

OIO  
HOLDINGS  
LIMITED

2022

# Sustainability Report

The Sustainability Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange 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.

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# BOARD STATEMENT

The Board of Directors (the “Board”) of OIO Holdings Limited (“OIO” or the “Company” and together with its subsidiaries, the “Group”) is pleased to present its fourth sustainability report (the “Report”) for the financial year ended 31 December 2022 (“FY2022”).

This Report provides an overview of the Group’s approach and commitment towards the management of environmental, social and governance (“ESG”) risks and opportunities. The Board believes this Report is an important avenue to engage with its stakeholders to understand their needs and concerns, and ensure continuous improvement in different ESG aspects.

In FY2022, the Group has continued to further enhance its capabilities and accelerated its growth, in particular, the staking services. Since the acquisition of Moonstake Pte Limited and Moonstake Limited (collectively referred to as “MS Group”) in May 2021, the Group has been providing business-to-consumer (“B2C”) crypto wallet to users and staking<sup>1</sup> services, which utilise the Proof of Stake (“PoS”) mechanism to validate blockchain transactions. Avoiding the power consumption and computing power cost used in mining, the PoS is a more environmental-friendly method as compared to other validation methods such as Proof of Work (“PoW”), which is used for other cryptocurrencies.

The Group is committed to incorporating corporate social responsibilities into its business operations by enhancing its sustainability management and performance, as well as contributing back to the environment and the community. The Board accepts full responsibility for the sustainability of the Group, including formulating strategies, overseeing the Group’s ESG performance and relevant risks, and approving the sustainability report. The Board also regularly reviews the effectiveness of the risk management systems and internal control mechanisms, ensures that the Group remains compliant with regulatory requirements, operates on a sustainable basis in the long term, and continuously strives to enhance its economic, environmental, social and community commitments. The Group has also assigned personnel from the business and functional departments to support the Board to fulfil its responsibilities, which demonstrates the Group’s commitment to its sustainability with transparency and accountability.

During FY2022, the Group conducted the materiality assessment, which helps the Group to not only identify material ESG issues that may be relevant and impactful to its business and its stakeholders, but also integrate ESG into its business strategy and improve its reporting. Based on the result of the assessment, Privacy and Data Security, Compliance with Laws and Regulations, Human Capital Development, and Economic Performance are the material ESG issues that have high level of influence on both stakeholders’ assessment and decisions as well as the sustainable development of the Group. To better manage the Group’s ESG performance and align with the market trend, the Group has set environmental and social targets according to its own business operations and its peer performance.

Note(s):

1. Staking is a technical feature of blockchain technologies which utilises PoS as a validation mechanism by rewarding token holders who had staked their tokens for the validation process. A staking pool aggregates digital assets from multiple token holders to increase the token holders’ likelihood of receiving the blockchain validation rewards under the PoS system. The MS Group provides a proprietary software platform, including a user-friendly web wallet and mobile wallet services, in order to provide a full range of staking functions, and to serve a larger pool of tokens for holders to stake the cryptocurrencies they hold.

PoS produces and validates new blocks in blockchains through the process of staking, allowing new blocks to be produced without relying on specialised mining hardware. While mining requires a significant investment in hardware, under staking, holders participate in generating a block by delegating the cryptocurrencies they already hold.

# BOARD STATEMENT

In 2021, the Intergovernmental Panel on Climate Change issued a report<sup>2</sup> warning that irreversible and unprecedented changes to the planet are being caused by climate changes. The Group's principal operations are in Singapore; Singapore has committed to net zero emissions and mandated a Task Force on Climate-Related Financial Disclosures ("TCFD"). The Group seeks to develop a climate resilient portfolio through collaborative efforts in addition to improving the overall sustainability of the built environment. During FY2022, the Group has included climate reporting with reference to the TCFD recommendations to report climate-related risks and challenges more effectively, and help the Group improve in this critical area.

With effect from 1 January 2022, SGX RegCo has expanded the listing rules and requires Issuers to conduct an internal review of their sustainability reporting process by the internal audit function to increase stakeholder confidence in the accuracy and reliability of the sustainability information disclosed. Accordingly, the Company has reviewed the processes in relation to its sustainability reporting and the internal audit plan for FY2022 covers the key aspects of the sustainability report.

The Board would like to express its sincere appreciation to its employees, customers and business partners for their continuous support. Moving forward, the Group will continue to work towards a more sustainable future through active collaboration with its stakeholders.

**OIO Holdings Limited's Board of Directors**

Note(s):

2. IPCC Sixth Assessment Report "Climate Change 2021: The Physical Science Basis". <https://www.ipcc.ch/report/ar6/wg1/>

## ABOUT OIO HOLDINGS LIMITED

Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), OIO is a Singapore-based company that specialises in the provision of blockchain agency and consulting services and staking services.

The principal activities of the Group are:

- (a) **Blockchain agency and consulting services** segment relates to sales agency services to blockchain companies in respect of their blockchain-related products and services, software development outsource agency services to blockchain companies in respect of their software development projects, consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related businesses, products and services and commercialisation of blockchain-related products; and
- (b) **Staking services** segment relates to provision of digital wallets and staking services to retail customers as well as research and development services to enterprise customers in relation to their staking and decentralized finance businesses.

Following the disposal and liquidation of the Group’s mechanical & electrical (“M&E”) engineering services in FY2022, the Group focuses on enhancing its staking services, which utilise the PoS mechanism to validate blockchain transactions.

# ABOUT THIS REPORT

## REPORTING SCOPE

This Report presents the Group's sustainability performance for the period between 1 January 2022 and 31 December 2022. Unless otherwise specified, the scope of this Report covers the activities and projects that the Group has direct operational control in all of the Group's segments in Singapore, where its headquarters is situated in. During FY2022, the Group has fully disposed of or liquidated its M&E engineering services segment, therefore, the M&E segment has been removed from the Group's reporting scope. Other than the removal of M&E engineering services segment, the Group's reporting scope remains the same as the financial year ended 31 December 2021 ("FY2021")

The reporting scope reflects the scale of the Group's operations and the significance of the Group's economic, governance, environmental and social impacts. This Report also presents and summarises the Group's policies, practices, performance, and initiatives relating to the ESG aspects, as well as its ESG strategies. The Group will continue to strengthen its sustainability works in the future and to improve its scope of disclosure subject to the materiality assessment outcome and necessity.

## REPORTING FRAMEWORK

This Report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards. Similar to the Group's previous sustainability reports, the Group continues to choose the GRI Standards for its longstanding universal application and robust guidance, which allows for comparability of the Group's performance against its peers.

The Group attaches great importance to accuracy, balance, clarity, comparability, reliability, timeliness during the preparation for this Report, the Group has applied these GRI's reporting principles as the following:

**Accuracy:** The Group confirms that the information contained in this Report is accurate and complete in all material respects and not misleading or deceptive. The Board has reviewed and approved this Report.

**Balance:** This Report aims to present a holistic and fair view of the sustainability performances of the Group. On this account, the Board and the designated personnel of various departments/business units were involved in the reporting process.

**Clarity:** The methodologies and applicable assumptions used in the calculation of the materiality topics' key performance and relevant data in this Report were supplemented by explanatory notes to establish benchmarks where feasible. Graphics, tables and charts are used for clearer and understandable presentation of the information in this Report to all the stakeholders.

**Comparability:** The statistical methodologies applied to this ESG Report were substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies. If there are any changes that may affect comparison with previous reports, the Group will add explanatory notes to the corresponding content of this ESG Report.

**Reliability:** This Report is undergone the Group's internal assurance process, and approved by the Board, which further enhanced the quality and materiality of the Group's sustainability performances and information.

**Timeliness:** This Report is issued within 4 months of the end of the Group's financial year, that is on a regular schedule and made it available in time for users to make informed decisions.

This Report also involves climate-related disclosures based on the TCFD recommendations, and complies with the Practice Note 7F Sustainability Reporting Guide in the Catalist Rules issued by the SGX-ST.

## CONTACT US

The Group welcomes feedback to continuously improve its sustainability reporting and practices. If you wish to provide comments or feedback, please send your feedback to [enquiry@oio.sg](mailto:enquiry@oio.sg).

## SUSTAINABILITY GOVERNANCE

The Board has overall responsibility for the sustainability strategy, management, performance and reporting of the Group. The Board is responsible for overseeing all ESG-related matters, including identification, evaluation and management of the ESG factors, sustainability risks and related opportunities. The Board is also responsible for setting targets and goals, and ensuring effective risk management and internal controls.

Furthermore, the Board has delegated the responsibility of overseeing the management and monitoring of the material ESG issues to the designated personnel from the business and functional departments of the Group. Designated personnel work closely with the Board to establish the Group's sustainability objectives and strategies, monitor the Group's ESG performance, prioritise material ESG issues and review ESG policies. Designated personnel are also responsible for collecting and analysing relevant ESG data. In addition, the designated personnel reports periodically to the Board for the assessment and identification of ESG risks and the subsequent implementation or revision of the Group's ESG strategies.

In addition, with the aim to demonstrate the Group's commitment to sustainable development, during FY2022, the Group has adopted the Board Diversity Policy as described in the Annual Report for FY2022.

# STAKEHOLDER ENGAGEMENT

To better understand sustainability issues faced by all the stakeholders, the Group values their opinions and feedback, as well as their expectations and concerns on economic, governance, social, and environmental issues, by building a strong relationship and communication channels with its stakeholders. These help the Group to identify the materiality impact to the stakeholders, so as to formulate strategies and sustainability measures accordingly and appropriately. The Group maintains close communication with its stakeholders that have significant impacts on the Group's business and also those who are affected by the Group's operations.

Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

Stakeholders	Expectations and Concerns	Engagement Methods	Frequency
Government and Regulatory Authorities	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Compliance with industry standards and guidelines</li> <li>Privacy and Data Security</li> <li>Business Ethics</li> </ul>	On-site visits  Written and/or electronic correspondences	Year-round
Investors and Shareholders	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Transparent disclosure</li> <li>Sound corporate governance practices</li> <li>Long-term growth of the business</li> <li>Privacy and Data Security</li> </ul>	Updates of financial results and announcements, business developments, press releases, ESG reports and other relevant disclosures via SGXNet and the Group's website  Annual/Extraordinary General Meetings	Year-round  Annually/as and when
Customers	<ul style="list-style-type: none"> <li>High-quality products and services</li> </ul>	On-site visits Email	Year-round
Employees	<ul style="list-style-type: none"> <li>Attractive remuneration package</li> <li>Good employment practices</li> <li>Safe and healthy work environment</li> <li>Human Capital Development</li> </ul>	Training and development programmes Regular meetings  Performance appraisals	Year-round  Annually
Contractors and Suppliers	<ul style="list-style-type: none"> <li>Equitable treatment</li> <li>Good supply chain management</li> <li>Fair and open selection</li> <li>Business Ethics</li> </ul>	Established channels of communication  Site visits	Year-round
Society, non-governmental organisations and media	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Privacy and Data Security</li> <li>Business Ethics</li> </ul>	Updates of financial results and announcements, business developments, press releases, ESG reports, and other relevant disclosures via SGXNet and the Group's website	Year-round



# MATERIALITY ASSESSMENT

To identify and prioritise the Group's material ESG topics to its business operation, materiality assessment was conducted via distributing a materiality assessment survey, which was designed with the consideration of industry best practices, global and local emerging sustainability trends and sustainability reporting frameworks. The survey was distributed to the Group's relevant stakeholders, including government and regulatory authorities, investors and shareholders, customers, employees, and contractors and suppliers.

During FY2022, the Group had conducted the materiality assessment survey to identify the material ESG issues that are relevant and impactful to its business and its stakeholders. The specific steps that the Group has taken are as follows:

## Identification of ESG issues

With the reference to the nature of the Group, identify the list of ESG issues using the previous materiality assessment results, management inputs and guidelines such as GRI Standards.

## Materiality Assessment

Design a materiality assessment survey, and invite stakeholders to assess the importance of the issues, and express their views on the Group's ESG aspects through open-ended questions.

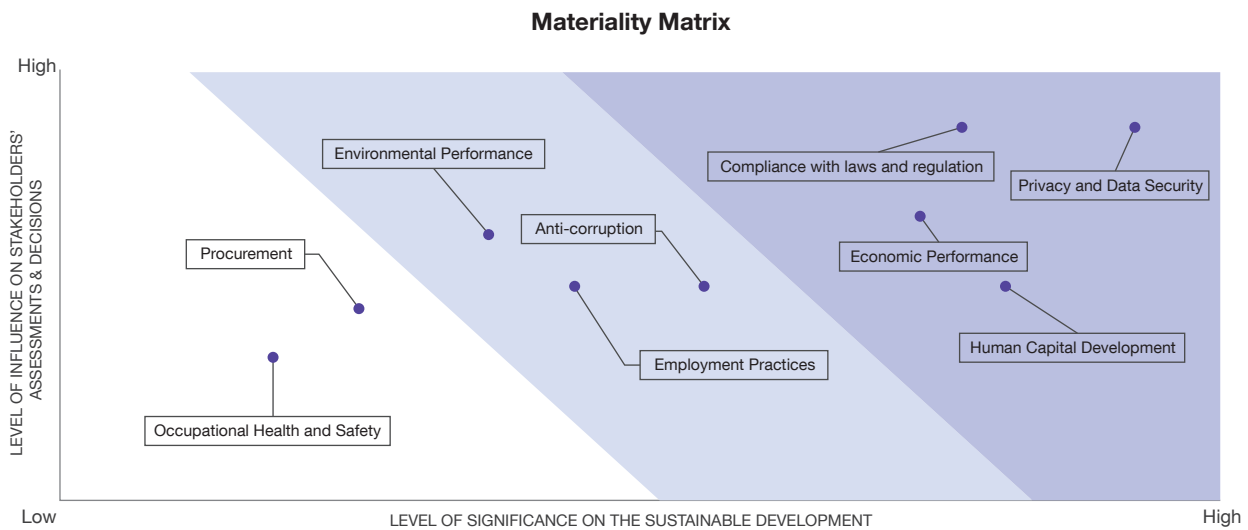
## Analysis and Materiality Matrix

Analyse the result received from the survey responses and prepare the materiality matrix; and

Review the stakeholder opinions and materiality assessment results, discuss with management and determine the focus of the report disclosure, and the strategies for improving ESG performance in the future.

The Group will continue to monitor its business operations and ESG performances regularly in order to address and manage the ESG issues that are important to the business and the stakeholders. The Group's materiality matrix for FY2022 is presented as follows:

# MATERIALITY ASSESSMENT



Categories	Material Topics	Impacts and Boundaries
<b>Economic</b>	Economic Performance	Group Level
<b>Governance</b>	Anti-corruption	Group Level
	Compliance with laws and regulations	Group Level
<b>Environment</b>	Environmental Performance	Group Level
<b>Social</b>	Employment Practices	Group Level
	Human Capital Development	Group Level
	Occupational Health and Safety	Group Level
	Privacy and Data Security	Staking Service
	Procurement	Group level

Following the disposal and liquidation of M&E segment during FY2022, the Group’s principal activities mainly comprise blockchain agency and consulting services and staking services. Therefore, the Group considers the “Customer Health and Safety” topic is no longer a material topic to the Group’s business, and thus removed it from the list of material topics as well as the focus of this Report. The result of the materiality assessment survey was reviewed and material ESG issues were approved by the Board. Performance measurements of the identified material ESG issues will be shared in detail in the following sections of this Report. The Group makes use of the collected ESG data and performances over the years, as well as peer benchmarks, to establish sustainability targets and management measures in pursuit of the sustainability.

The Group confirmed that appropriate and effective management policies and internal control policies for the material ESG issues are in place.

## ECONOMIC

### ECONOMIC PERFORMANCE

The Group sees economic performance as a material issue to the Group as business economic viability is important not only to the Group but also its stakeholders. The Group aims to deliver sustainable economic performance coupled with good corporate governance practices and high ethical standards. The Group’s financial performance for FY2022 can be found in the “Financial Highlights” on page 9 and “Financial Statements” on pages 45 to 122 of the Group’s annual report 2022.

# GOVERNANCE

To achieve high standards in corporate governance and gain trust from all the stakeholders, the Group has established a sound system for risk management and internal control to ensure both its tangible and intangible assets are protected, as well as ensuring that operation controls are adequate to minimise its business risk. The audit committee of the Group (the “Audit Committee”) has the formal responsibility for and oversight of the implementation and monitoring of such system.

## ANTI-CORRUPTION

The Group understands that integrity, honesty and fairness are fundamental to their business operation and emphatically affirms its zero-tolerance policy regarding any forms of corrupted activities. The Group has established the Anti-bribery and Corruption Policy which sets out its zero-tolerance approach to bribery and corruption. All employees, the Board of the Group, the Group’s suppliers, contractors or other business partners are required to comply with this policy, and not engage in any form of bribery or corruption.

The policy provides guidelines which include basic principles such as compliance with anti-bribery and corruptions laws, rules and regulations of Singapore and other jurisdictions where it conducts its business, avoid conflicts of interest and report any illegal and unethical behaviour. A violation of the policy will lead to disciplinary action and may include dismissal, and reporting to the relevant authorities, if necessary.

The Group has ensured that the Anti-bribery and Corruption Policy is communicated clearly to all its employees, including its 3 management-level employees and 5 other general employees, which make up 8 of the Group’s total employees in FY2022.

## WHISTLE-BLOWING POLICY

The Group has established a Whistle-blowing Policy which sets out a detailed reporting and investigative procedure to encourage and provide a confidential platform for employees to raise serious concerns as well as report fraudulent activities internally so the Group may address and investigate potential inappropriate conduct and actions. Any concerns on violations of the Group’s ethics and code of conduct, or suspected violation of law or regulations that govern the Group operations can be reported if done in good faith.

Employees may also report work-related hazards and/or hazardous situations. All concerns will be treated with strict confidentiality. The Group is committed to protecting the whistle-blower from common concerns such as victimisation, harassment or discrimination. Therefore, any employee reporting a genuine concern in good faith under the policy shall be assured of the protection against unfair reprisal, even if the reports are subsequently proved to be frivolous. In FY2022, the Group did not receive any whistleblowing report.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group acknowledges the correlation between good corporate citizenship and sustainable development. Therefore, the Group strives to be a role model for not just its employees, but also the community, by strictly complying with all relevant local environmental and social-related laws and regulations to demonstrate the Group’s commitment to corporate social responsibility as well as to allow the Group’s stakeholders to build trust with the Group.

In FY2022, there were neither confirmed incidents of corruption nor public legal cases regarding corruption brought against the Group, nor any termination of contracts with business partners due to violations related to corruption. The Group did not identify any non-compliance with relevant anti-corruption laws and regulations, hence, achieving the target set out during FY2021. Moreover, there was no confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption and no public legal cases regarding corruption brought against the Group or its employees during FY2022. The Group aims to maintain this goal for the forthcoming year.

More details of the Group’s compliance with environmental and social-related laws and regulations can be found in the “Environmental” and “Social” section of this Report. Moreover, details of the Group’s corporate governance practices can be found in the “Corporate Governance Report” of the Group’s annual report 2022.

# ENVIRONMENTAL

In FY2022, the Group continued its commitment to prevent the exploitation of natural resources whenever possible in its daily operations and improve their energy efficiency. To minimise the environmental impact arising from the business operation, the Group has formulated green practices which are formally documented in the Safety and Green Management Assessment System Manual. Green practices adopted by the Group are described in the relevant sub-header such as greenhouse gas, energy management and water management within this environmental aspect. Looking forward, the Group aims to expand the scope of environmental disclosure when the data collection system becomes more mature.

During FY2022, the Group did not identify any non-compliance with relevant environmental laws and regulations that would have a material impact on the Group, hence, achieving the target set out during FY2021. The Group aims to maintain this record of zero incidents of non-compliance for the forthcoming year.

The Group also recognises the importance of environmental sustainability. The Group provides staking services which relate to provision of digital wallet and staking services to retail customers, as well as research and development services to enterprise customers in relation to their staking and decentralized finance businesses. Staking is a technical feature of blockchain technologies which utilises PoS mechanism to validate blockchain transactions in the staking services, and is a more environmentally friendly method as compared to other validation methods such as PoW, as the amount of energy used for computing is lesser.

## CLIMATE CHANGE MITIGATION AND ADAPTATION

Extreme weather events are becoming more frequent and severe and tackling climate change has become a global consensus over recent years. The Group also realised that many countries including Singapore have begun to commit to reducing its carbon emission footprint over the past year by setting a clear timeline to achieve net zero emissions. Acknowledging this global trend, the Group is committed to gradually implementing the recommendations of the TCFD, by aiming to build long-term resilience and to do its part to support the transition towards a low-carbon economy.

### *Governance and Risk Management*

The review of climate-related risks is part of the Group's enterprise risk management framework, which is overseen by the Board. More details of the Group's established risk governance and reporting structure can be found in the "Corporate Governance Report" on pages 12 to 35 of the Group's annual report 2022. The Group works with its business partners and stakeholders to keep abreast of the latest trends in climate adaptation and mitigation such as policy changes and technological developments. In addition, the Group engages with its key stakeholders to understand their expectations so as to ensure the Group's material climate-related risks are identified and managed through the forementioned practices.

### **Physical Risks**

Increased frequency and severity of extreme weather events locally such as extreme heat and flash floods can disrupt business operations by damaging the power grid and communication infrastructures, hampering and injuring the Group's employees on the way to work or during their work. These events could disrupt supply chains, interrupt business operations, and damage the Group's assets. For instance, there is shortage in supply of semiconductors and electronic parts required for equipment, power outage affecting the operation of data centre, damage of computers and appliances in data centre due to extreme weather events, etc. As a countermeasure, the Group identified these risks and prioritised those with severe impact to take precautionary and contingency measures, such as purchasing insurance for the Group's employees, while concurrently exploring ways in which a change in business model is possible to mitigate or avoid this severe impact on business operations.

# ENVIRONMENTAL

## Transition Risks

There are more stringent climate legislations and regulations to support global vision for decarbonisation. For example, the Singapore Exchange (“SGX-ST”) has required that listed companies to enhance the climate-related disclosures in their ESG reports, and the climate reporting is becoming gradually mandated by industries. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also be damaged due to failure to meet the compliance requirements for climate change. The Group’s related capital investment and compliance costs thus increase. In response to the policy and legal risks as well as the reputation risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate and prepares to alert the top management where necessary to avoid cost increments, non-compliance fines or reputational risks due to delayed response.

## Opportunities

Climate change also creates business opportunities for the Group, which may incorporate environmental considerations into its business strategy. With increasing awareness of climate-related risks, both customers and investors are concerned over the creation of a sustainable future as well as sustainability efforts adopted by the Group. For this, the Group has chosen to adopt staking services that utilise PoS mechanism instead of the PoW method. By utilising PoS mechanism to validate blockchain transactions, the Group takes the business opportunities in developing a more environmentally friendly method for validation of blockchain transaction, with a lower electricity consumption due to the unnecessary of complicated computing. With a more environmentally friendly business model, the Group is able to attract more environmentally conscious consumers and investors by implementing different carbon reduction initiatives and measures in the operations and along the supply chain.

## ENVIRONMENTAL PERFORMANCE

### *Greenhouse Gas (“GHG”) Emissions*

In committing to reduce GHG emissions, the Group has actively implemented measures for energy conservation, which will be described in the section headed “Energy Consumption”.

During FY2022, the principal sources of GHG emissions were generated from the use of purchased electricity (Scope 2). During FY2022, the Group’s total GHG emissions, in terms of unit (kgCO<sub>2</sub>e), decreased approximately by 81.90% compared to that in FY2021. This is due to the expansion of the Group’s business with limited environmental impact, especially the staking services, as well as the disposal and liquidation of M&E segment which has a higher carbon emission footprint as shown in the scope 1 direct GHG emission. However, the Group will continue its effort in mitigating the GHG emissions in the forthcoming year.

Summary of the Group’s GHG emissions performance:

Indicator <sup>3</sup>	Unit <sup>4</sup>	FY2022	FY2021	FY2020
Scope 1 – Direct GHG Emissions	kgCO <sub>2</sub> e	-	11,119.06	7,434.39
• Diesel				
Scope 1 Intensity	kgCO <sub>2</sub> e/thousand revenue (S\$) <sup>5</sup>	-	2.21	5.07
Scope 2 – Indirect GHG Emissions	kgCO <sub>2</sub> e	2,541.71	2,926.99	2,910.97
• Purchased electricity				
Scope 2 Intensity	kgCO <sub>2</sub> e/thousand revenue (S\$)	0.71	0.58	1.98
<b>Total GHG Emissions</b>	<b>kgCO<sub>2</sub>e</b>	<b>2,541.71</b>	<b>14,046.05</b>	<b>10,345.36</b>
<b>Total GHG Emissions Intensity<sup>5</sup></b>	<b>kgCO<sub>2</sub>e/thousand revenue (S\$)</b>	<b>0.71</b>	<b>2.80</b>	<b>7.05</b>

Note(s):

- GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development and the latest Electricity Grid Emission issued by the Energy Market Authority of Singapore.
- kgCO<sub>2</sub>e is defined as kilogrammes of carbon dioxide equivalent, the use of unit is consistent with that of the previous year.
- For FY2022, the Group recorded a revenue of S\$3,575,507 (FY2021: S\$5,021,534). This data is also used for calculating other intensity data.

# ENVIRONMENTAL

## Energy Consumption

Energy consumption is one of the notable environmental footprints that the Group uses for its business operation. Thus, the Group strives to reduce energy consumption and enhance energy efficiency where possible. Anomaly in electricity consumption will be investigated to find out the root cause and preventive measures will be taken. Therefore, the Group has adopted the following energy-saving measures to better govern the use of energy within the Group's operation, these include:

- Switch off all idle appliances and unnecessary lightings upon leaving the Group's premise;
- Purchase equipment with high energy efficiency on the replacement of old equipment;
- Explore energy-efficient technologies (such as using LED lights instead of fluorescent lighting fixtures) to implement in operations; and
- Where possible, track energy consumption on-site, this will enable strategies on reducing energy consumption to be set.

During FY2022, the total energy consumption of the Group, in terms of unit (kWh), decreased by approximately 87.58% compared to that during FY2021. This can be explained by the disposal and liquidation of the Group's M&E segment with higher environmental impact. The Group will continue its effort in mitigating the energy consumption for the forthcoming year

Summary of the Group's energy consumption performance:

Types of Energy <sup>6</sup>	Unit	FY2022	FY2021	FY2020
Direct Energy Consumption • Diesel	kWh	-	43,274.68	28,934.16
Direct Energy Consumption Intensity	kWh/thousand revenue (S\$)	-	8.62	19.72
Indirect Energy Consumption • Purchased electricity	kWh	6,265.00	7,174.00	7,126.00
Indirect Energy Consumption Intensity	kWh/thousand revenue (S\$)	1.75	1.43	4.86
<b>Total Energy Consumption</b>	<b>kWh</b>	<b>6,265.00</b>	<b>50,448.68</b>	<b>36,060.16</b>
<b>Total Energy Consumption Intensity</b>	<b>kWh/thousand revenue (S\$)</b>	<b>1.75</b>	<b>10.05</b>	<b>24.58</b>

Note(s):

6. Conversion factor for diesel in litres to energy consumed in kWh is based on the Energy Statistics Manual issued by the International Energy Agency.

Apart from internal operations, the Group promotes energy conservation externally by providing staking services using PoS. PoS tackles the issues of power consumption and computing power cost by avoiding mining, which is computational work required to verify blocks and transactions under PoW mechanism. Instead, cryptocurrency owners can stake their own crypto coins to gain staking rewards. Therefore, huge amount of electricity for computing is prevented. This helps to promote the sustainable development of the cryptocurrency industry.

## ENVIRONMENTAL

### Water Management

The principal usage of water resources is mainly general use by employees in the offices and for sanitary purposes. The Group relies on the fresh municipal water supply, therefore the Group does not encounter water stress issues such as sourcing water. Similarly, used water is discharged through the municipal sewage network.

Despite the Group's water consumption is immaterial, the Group is determined to enhance water conservation. The Group has strengthened its employees' awareness of water conservation by posting reminders around the offices, reminding employees to minimise the use of water. The Group also performs regular inspections of water taps to prevent leakage. Low-flow aerators and dual-flush water cistern are installed on faucets and in toilets respectively in washrooms where possible.

During FY2022, total water consumption, in terms of unit (m<sup>3</sup>), decreased by approximately 16.00% compared to that during FY2021. This can be explained by the disposal and liquidation of the Group's M&E segment with higher environmental impact, and the constant improvement of employees' awareness in water conservation.

Summary of the Group's water consumption performance:

Indicator	Unit	FY2022	FY2021	FY2020
<b>Total Water Consumption</b>	<b>m<sup>3</sup></b>	<b>21.00</b>	<b>25.00</b>	<b>94.50</b>
<b>Total Water Consumption Intensity</b>	<b>m<sup>3</sup>/thousand revenue (S\$)</b>	<b>0.006</b>	<b>0.005</b>	<b>0.06</b>

# SOCIAL

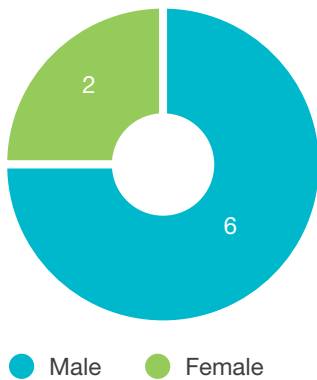
The Group has long maintained a conscious effort in ensuring compliance on socioeconomic aspects, which is crucial to being successful. Apart from setting up clear policies and procedures in advance to prevent potential infringement of related laws and regulations, the management of the Group also conducts regular reviews of these policies to revise and update them where necessary. Employees are encouraged to report any suspected cases of violation in laws and regulations. In FY2022, the Group did not identify any non-compliance with relevant material socio-economic laws and regulations, hence, achieving the target set out in FY2021. The Group aims to maintain this target for the forthcoming year.

## EMPLOYMENT PRACTICES

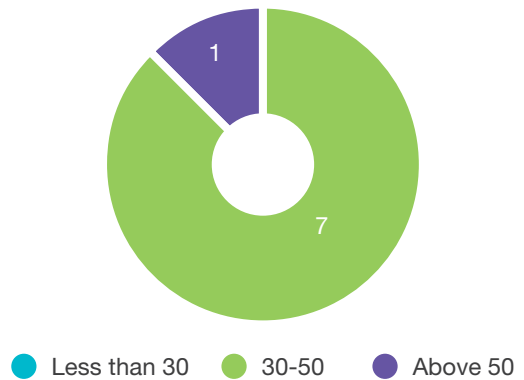
The Group acknowledges that the human resources is fundamental to its continuous development and therefore recognises the contribution and dedication of its employees. Employment policies are formally detailed in the Human Resources Policy Manual such that their rights are respected and protected. The Group also periodically reviews these policies and employment practices to ensure compliance with statutory standards, continuous improvement of its employment standards and practices and competitiveness against companies within industry.

During FY2022, the Group employed a total of 8 full-time employees, of which 7 employees are working in Singapore, and 1 employee is working overseas. All activities of the Group were performed by the Group's employees. The following graphs show the breakdown of the Group's employees by gender, age groups, employment category, and employment contract:

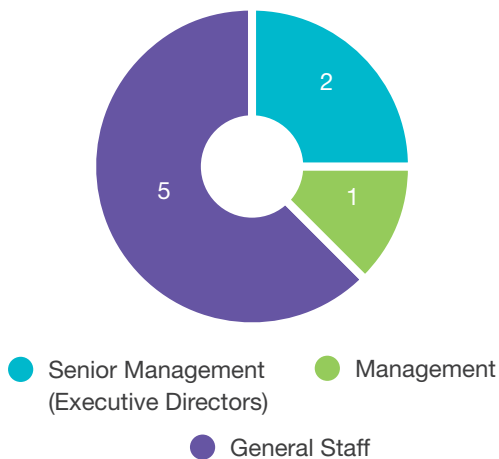
Employees by Gender



Employees by Age Group



Employees by Employment Category



Employees by Employment Contract





## SOCIAL

During FY2022, the Group's overall turnover rate<sup>7</sup> is approximately 262.50% and the rate of new hires<sup>8</sup> is approximately 212.50%. All the turnovers are in Singapore, and of the new hires, 1 is from the UK, and the rest are in Singapore. The Group has set target to continue to conduct performance appraisal on employees on an annual basis to ensure the remuneration packages' competitiveness so as to attract and retain talents, as well as to encourage the employees to increase their productivity.

The breakdown of turnover and new hires during FY2022, by gender and age group:

Categories	Number of Turnover	Turnover Rate <sup>7,9</sup>	Number of New Hires	Rate of New Hires <sup>8</sup>
<b>By Gender</b>				
Male	17	212.50%	14	175.00%
Female	4	50.00%	3	37.50%
<b>By Age Group</b>				
30 – 50	18	225.00%	16	200.00%
Above 50	3	37.50%	1	12.50%

Note(s):

- The turnover rate is calculated by the number of employees who left during FY2022 divided by the total number of employees at the end of FY2022.
- Rate of new hires is calculated by the number of new hires during FY2022 divided by the total number of employees at the end of FY2022. The rate of new hires was higher in FY2022 due to hiring efforts undertaken by blockchain technology services business segment.
- The turnover rate was higher than FY2021, partly attributable to cost-saving measures implemented by the Group in FY2022 to streamline operations and improve efficiency.

### Recruitment and Remuneration

Employees are recruited based on their merits and potential under a robust and transparent recruitment system. Recruitment and promotional decisions are made independent of race, national origin, marital status, religion, political affiliation, age, sexual orientation, and disability. The Group has set a series of terms and conditions, regarding to rights and obligations imposed on its employees as specified in the letter of employment, including salary increments, working hours and rest days, etc. All personal data of the employees and job applicants are safeguarded under the Group's Data Protection Policy. Unauthorised access, collection, use, disclosure, copying, modification, disposal or similar process are prohibited.

In addition to the leave entitlement stipulated in the Employment Act of Singapore, the Group is flexible in granting of leave to cater the needs of its employees. This includes marriage leave, examination leave, compassionate leave, etc. Employees are also entitled to other non-occupational medical and healthcare benefits such as outpatient medical and dental benefits. For employees who fall sick or require medical attention during working hours, employees are entitled to medical attention at the Group's appointed clinic. Outside of working hours, the employee shall consult a doctor at a government out-patient dispensary or any registered medical practitioner nearest to his residential address. Such medical certificate shall be recognised, and the related medical fee shall be reimbursed upon production of the medical receipt. Employee benefits are clearly stated in the Human Resources Policy Manual.

### Diversity and Equal Opportunity

The Group commits its focus on equality, inclusion, and diversity through maintaining a discrimination-free talent pool and work environment, where all employees are treated with the same degree of respect. The Group endeavours to instil a cooperative and collaborative workplace culture into all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training. Employees are strongly encouraged to report any suspected cases to protect the rights and interests of each employee. Any forms of sexual harassment or abuse in the workplace will not be tolerated.

During FY2022, there were no incidents of non-compliance relating to discrimination, forced labour, child labour or freedom of association. The Group aims to maintain its current good practices of having zero related breach or incidents to continuing attracting high calibre employees in the forthcoming year.

# SOCIAL

## HUMAN CAPITAL DEVELOPMENT

The Group believes that well-trained employees are the foundation of the Group's professional service. In providing consultancy and solutions to clients in blockchain services and staking services, employees are taught the fundamental skills of the industry and the latest industry practices to provide customised and professional services to the client. For the staking service, all employees are not only trained with the technical skills, but also fully equipped with the responsibility for risk and compliance in the cryptocurrency transaction, in particular anti-money laundering, tax treatment and wallet operation. The Group has provided training and professional development programmes to all its employees, either internal on-job trainings or external trainings conducted by accredited institutions or organization, where applicable. Currently, training is conducted in-house or on a need basis. Depending on business requirements, the Group aims to set a suitable minimum average training hours for its employees in the future.

## OCCUPATIONAL HEALTH AND SAFETY

Employees are considered one of the most precious resources to us. The Group attaches great importance to providing a safe and secure workplace for its employees, customers and visitors. During FY2022, the Group did not record any workplace fatalities nor any high-consequence work-related injuries, achieving the target set out during FY2021. The Group aims to maintain the same record of zero workplace fatalities or high-consequence work-related injuries for the forthcoming year.

### Response towards the COVID-19 pandemic and the variant virus

Although restrictions related to COVID-19 pandemic have been eased, the Group endeavours to ensure the health and safety of its employees. In line with the direction of the Singapore Government, the Group encourages its employees to become vaccinated so as to defend against COVID-19 and the potential new variants. Furthermore, clear guidelines are also in place to respond to situations where employees or their family members are found to have contacted the virus. Overall, the Group is committed to maintaining its current health and safety measures, to continue to safeguard its employees.

## PRIVACY AND DATA SECURITY

Due to the Group's business nature includes the provision of staking service, it inevitably involves interaction in relation to personal information and data. Therefore, the Group attaches great importance to the privacy protection and data security to maintain its sustainable business operation and sound reputation. To prevent any cyber breach and adherence to local requirements and best practices, the Group reviews cybersecurity risk and control measures, related policies and procedures periodically. During FY2022, the Group did not receive any complaints concerning cyber breach nor identified incident relating to cybersecurity of the Group. The Group aims to maintain the record of zero cyber breach or related incident for the forthcoming year.

Furthermore, the Group has distributed related content pieces to its employees to ensure and maintain their awareness relating to cybersecurity, achieving the target set out during FY2021. The Group aims to also distribute related content pieces to its employees in the forthcoming year to ensure its employees stay abreast of the latest cybersecurity trend.

### Customer Privacy

The Group endeavours to protect all sensitive information pertaining to its customers and to take reasonable measures to preserve the integrity of customers' data and prevent any loss of customers' data. The Group ensures that its employees have proper knowledge and support with regards to handling sensitive information.

The Group has also established and implemented internal control policies and procedures for access and handling of sensitive information. Data access is regularly monitored within the Group. Any internal access privileges to user data must be approved by senior managers and the Group does not share user data nor is the platform used for advertising.

## SOCIAL

To further safeguard the customers' personal data privacy and the Group's confidential information, employees of the Group are required to sign a Non-Disclosure Agreement. All sensitive information pertaining to customers is protected by taking reasonable measures to preserve the integrity of customers' data and prevent any loss of it or corruption. The Group ensures that its employees have proper knowledge and support, regarding to handling sensitive information.

The Group has also implemented and routinely upgrades its firewall, anti-virus, and anti-spam solutions, include virus scanning software, web filtering appliances and email filtering services on each of the Group's computers to prevent leakage of confidential information. Status of network and backups are reviewed regularly to maintain the secure Internet traffic. All data and documents are encrypted in transit and at rest in the Group's databases. All electronic communication between users and the Group's system occurs through high-grade encryption.

During FY2022, the Group did not receive any complaints concerning breaches of customer privacy nor any identified leaks, thefts, or losses of customer data, achieving the target set out during FY2021. The Group aims to maintain the record of zero received complaint for the forthcoming year.

## PROCUREMENT

The Group has included the procedures of its procurement process for products and services into its delegation of authority (the "DOA") to ensure that the Group's requirement is met. Apart from reviewing suppliers' basic information, the Group also considers the price offered, production and quality management system, possession of certifications, and compliance with relevant laws, regulations and standards during the supplier selection process. The Group evaluates and monitors the performance of its suppliers regularly to ensure their compliance with quality and service standards. Suppliers who fail to demonstrate good standards or fail to meet the Group's supplier selection criteria will be excluded from the list of suppliers for future engagements.

During the procurement process, the Group also factors in the environmental and social impact of its suppliers in the decision-making process. Where feasible, the Group will prioritise the selection of suppliers who give due consideration to managing and reducing its negative environmental and social impacts. The Group aims to maintain its robust procurement process to ensure product quality, while ensuring that the idea of sustainability is promoted further along its supply chain.

The suppliers of the Group provide, but are not limited to, blockchain consulting projects, and staking services. During FY2022, all suppliers engaged by the Group has been reviewed through the said system and approximately 45.66% of the total procurement budget used for the reported business segments, which are regarded as significant locations of operation, was spent on local Singaporean suppliers.

# SGX CONTENT INDEX

Primary Component	Section Reference
Material Topics	Materiality Assessment
Policies, Practices and Performance	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Governance</li> <li>• Environmental</li> <li>• Social</li> </ul>
Board Statement	Board Statement
Targets	Under each material topic
Framework	About this Report – Reporting Framework

# GRI CONTENT INDEX

<b>Statement of Use</b>	OIO Holdings Limited has reported the information cited in this GRI content index for the financial year ended 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021

GRI Standard	GRI Disclosure	Session / Explanation
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organizational details	Annual Report 2022 – Corporate Information, P.2-4 Sustainability Report 2022 – About OIO Holdings Limited, P.5
2-2	Entities included in the organization’s sustainability reporting	Reporting Scope
2-3	Reporting period, frequency and contact point	Sustainability Report 2022 – About this Report, P.6
2-4	Restatements of information	None
2-6	Activities, value chain and other business relationships	Annual Report 2022 – Operation and Financial Review, P.6
2-7	Employees	Sustainability Report 2022 – Employment Practices, P.16
2-8	Workers who are not employees	None
2-9	Governance structure and composition	Annual Report 2022 – Corporate Governance Report, P.12-35 Sustainability Report 2022 – Sustainability Governance, P.7
2-10	Nomination and selection of the highest governance body	Annual Report 2022 – Corporate Governance Report, P.12-35
2-11	Chair of the highest governance body	Annual Report 2022 – Corporate Governance Report, P.12-35
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2022 – Corporate Governance Report, P.12-35
2-13	Delegation of responsibility for managing impacts	Annual Report 2022 – Corporate Governance Report, P.12-35
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report 2022 – Sustainability Governance, P.7

# GRI CONTENT INDEX

2-17	Collective knowledge of the highest governance body	Annual Report 2022 – Corporate Governance Report, P.12-35
2-19	Remuneration policies	Annual Report 2022 – Corporate Governance Report, P.12-35
2-20	Process to determine remuneration	Annual Report 2022 – Corporate Governance Report, P.12-35
2-27	Compliance with laws and regulations	Sustainability Report 2022 – Economic, P.10 Sustainability Report 2022 – Environmental, P.12 Sustainability Report 2022 – Social, P.16
2-29	Approach to stakeholder engagement	Sustainability Report 2022 – Stakeholder Engagement, P.8
<b>GRI 3: Material Topics 2021</b>		
3-1	3-1 Process to determine material topics	Sustainability Report 2022 – Materiality Assessment, P.9
3-2	3-2 List of material topics	Sustainability Report 2022 – Materiality Assessment, P.9
3-3	3-3 Management of material topics	Sustainability Report 2022 – Materiality Assessment, P.9
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	Annual Report 2022 – Statements of Financial Position, P.45
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report 2022 – Climate Change Mitigation and Adaptation, P.12
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	Sustainability Report 2022 – Procurement, P.19
<b>GRI 205: Anti-corruption 2016</b>		
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2022 – Anti-corruption, P.11
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2022 – Anti-corruption, P.11
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organisation	Sustainability Report 2022 – Energy Consumption, P.14
302-3	Energy Intensity	Sustainability Report 2022 – Energy Consumption, P.14
302-4	Reduction of energy consumption	Sustainability Report 2022 – Energy Consumption, P.14
302-5	Reductions in energy requirements of products and services	Sustainability Report 2022 – Energy Consumption, P.14
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Sustainability Report 2022 – Water Management, P.15
303-2	Management of water discharge-related impacts	Sustainability Report 2022 – Water Management, P.15
303-3	Water withdrawal	Sustainability Report 2022 – Water Management, P.15
303-4	Water discharge	Sustainability Report 2022 – Water Management, P.15
303-5	Water consumption	Sustainability Report 2022 – Water Management, P.15

# GRI CONTENT INDEX

<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2022 – GHG Emissions, P.13
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2022 – GHG Emissions, P.13
305-4	GHG emissions intensity	Sustainability Report 2022 – GHG Emissions, P.13
305-5	Reduction of GHG emissions	Sustainability Report 2022 – GHG Emissions, P.13
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	Sustainability Report 2022– Employment Practices, P.16
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2022– Employment Practices, P.16
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable, as the Group is not involved with occupational health and safety impacts as a result of its business relationships with other entities.
403-9	Work-related injuries	Sustainability Report 2022 – Occupational Health and Safety, P.18
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report 2022 – Customer Privacy, P.18

OIO  
HOLDINGS  
LIMITED

2022

Sustainability  
Report

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