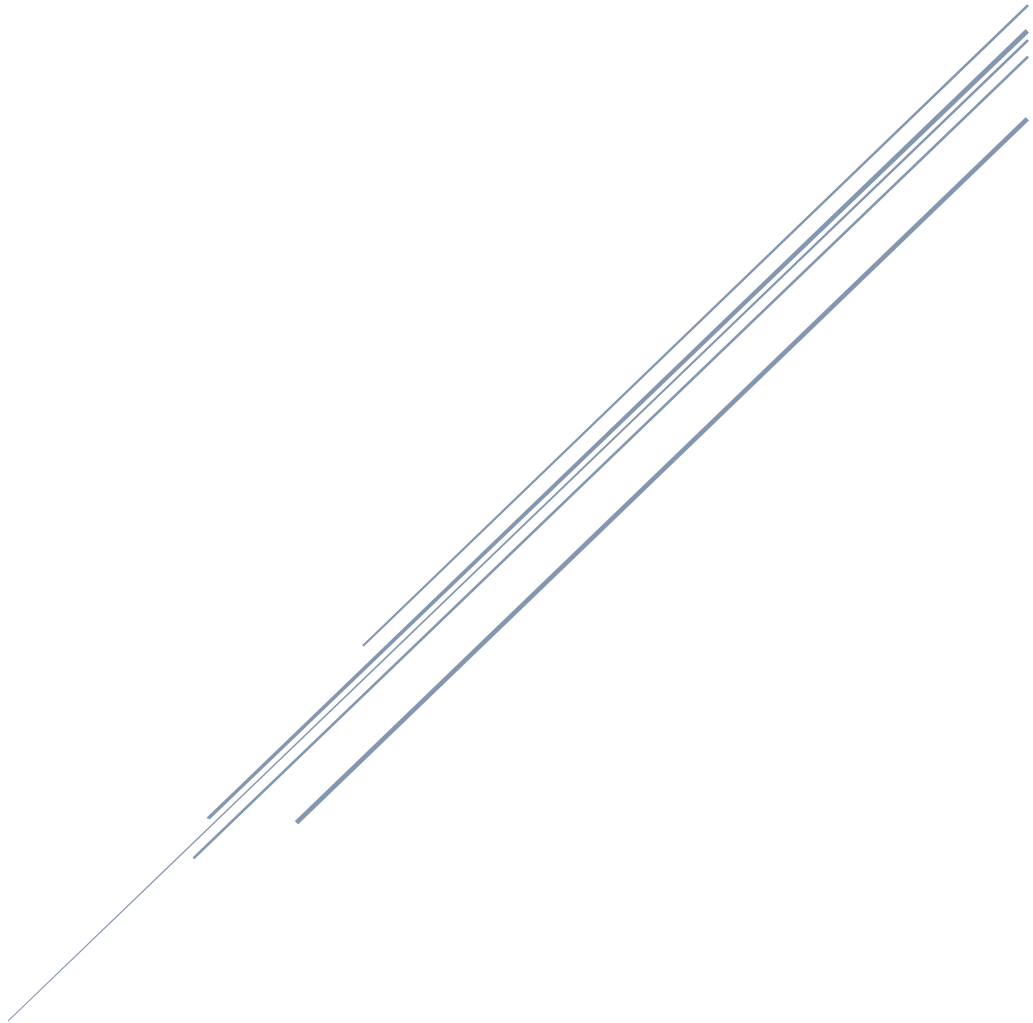




**ABUNDANCE INTERNATIONAL LIMITED**

# **SUSTAINABILITY REPORT 2021**



*This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

*The contact person for the Sponsor is Ng Joo Khin.*

*Tel: 63893000 Email: [jookhin.ng@morganlewis.com](mailto:jookhin.ng@morganlewis.com)*

# CONTENTS

Board Statement	1
About this Sustainability Report	2
Management Approach	2
Our Stakeholders	3
Materiality	4
Economic	4 - 5
Environmental	6
Social	6 - 9
Governance	10
GRI Content Index	11 - 12

# BOARD STATEMENT

Dear Stakeholders,

The Board of Directors (the “**Board**”) of Abundance International Limited (the “**Company**” or “**Abundance**”) and its subsidiaries (the “**Group**”) is pleased to present the sustainability report for the financial year ended 31 December 2021 (“**FY2021**”).

Sustainability is a part of the Group’s wider strategy to create long-term value for all its stakeholders and together with accountability and transparency, is a tenant of good governance. While we continue to work towards better financial performance, we are also mindful of the need to adopt a sustainable approach in formulating our policies, business plans and strategies, and in making major business decisions. We are committed to growth and creating value for our shareholders - but in a way where our environmental impact is minimised, where our staff are treated fairly, and where good governance and ethical business practices are adhered to which will benefit everyone in the long term.

The key material environmental, social and governance (“**ESG**”) factors of the Group have been reviewed and approved by the Board. The Board is collectively responsible for the long-term success of the Group and oversees the management and monitoring of these ESG factors and takes them into consideration in the determination of the Group’s strategic direction and policies. We will continue our efforts to further formalise and build on our sustainability efforts together with our key stakeholders in our journey of being a responsible corporate citizen.

On behalf of the Board, we would like to thank our shareholders, customers, employees and various stakeholders for their continued support throughout our sustainability journey. We look forward to our vision of building a sustainable future with you.

**Sam Kok Yin**

*Managing Director*

On behalf of the Board of Directors

10 May 2022

## **ABOUT THIS SUSTAINABILITY REPORT**

This sustainability report has been prepared (i) in accordance with the globally-recognised sustainability reporting framework, Global Reporting Initiative (“**GRI**”) Standards: Core Option (the “**GRI Standards**”) issued by the GRI Global Sustainability Standards Board and (ii) in compliance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

This sustainability report sets out the relevant key sustainability topics in relation to our business. Corresponding to the GRI Standards’ emphasis on materiality, this sustainability report highlights the key ESG related initiatives carried out throughout a 12-month period, from 1 January 2021 to 31 December 2021, unless stated otherwise.

In defining our reporting content, we have referred to the GRI’s principles for defining report content by considering the Group’s activities, impacts and substantive expectations and interests of its stakeholders. We observed a total of four principles, including materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

We have not sought external assurance for this sustainability report. The ESG data and information provided for the purpose of this sustainability report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

In line with the Company’s commitment to environmental sustainability, no hardcopies of this sustainability report have been printed. This sustainability report can be viewed on our website: <https://abundance.com.sg/sustainability-report> on the SGXNet at [www.sgx.com](http://www.sgx.com).

In our continuous efforts to ensure and improve on our sustainability journey, we welcome your views and feedback at [contact@abundance.com.sg](mailto:contact@abundance.com.sg).

## **MANAGEMENT APPROACH**

The principle of materiality states that our sustainability report should address topics that reflect the Group’s significant economic, environmental and social impacts, and/or that substantively influence the assessments and decisions of our stakeholders. Abundance has conducted an informal survey with management and key stakeholders to determine the material sustainability factors. When deciding on investments, first and foremost it is to be expected that economic performance and corporate governance and compliance come at the top of the agenda for both internal and external stakeholders.

We analyse our business and operation models as the basis to re-evaluate the relevancy of the existing sustainability factors and identify other sustainability factors. The key material ESG factors identified in this sustainability report remain relevant. We continue to integrate these sustainability focuses in our business strategies and seek improvements moving forward. We will also continue to monitor all other sustainability factors and ensure that this sustainability report helps the Company to grow in a responsible and sustainable manner.

Our sustainability efforts are led by the Board and senior management who ensure that the Group’s business objectives are in line with our sustainability commitment. Senior management update the Board on the Group’s performance and key developments on an annual basis. The Board has the ultimate responsibility for the Group’s sustainability strategy and maintains overall oversight over the Group’s sustainability direction.

## OUR STAKEHOLDERS

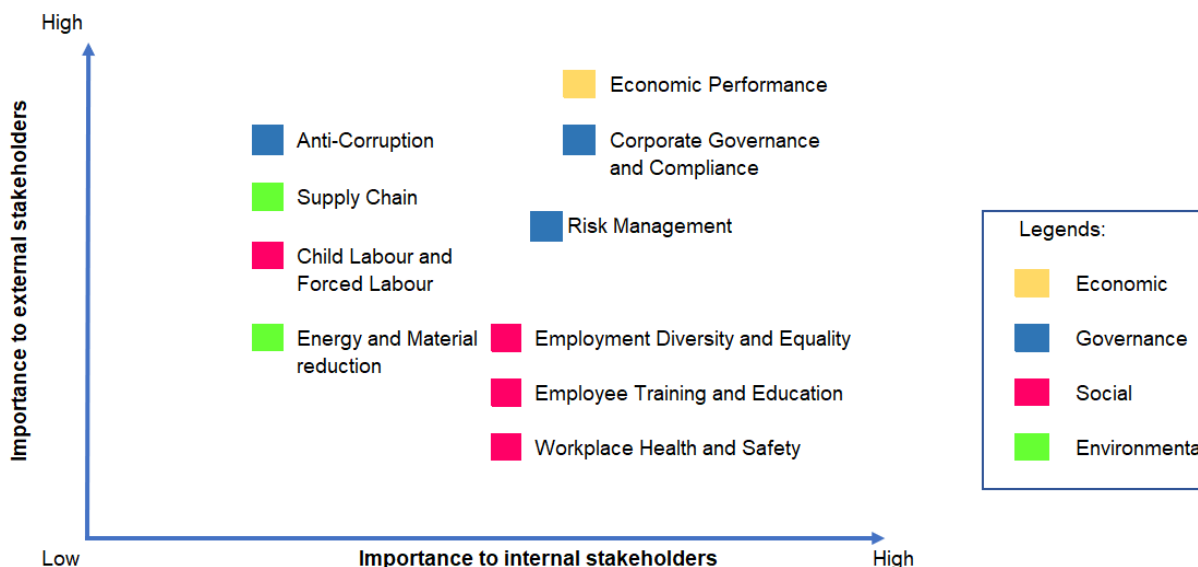
Through formal and informal channels of communication with our key stakeholders, we have taken into account their interests and requirements. The table below sets out the platforms through which we engaged our key stakeholders during the period under review:

Stakeholders	Engagement platform	Frequency of engagement	Topic of interest
Employees	<ul style="list-style-type: none"> <li>▪ Open dialogues</li> <li>▪ Annual performance review</li> </ul>	As and when	<ul style="list-style-type: none"> <li>▪ Employee welfare and benefits</li> <li>▪ Safe working environment</li> <li>▪ Work-life balance</li> <li>▪ Training and development needs</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>▪ Regular reports</li> <li>▪ Meetings</li> <li>▪ SGXnet announcements</li> </ul>	Annual/ As and when	<ul style="list-style-type: none"> <li>▪ Corporate governance</li> <li>▪ Compliance of laws and regulations</li> </ul>
Investors and shareholders	<ul style="list-style-type: none"> <li>▪ Annual reports and circulars</li> <li>▪ Sustainability reports</li> <li>▪ Annual General Meetings</li> <li>▪ Extraordinary General Meetings</li> <li>▪ SGXnet announcements/press release</li> </ul>	Annual/ half-yearly/ As and when	<ul style="list-style-type: none"> <li>▪ Stable and sustainable growth and profitability</li> <li>▪ Reasonable returns to shareholders</li> <li>▪ Corporate governance</li> <li>▪ Financial performance and stability</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>▪ Regular dialogues and meetings</li> <li>▪ E-mail communication</li> <li>▪ Phone calls</li> </ul>	As and when	<ul style="list-style-type: none"> <li>▪ Quality of products and services</li> <li>▪ Financial stability</li> <li>▪ Fair payment terms</li> </ul>
Customers	<ul style="list-style-type: none"> <li>▪ Regular dialogues and meetings</li> <li>▪ E-mail enquiries</li> <li>▪ Phone calls</li> <li>▪ Company website</li> <li>▪ Trade exhibitions</li> </ul>	As and when	<ul style="list-style-type: none"> <li>▪ Quality and pricing of products and services</li> </ul>
Bankers	<ul style="list-style-type: none"> <li>▪ Meetings</li> <li>▪ Informal discussions</li> </ul>	As and when	<ul style="list-style-type: none"> <li>▪ Compliance of bank covenants</li> <li>▪ Financial performance and stability</li> <li>▪ Business outlook</li> <li>▪ Future banking needs</li> </ul>

The Company and one of its subsidiaries, Orient-Salt Chemicals Pte. Ltd. are members of the Singapore Business Federation as required by the Singapore Business Federation Act (Cap. 397A) of Singapore.

# MATERIALITY

## Identification of Abundance’s Material Factors



## ECONOMIC

### Economic Performance

Headquartered (“HQ”) in Singapore and listed on the Catalist Board of the SGX-ST, Abundance started off as a commercial printer of books, calendars and other publications. In 2015, Abundance diversified its business scope to include chemicals and investments with the objective of creating long-term value for our shareholders.

Today, Abundance is focused on the chemicals sector. The Group’s chemical trading business is conducted via our subsidiary, Orient-Salt Chemicals Pte. Ltd. (“**OSC Singapore**”), and its subsidiaries in the People’s Republic of China (the “**PRC**”) and Japan (collectively the “**OSC Group**”). The OSC Group adopts a trading and distribution model. The focus continues to be on the trading of commodity chemicals. This trading business is based primarily in Singapore, Shanghai in the PRC and Japan.

The OSC Group performed remarkably in FY2021. It achieved revenue of US\$713.1 million, with a profit after tax of US\$6.4 million (including total investment gains of US\$4.4 million less US\$1.0 million corresponding income tax expense from an investment in Jiangu Sopo Chemical Co., Ltd. (“**Jiangu Sopo**”). Excluding the net investment gains, the profit after tax of the OSC Group derived from its core chemical trading business was US\$3.0 million.

We are also constantly exploring and evaluating other chemicals related investment opportunities. In April 2021, our [indirect] wholly-owned subsidiary, Orient-Salt Chemicals (Shanghai) Co., Ltd., subscribed for 3,610,108 shares in Jiangu Sopo, who is also our supplier and which is listed on the Shanghai Stock Exchange, at RMB8.31

per share. The moratorium period in respect of such shares ceased in October 2021, and we have subsequently sold the shares for a net gain of approximately US\$3.4 million.

Our wholly-owned subsidiary, Abundance Investments Pte. Ltd., acquired 18.18% of the enlarged share capital of 上海三瑞高分子材料股份有限公司 (Shanghai Sunrise Polymer Material Co., Ltd.) (“**Sunrise**”) in FY2019 for RMB20 million. Sunrise was incorporated in the PRC and specialises in the production of specialty chemicals used mainly for construction, surface care, oxythelen derivatives and also for use in the production of lithium batteries. Sunrise, together with its subsidiaries, recorded a profit of US\$0.5 million for FY2021. As a result of dilution arising from several issuances of new shares by Sunrise, the Group’s shareholding in Sunrise was reduced to 12.74% as at 31 December 2021. The fair value of this equity stake has been determined by an independent professional valuer to be approximately US\$9.8 million as at 31 December 2021.

We will continue to explore and evaluate other chemical related investment opportunities which may further create value for shareholders.

Apart from the above, the investment portfolio (excluding the 12.74% equity interest in Sunrise) under Abundance Investments Pte. Ltd. consisting of cash and listed equities, amounted to US\$323,000 as at 31 December 2021. We will make appropriate investments as and when good opportunities come along and where our cash flow position allows.

As for the printing business, we started the slitting and rewinding of paper rolls and providing sheeting services in 2019. Today, we are able to provide a comprehensive suite of paper management services to our clients which are mostly based in Singapore. The Group’s print and paper management business achieved US\$1.1 million of revenue for FY2021.

Please refer to the following sections in our FY2021 Annual Report for detailed information on our financial results for FY2021:

- Message to Shareholders, pages 4 - 7
- Financial Highlights, page 11
- Independent Auditor’s Report (including notes to the Financial Statements), pages 39 - 124

To ensure stability and sustainability, Abundance aims to enhance shareholder value by building sustainable, long-term profitability for its shareholders. Profitability is also a key requirement for sustainable development as a responsible company, for customers to trust us, and for our employees to have a stable income.

## ENVIRONMENTAL

### Supply Chain

We are very selective in choosing our business partners. Our directors have deep business relationships with the majority of our business partners and through that we have developed a mutual sense of trust. As part of our vendor assessment, we carefully check their reputation and to date we have had no cause for concern.

Currently, we outsource all handling, transport and storage of chemical products to carefully selected companies which comply with all necessary safety regulations. This ensures there are economies of scale obtained in the companies managing the chemicals business and also reduces our footprint in emission in managing and transporting the chemical products. We assess and re-evaluate the performance of our business partners regularly. Instant feedback will be provided to our business partners when issues arise. To date we have not had any environmental, social or other issues of concern from any of our longtime trusted business partners.

We believe that securing a pool of like-minded business partners that share our commitment to sustainability will mitigate operational and reputation risk. We will continue the effort of evaluating our business partners to avoid any environmental, social or other issues of concern.

### Energy and Material Reduction

In line with the concerns of global warming, the Group has undertaken environmentally-friendly measures to reduce energy usage and office consumables. Since 2018, we have reduced our usage of paper by printing less documents and relying instead on electronic documents for signing and record purposes. With the scaling up of our paper management business in 2019, we sent the resultant scrap paper waste generated for recycling as far as possible. In 2020, we set up cloud storage for our Singapore office to file documents electronically. This has minimised the usage of arch files, paper printing and energy usage from our photocopier.

We will continue to implement additional initiatives to minimise the energy usage and office consumables within the Group. Please refer to the “**Corporate Social Responsibility**” section on page 36 of our FY2021 Annual Report for information on the good environmental practices advocated by the Group.

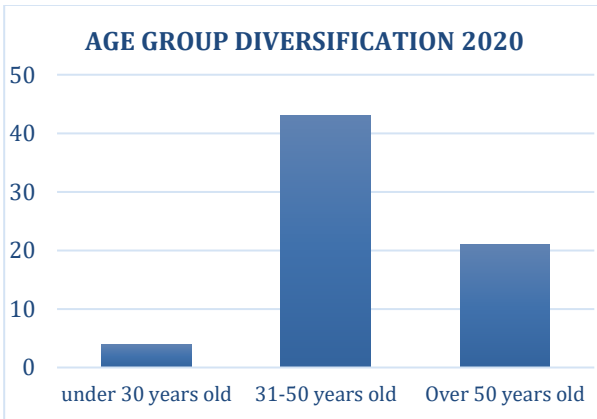
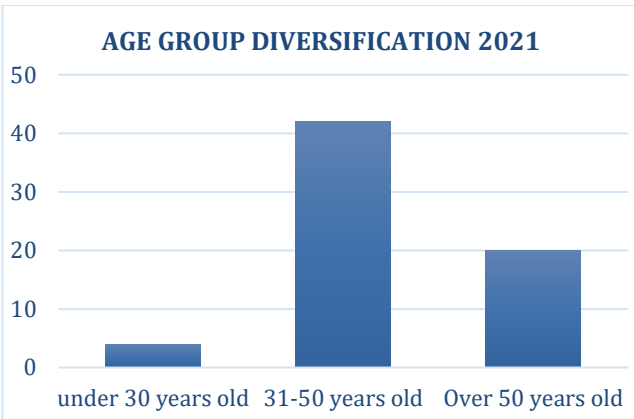
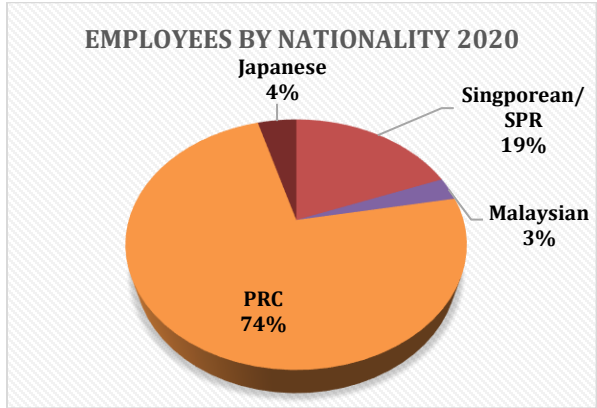
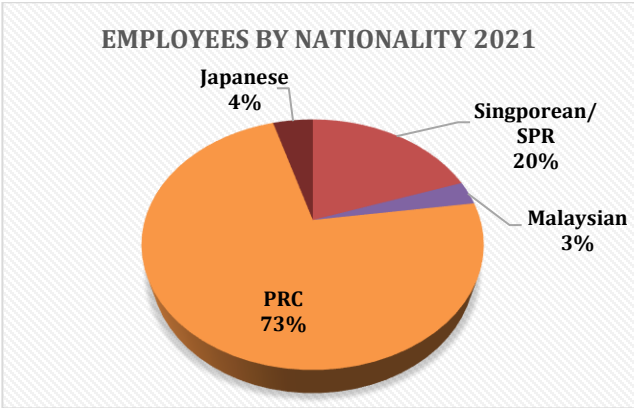
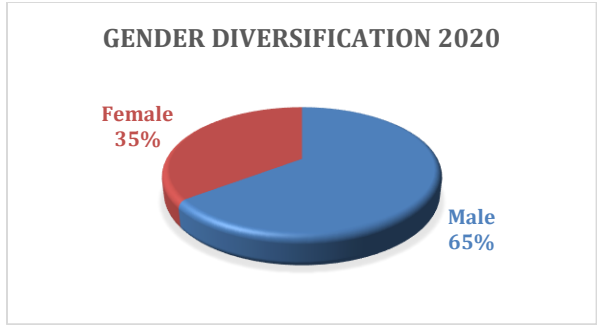
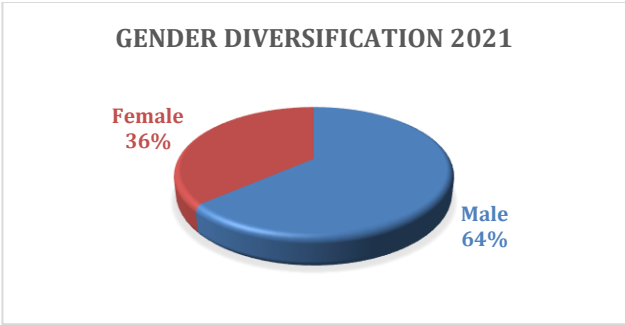
In FY2021, there were no incidences of non-compliance with environmental laws and/or regulations resulting in significant fines and sanctions. We aim to maintain this level of performance.

## SOCIAL

### Employment Diversity and Equality

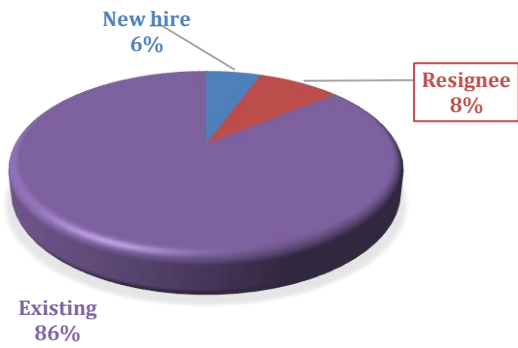
Our employees are a mix of Singaporeans, Malaysians, PRC nationals and Japanese. We have a total of 66 employees as at 31 December 2021. We hire and select our employees on the basis of merit such as skills, experience or ability to perform the job regardless of age, race, gender, religion and or marital status. We view the diversity of our people as a source of strength. We are committed to the promotion of diversity and equality and take our responsibility to promote equality of opportunity and eliminate unlawful discrimination seriously. The Group has an equal remuneration policy regardless of gender and nationality. There was no reported incidence of discrimination by employees in FY2021. We aim to maintain zero incidence of discrimination in this current financial year.





In formulating employment policies, we are guided by the relevant legislation in establishing our employees' contracts. Our goal is to develop and maintain a healthy and positive working environment, which creates mutual respect and dignity and enables everyone to realise their full potential. Continuing open dialogue among the teams and employees is the main platform used to engage our employees. By conducting these dialogues informally and in an open environment, we encourage our employees to raise any issues to the management. We believe that this provides a more interactive and direct channel for any form of feedback. We want to avoid any discontentment in our working environment that will hinder the progress of our employees. In FY2021, the employee turnover rate increased from 4% to 8%. We have not met our target set last year to keep the employee turnover rate to not more than 5%. We aim to improve the turnover rate next year. We will continue to strive to make sure that everyone feels confident and comfortable and maintain a low turnover rate.

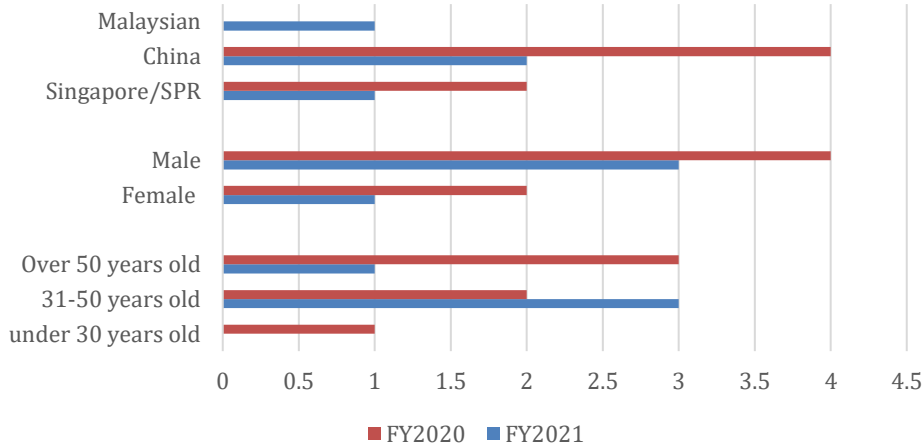
### EMPLOYEE TURNOVER RATE YEAR 2021



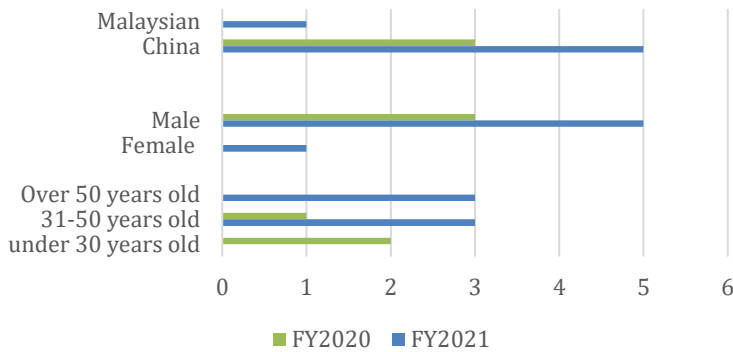
### EMPLOYEE TURNOVER RATE YEAR 2020



### NEW HIRES



### RESIGNEES



## **Employee Training and Education**

It is our strong belief that long-term success is dependent on the strength and depth of our talent pool. We believe that it is in our best interest to invest in the career of our employees through continuous learning. We do this by providing ample on-the-job training for employees as and when needed, as well as exposing them to development opportunities where they can get to undertake challenging projects or assignments. We have also sent our employees to attend relevant courses relating to the business. We will continue to monitor and maintain the skill sets of all our employees with regular performance and career development reviews.

## **Workplace Health and Safety**

Staff safety is of utmost important to us. We strive to provide and maintain a healthy and safe working environment to minimise the likelihood and impact of hazards occurring. In Singapore, we appointed a part time Fire Safety Manager and formed our Company Emergency Response Team in compliance with the Fire Safety Act (Cap. 109A) of Singapore. Fire and evacuation drills are conducted at least once a year to ensure that the staff are familiar with the building's emergency evacuation procedures and use of different types of fire extinguishers. We have also purchased insurance to cover workplace injuries in accordance with the Work Injury Compensation Act (Cap. 354) of Singapore.

Since FY2020, in view of the Covid-19 pandemic, we implemented additional requirements to protect the health and safety of our employees. We implemented social distancing at our workplace. We subscribed to Microsoft 365 and allow our employees to work remotely from home whenever possible. Face masks, hand sanitisers and Covid-19 test kits were provided to our employees to support their well-being. In Singapore HQ, we implemented daily temperature screening as well as 'SafeEntry' requirements for all on-site employees and visitors. We will continue to monitor the development of the Covid-19 situation and take necessary measures to ensure the continuity of our business and the safety of our employees.

Our factory workers are expected to observe safety policies and practices, use the safety equipment supplied to them and practice safety at all times. In Singapore, we provide attire suitable for the work environment - Company T-shirts, safety shoes, face mask and goggles. During FY2021, there were no major workplace accidents which resulted in serious injury, death or censuring by the relevant authorities and there are no fatalities as a result of work-related ill health. We aim to continue to achieve low to zero incidences of health and safety issues.

## **Child Labour and Forced Labour**

We will not tolerate the use of child labour and forced labour, in any of our operations and facilities or within our supply chain. We are firmly opposed to all forms of child exploitation and forced labour. Our operations are mainly office-based and therefore forced labour is not a significant risk to us. Having said that, we are committed to prevent and eliminate child labour and forced labour wherever it occurs in our supply chain. We do not deal with supply chain partners who do not share our views on zero tolerance for child labour.

## GOVERNANCE

### Corporate Governance and Compliance

The Board is committed to achieving and maintaining high standards of corporate governance in order to safeguard the interests of shareholders of the Company. Please refer to the “**Report on Corporate Governance**” section on pages 12 to 38 of our FY2021 Annual Report for information on the Group’s corporate governance practices with reference to the Code of Corporate Governance 2018. The Board and senior management will continue to review its practices on an ongoing basis to ensure we uphold the highest level of conduct and ethical standards.

In light of COVID-19, we have put in place the safe management measures in line with the Ministry of Manpower, Ministry of Health and Ministry of Trade and Industry’s requirements. For more information on the safe management measures implemented at Abundance, please refer to the Workplace Health and Safety section above. During FY2021, there were no incidences of non-compliance with the COVID-19 laws and regulations resulting in significant fines and sanctions.

The Group has obtained and maintained all licences required for the conduct of its chemicals business. In FY2021, there were no incidences of non-compliance with laws and/or regulations resulting in significant fines and sanctions. We aim to comply with all relevant laws and regulations.

### Risk Management

The Group has in place several risk management measures to manage its exposure to risks that are associated with the conduct of its business. We regularly review the Group’s business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. No significant findings were identified in our internal and external audits in FY2021. We aim to review the risk management measures regularly to ensure all relevant risks are identified, communicated and addressed in a timely manner.

Please refer to the “**Report on Corporate Governance**” section on pages 27 to 28 of our FY2021 Annual Report for more details.

### Anti-Corruption

We do not engage in bribery or any form of financial crime. We must never offer, promise or give bribes in connection with our business and we must never ask for or accept bribes. We strive to uphold all laws aimed at countering corruption in all jurisdictions in which we operate.

To reinforce a culture of good business ethics and governance, we have a whistle blowing policy to provide well-defined and accessible channels in the Group through which employees of the Group may raise their concerns and highlight possible improprieties, fraudulent activities, malpractices within the Group. Please refer to page 31 of our FY2021 Annual Report for information on the Group’s whistle blowing policy.

We have formalised our anti-corruption policy and have disseminated the same to all our employees. It provides the Group’s anti-bribery stance and position on gifts and hospitality and requires all employees of the Group to avoid any conflict between their personal interests and interests of the Group in dealing with suppliers, customers and other third parties.

Over the reporting period, there was no incident of corruption. It is our goal to maintain zero incidents of corruption. We will regularly review our anti-corruption policy so as to preserve our corruption free culture.

## GRI Content Index: Core Option

Disclosure Reference	Disclosure Title	Reporting section/ Notes
<b>GRI 102: General disclosures</b>		
<b>Organization Profile</b>		
102-1	Name of the organization	Board Statement, Cover page
102-2	Activities, brands, products, and services	Economic Performance
102-3	Location of headquarters	Economic Performance
102-4	Location of operations	Economic Performance
102-5	Ownership and legal form	Economic Performance
102-6	Markets served	Economic Performance
102-7	Scale of the organisation	Economic Performance, Employment Diversity and Equality
102-8	Information on employees and other workers	Employment Diversity and Equality
102-9	Supply chain	Economic Performance, Supply Chain
102-10	Significant changes to the organisation and its supply chain	Not applicable; no significant change to the Organization's size, ownership, or supply chain
102-11	Precautionary principle or approach	Management Approach
102-12	External initiatives	Not applicable; we did not subscribe to or endorse any external initiatives
102-13	Membership of Associations	Our stakeholders
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Board Statement
<b>Ethic and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Corporate Governance and Compliance
<b>Governance</b>		
102-18	Governance structure	Corporate Governance and Compliance
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Our stakeholders
102-41	Collective bargaining agreements	Not applicable; no collective bargaining agreements are in place
102-42	Identifying and selecting stakeholders	Our stakeholders
102-43	Approach to stakeholder engagement	Our stakeholders
102-44	Key topics and concerns raised	Our stakeholders
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Page 80 of our FY2021 Annual report
102-46	Defining report content and topic Boundaries	About this Sustainability Report
102-47	List of material topics	Materiality
102-48	Restatements of information	Not applicable; no restatement of information

Disclosure Reference	Disclosure Title	Reporting section/ Notes
102-49	Changes in reporting	Not applicable; no significant change from previous reporting periods in the list of materiality topics and topic Boundaries
102-50	Reporting period	Board Statement
102-51	Date of most recent report	24 May 2021
102-52	Reporting cycle	About this Sustainability Report
102-53	Contact point for questions regarding the report	About this Sustainability Report
102-54	Claims of reporting in accordance with the GRI Standards	About this Sustainability Report
102-55	GRI content index	GRI content index
102-56	External assurance	About this Sustainability Report – Abundance has not sought external assurance for this sustainability report
<b>GRI 103: Management Approach</b>		
103-1	Explanation of the material topic and its Boundary	Economic, Environmental, Social, Governance
103-2	The management approach and its components	Economic, Environmental, Social, Governance
103-3	Evaluation of the management approach	Economic, Environmental, Social, Governance
<b>Topic-Specific Disclosures</b>		
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	Economy performance
<b>Environmental</b>		
307-1	Non-compliance with environmental laws and regulations	Energy and Material Reduction
<b>Social</b>		
401-1	New employee hires and employee turnover	Employment Diversity and Equality
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workplace Health and Safety
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training and Education
405-1	Diversity of governance bodies and employees	Employment Diversity and Equality
406-1	Incidents of discrimination and corrective actions taken	Employment Diversity and Equality
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Child Labour and Forced Labour
<b>Governance</b>		
205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption



## **ABUNDANCE INTERNATIONAL LIMITED**

(Company Registration Number 197501572K)

9 Joo Koon Circle, Singapore 629041

Tel: (65) 68614040

Fax: (65) 68610530

Email: [contact@abundance.com.sg](mailto:contact@abundance.com.sg)