Energy Consumption / Emissions
GRI 302: 302-1: Energy Consumption within the organisation	
Environmental Emissions	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	Energy Consumption / Emissions
GRI 305: 305-1: Direct greenhouse gas emissions (Scope 1)	
GRI 305: 305-2: Energy Indirect greenhouse gas emissions (Scope 2)	
Environmental Water	
	Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries'
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	(Waste / water management)
GRI 303: 303-1: Water withdrawal by source / Interactions with water as a shared resource	
GRI 303: 303-2: Management of water discharge-related impacts	
GRI 303: 303-3: Water withdrawal	

GRI Content Index: GRI Standard / Disclosure Number and Title	Section Reference
Environmental Biodiversity	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	
GRI 304: 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Our chemical operations are located in a designated chemical industrial park, i.e. away from protected areas.
GRI 304: 304-2: Significant impacts of activities, products, and services on biodiversity	
Environmental Effluents and Waste	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	Identifying and prioritizing the Material ESG Factors / 'Material Topics and Boundaries'
GRI 306: 306-1: [Water discharge by quality and destination]	(Energy Consumption / Emissions)
	(Waste / water management)
Environmental Compliance	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	
GRI 307: 307-1: Non-compliance with environmental laws and regulations	We believe we are compliant with (and target to meet/exceed) applicable laws & regulations. Refer WGM QPR (section 'Environmental and Rehabilitation'; 'Environmental Studies, Permit, and Social or Community Impact').
Social Occupational Health and Safety	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	CSR 'Environmental & Safety'; 'Health and Safety' (Training)
GRI 403: 403-1: Occupational health and safety management system	CSR 'Environmental & Safety'; 'Health and Safety' (Training)
GRI 403: 403-2: Hazard identification, risk assessment, and incident investigation	CSR 'Environmental & Safety'; 'Health and Safety' (Training) .
Social Training and Education	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	'Our People'
GRI 404: 404-2: Programs for upgrading employee skills and transition assistance programs	
Social Local Communities	
GRI 103: 103-1 to 103-3 Disclosures of Management Approach ('DMA')	Corporate Social Responsibility: Social / Procurement Practices
GRI 413: 413-1 : Operations with local community engagement, impact assessments, and development programs	Social/ Procurement Practices : We endeavour to support and promote local businesses and economic activities by engaging them as suppliers. We currently procure our raw materials from local suppliers within the vicinity of our operations.

TCFD Index

TCFD Content Index: Core Element & Recommended Disclosures	Section Reference
	Note: 'AR' =Annual Report 'SR' = Sustainability Report
General Disclosures	
<u>Governance:</u>	
Disclose the organisation's governance around climate-related risks and opportunities	
. Describe the board's oversight of climate-related risks and opportunities	Board Statement / Sustainability Statement of Management
. Describe management's role in assessing and managing climate-related risks and opportunities	Board Statement / Sustainability Statement of Management
<u>Strategy:</u>	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	
. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	"Climate Resilience" ; Board Statement / Sustainability Statement of Management
. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	"Climate Resilience" ; Board Statement / Sustainability Statement of Management
. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	"Climate Resilience" ; Board Statement / Sustainability Statement of Management
<u>Risk Management:</u>	
Disclose how the organisation identifies, assesses, and manages climate-related risks	
. Describe the organisation's processes for identifying and assessing climate-related risks	"Climate Resilience" ; Identifying and prioritizing the Material ESG Factors / Material Topics and Boundaries
. Describe the organisation's processes for managing climate-related risks	"Climate Resilience" ;
. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	"Climate Resilience" ;

TCFD Content Index: Core Element & Recommended Disclosures	Section Reference
<p><u>Metrics and Targets:</u></p> <p>. Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p>	
<p>. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>"Climate Resilience"; Currently Not Material to disclose</p>
<p>. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p>	<p>Currently Not Material to disclose</p>
<p>. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</p>	<p>Currently Not Material to disclose</p>

SGX Reference: <https://rulebook.sgx.com/rulebook/practice-note-7f-sustainability-reporting-guide#:~:text=Figure%20%3A-TCFD,-recommendations%20and%20supporting>

4.11 The TCFD developed recommended disclosures across four pillars: governance, strategy, risk management, and metrics and targets. The recommended disclosures provide an explanation on the requisite disclosures to fulfil the requirements of the four pillars.

Figure 2: TCFD recommendations and supporting recommended disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
<ul style="list-style-type: none"> ✓ a) Describe the board's oversight of climate-related risks and opportunities. ✓ b) Describe management's role in assessing and managing climate-related risks and opportunities. 	<ul style="list-style-type: none"> ✓ a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. ✓ b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. ✓ c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. 	<ul style="list-style-type: none"> ✓ a) Describe the organization's processes for identifying and assessing climate-related risks. ✓ b) Describe the organization's processes for managing climate-related risks. ✓ c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. 	<ul style="list-style-type: none"> a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

“Comply or explain” i.e. explained as “Not Material”