

SUSTAINABILITY REPORT

BOARD STATEMENT

Rex International Holding aspires to create a sustainable business model by adopting best practices in the environment, social and governance (“**ESG**”) aspects of its business. Our sustainability objectives are to create long-term value for shareholders, our marketplace and customers, the communities we operate in, our people and the environment.

Sustainability efforts, including the oversight, management and monitoring of materiality topics at Rex International Holding, are led by the Company’s management team, which reports directly to the Board. The Company considers the following as building blocks for sustainability: corporate governance, business strategy, risk management, and metrics and targets. These building blocks are covered in the various sections of this Annual Report.

For this 2021 Sustainability Report, the Board has considered sustainability issues, and together with the management team, has determined the material ESG factors for the Group. For continuity, the six materiality topics identified in the 2018 sustainability report and retained in the 2019 and 2020 sustainability reports, remain relevant and unchanged.

Rex International Holding aims to review and evaluate these materiality topics regularly as well as progressively add metrics and targets to its business in its subsequent sustainability reports.

ABOUT THIS SUSTAINABILITY REPORT

This is the sixth Sustainability Report by Rex International Holding, which is headquartered in Singapore. This Sustainability Report covers the financial year from 1 January to 31 December 2021 and is aligned with the Group’s financial year. This Sustainability Report is issued together with the Group’s Annual Report.

This report supplements information on the Company’s strategies and activities in relation to sustainability practices regarding ESG factors, which are covered in other parts of this Annual Report.

GRI STANDARDS

This Sustainability Report has been prepared in accordance with the Global Report Initiative (GRI) Standards: Core option. The GRI Standards were chosen, given its longstanding universal application and robust guidance. The GRI content index and the relevant references are provided at the back of this report. This report is developed with reference to the primary components set out in Rules 711A and 711B of the Listing Manual on a ‘comply or explain’ basis.

The Company has also referenced the Sustainability Accounting Standards Board’s (SASB) Oil & Gas Exploration & Production (“**E&P**”) Sustainability Accounting Standard (October 2018) for sustainability issues most likely to impact the operating performance or financial condition of E&P companies, regardless of location. These issues include



Environment; Social – Community Relations, Workforce Health & Safety; as well as Leadership & Governance – Business Ethics & Transparency, Risk Management, Legal & Regulatory Environment. It is to be noted that this will be the Company's last referencing of the SASB standards, as SASB merged with the International Integrated Reporting Council (IIRC) in June 2021 to form Value Reporting Foundation (VRF), to unite their ESG reporting frameworks. The Climate Disclosure Standards Board (CDSB) and VRF have both committed to merge with the International Sustainability Standards Board (ISSB) by June 2022, to create a single framework of baseline sustainability disclosure standards.

Unless otherwise stated, the report covers the ESG performance of Rex International Holding and its subsidiaries in Singapore, Norway and Oman. It is to be noted that the Human Capital performance indicators pertain only to staff in Rex International Holding.

The report can be read or downloaded from <https://www.rexih.com>.

FEEDBACK

Rex International Holding welcomes feedback from stakeholders on this report and how it can improve on its sustainability performance. Stakeholders can send their comments and suggestions to info@rexih.com.

The Company will publish the Sustainability Report annually, to account for its performance and strategy on key ESG issues that matter to its stakeholders. This FY2021 Sustainability Report has not been externally assured nor internally reviewed by the internal audit function, a requirement to be effective from FY2022.

APPROACH TO SUSTAINABILITY

Since its listing on 31 July 2013, Rex International Holding has strived to create long-term growth to shareholders, offer investors a sound investment opportunity based on its game-changing technology, adopt responsible business practices and high corporate governance standards, lessen adverse impact to the environment, be an employer of choice and contribute back to communities where it operates.

STAKEHOLDER ENGAGEMENT

The Company engages its internal and external stakeholders regularly through various communications channels for insights into their concerns and priorities. Such engagement with stakeholders allows the Company to identify, initiate, review and add to its sustainability efforts.

SOCIETY

STAKEHOLDER GROUPS	PURPOSE & GOAL	MODES OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER GROUPS
Community	<ul style="list-style-type: none"> Contribute to the communities we operate in 	<ul style="list-style-type: none"> Corporate social responsibility efforts 	<ul style="list-style-type: none"> Environment Corporate philanthropy

PEOPLE

STAKEHOLDER GROUPS	PURPOSE & GOAL	MODES OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER GROUPS
Employees	<ul style="list-style-type: none"> Inclusive environment with enhanced well-being and productivity, with opportunities to develop skills 	<ul style="list-style-type: none"> Weekly internal meetings Employment incentives Training courses / seminars Staff bonding activities 	<ul style="list-style-type: none"> Reward and recognition Training and career development

MARKET PLACE AND CUSTOMERS

STAKEHOLDER GROUPS	PURPOSE & GOAL	MODES OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER GROUPS
Shareholders & Investors – institutional investors, analysts, and retail shareholders	<ul style="list-style-type: none"> Provide timely and accurate information to shareholders and the investing public 	<ul style="list-style-type: none"> Dedicated Investor Relations section on the Company's website SGXNet announcements Annual / Extraordinary General Meetings Half-yearly Financial Reports Annual Reports / Circulars Meetings / calls with investors and analysts, roadshows and conferences Corporate and marketing videos, factsheets Communications via email and social media 	<ul style="list-style-type: none"> Business performance and strategy Debt position Sustainable delivery of returns Industry conditions Market presence
Partners and Clients	<ul style="list-style-type: none"> Collaborative efforts with partners to find oil in exploration drilling campaigns Provide timely and accurate Rex Virtual Drilling ("RVD") analyses to clients 	<ul style="list-style-type: none"> Meetings, feedback and correspondences Electronic communications 	<ul style="list-style-type: none"> Timely financial contribution to exploration drillings Fast and accurate RVD analyses Environmental, health & safety
Regulators and service providers	<ul style="list-style-type: none"> Compliance with government policies, rules and regulations Fair and reasonable treatment 	<ul style="list-style-type: none"> Regular meetings, feedback and correspondences 	<ul style="list-style-type: none"> Compliance with rules and regulations Sharing of best practices

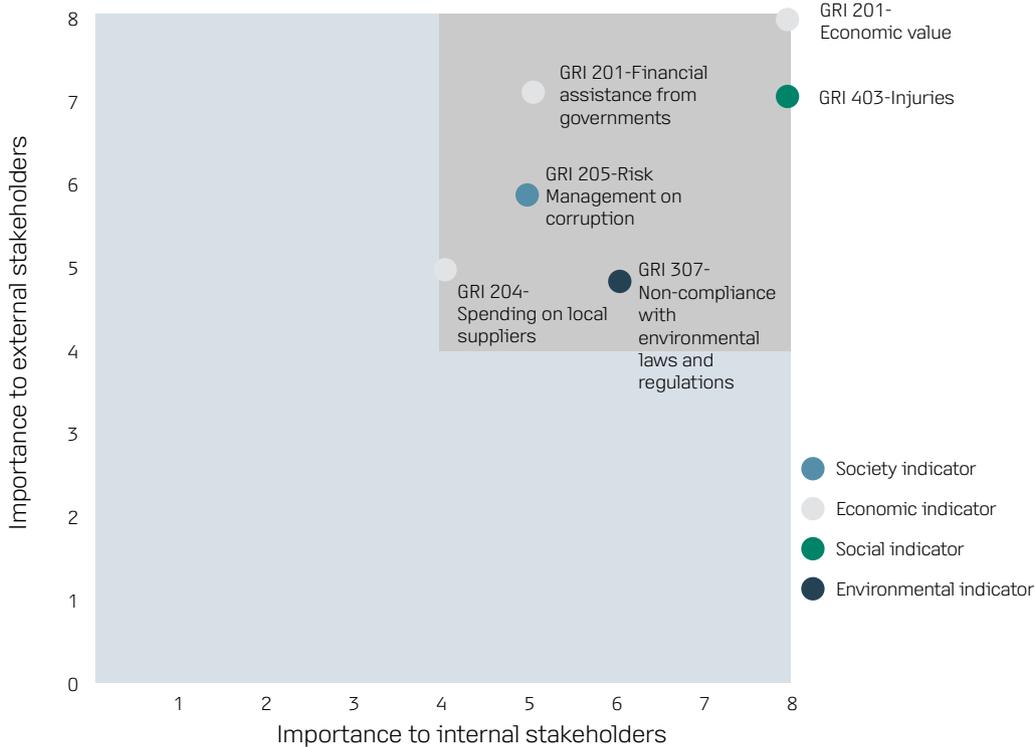
MATERIALITY ASSESSMENT

A materiality assessment had been conducted by the Management, referencing the GRI Standards, to define the key material topics for Rex International Holding, against the backdrop of continued volatility in oil prices, heightened climate change activism, breaches in business ethics and trust, as well as changing investor expectations on the role of corporates.

The Group identified the materiality topics after having considered value drivers for the Group, feedback from stakeholder engagements, risk management policies in place, markets in which the Group operates, and the Group's business strategies and activities in these markets.

The Group identified, rated, prioritised, and then validated the materiality topics. For FY2021, the six material topics identified in previous years, have been maintained. The Management and Board have reviewed and endorsed the following materiality matrix:

MATERIALITY MATRIX



MATERIAL TOPICS SELECTED FOR SUSTAINABILITY REPORTING

ENVIRONMENT

ESG ISSUES

Environmental Compliance

MAPPED TO GRI ASPECTS

GRI 307-1 – Non-compliance with environmental laws and regulations

SOCIAL AND SOCIETY

ESG ISSUES

Worker Health and Safety

Risk Management

MAPPED TO GRI ASPECTS

GRI 403-2 – Injury, lost days and total number of work-related fatalities, by region and by gender

GRI 205-1 – Total number and percentage of operations assessed for risks related to corruption and significant risks identified

ECONOMIC

ESG ISSUES

Economic and financial performance

Economic consideration for investment

Procurement Practices

MAPPED TO GRI ASPECTS

GRI 201-1 - Economic value generated and distributed

GRI 201-4 – Financial assistance received from government

GRI 204-1 – Spending on local suppliers

TARGETS FOR MATERIAL TOPICS

ENVIRONMENT

Compliance with environmental laws and regulations

TARGETS

100% compliance.

FY2021 ACHIEVEMENTS

100% compliance achieved.

SOCIAL & SOCIETY

Employee health and safety

TARGETS

Zero fatality rate. No down time related to Health, Safety, Security and Environment (“**HSSE**”) issues.

FY2021 ACHIEVEMENTS

Norway: Zero fatality rate and no HSSE issues in the drilling of the Fat Canyon well in which LPA participated.

Oman: Zero fatality rate in the five-well campaign done in 2021, in which subsidiary Masirah Oil Ltd (“**MOL**”) is the operator. There were no major HSSE issues.

Anti-corruption

Zero tolerance towards fraud, corruption and unethical actions.

No instance of whistle-blowing, and no instances of bribery or corruption have been identified in FY2021.

ECONOMIC

Economic value

TARGETS

- Short-term goal: To unlock value by achieving more oil discoveries and building up on its contingent resources and reserves.
- Short-term goal: To have commercial oil production as stable revenue stream.
- Mid-term goal: by unlocking value by selling oil-in-the-ground.
- Long-term goal: To sustain profitability.

FY2021 ACHIEVEMENTS

Oman:

- Added two production wells in the Yumna Field.
- Produced more than 5.77 mmstb of oil and achieved 12 liftings.

Norway:

- Qualified Person's Report on PL115 Falk discovery brought contingent resources in three discovery assets – Shrek, Tyrving (previously known as Fogelberg) and Falk – and attributable to LPA to total 27.74 MMboe.
- LPA's acquisition of a 33.8434% interest the producing Brage Field.

Group:

- Achieved US\$78.94 million net profit in FY2021.

Financial assistance from government

To invest in exploration assets in jurisdictions that offer attractive tax incentives:

- Norway: Annual cash refunds for 78% of all exploration expenditures are given annually.
- Oman: Cost recovery pool can be reclaimed after declaration of commerciality.

- Norway: LPA received US\$18.71 million in tax refunds from the Norwegian government, compared to US\$18.78 million in FY2020.

Sustainable Supply Chain Management

To procure all services from local suppliers, provided they can deliver the required quality on cost and time.

Majority of contracts for the drilling of the Fat Canyon well in Norway and the five-well campaign in Oman were procured from local service providers.

It is to be noted that the targets for the materiality topics, which form part of the corporate performance objectives, are linked to the variable component of the remuneration for the Executive Directors and key management personnel.

Further information on the performance criteria for remuneration can be found in the Corporate Governance section of this Annual Report.



Environmental

Social

Governance

SUSTAINABILITY GOVERNANCE

The Management, headed by the Chief Executive Officer, oversees sustainability at Rex International Holding. This sets the tone for the integration of business and sustainability strategy from the top. Management also reviews the Company's sustainability strategy, approach and performance.

Rex International Holding was ranked No. 38 in the Singapore Governance and Transparency Index (SGTI) 2021, from No. 55 in 2020. A total of 519 companies listed on both the Singapore Exchange's Mainboard and Catalist were covered in the general category. The Company achieved a score of 94, up from a score of 88 in 2020 and a score of 72 in 2019.

The mean score for 2021 was 68.7. The Company continued to be the highest ranked among Singapore-listed oil exploration & production companies for the sixth consecutive year.

SGX, in an article dated 3 January 2022, stated that Rex generated 109% Shareholder Return, as Brent Crude Oil futures rallied from US\$48.50/bbl to US\$75.20/bbl in 2021.*

Rex International Holding is the Runner-Up of SIAS Investors' Choice Awards 2021 - Most Transparent Company Award – Energy.

*SGX, STI Rebounded 14% in 2021 as Economy Expanded 7%, 3 January 2022



ECONOMIC

Economic and financial performance^m

The Company's short-term goal is to unlock value by achieving more oil discoveries in its exploration assets and building up on its contingent resources and reserves.

The Company's long-term goal is to be continually profitable.

Details of the Company's economic and financial performance are found in the Financial Statements section of this Annual Report.

Financial assistance received from the government^m

With oil exploration being a capital-intensive industry, the Company looks to invest in assets in jurisdictions that offer attractive tax incentives. Incentives or financial assistance from the governments in these jurisdictions are a key determining factor for the Group's investment decisions as these will have a bearing on the Group's return on investment in the long term.

In Norway, the Company's subsidiary LPA was established in 2012 and became a Pre-qualified Petroleum Company in February 2013. Hence, the company is eligible for

tax rebates of 78 per cent of all oil exploration costs, regardless of any oil discovery or not. This allows the Group to participate in a highly developed oil market among reputed operators in Norway. In FY2021, LPA received US\$18.71 million in tax rebates from the Norwegian government, compared to US\$18.78 million in FY2020.

In Oman, an audit of recoverable costs and proposed budget are regularly presented to the Omani Ministry of Energy and Minerals for approval.

This aspect would continue to be a major consideration for the Company's investment decisions in the future.

Procurement practices^m

The Group has in place a detailed tender process for the appointment of contractors and service providers and spending on local suppliers.

Authorisation of Expenditure by the associated partners in a licence before the start of any drilling project is required. This is preceded by detailed documentation of the proposed capital expenditure related to exploration, development and production.

^m Material issue



SOCIAL

Worker Health & Safety^m

The upstream or oil E&P sector is a capital and labour-intensive sector that carries significant risks. The drilling of exploratory wells requires a technically specialised crew to be on-site for weeks in a potentially combustible environment. As such, the Company considers worker health and safety to be a material ESG factor.

Operators managing exploration drillings in which the Company participates have to adhere to strict HSSE regulations and are subject to prequalification and audit for every drilling undertaken in the respective jurisdictions.

Where Rex International Holding or any of its subsidiaries is the operator, risks associated with operations are managed through the implementation of the Group's Operations Risk Management System ("**ORMS**"). The ORMS is adapted to the local rules and regulations in each jurisdiction where necessary.

The Group aims to have zero major injuries and fatalities in drilling campaigns and no downtime related to HSSE issues whereby its subsidiary is the operator.

The Group undertook a five-well drilling campaign in Oman in 2021. No major injuries nor fatalities were sustained

during the drilling campaign and no days were lost due to any HSSE issues.

In FY2021, LPA participated in the drilling of an exploration well on the Fat Canyon prospect in the Norwegian Sea licences PL937/B. LPA conducted a review of the operator's Health, Safety, Environment and Quality (HSEQ) management system in advance of the drilling, and had found the system to have good HSEQ coverage, with no missing elements and non-compliance to relevant HSEQ regulations.

Safety training is compulsory for all crew working offshore and safety meetings and work briefings are held with the contractors' staff on a regular basis.

With the outbreak of the Covid-19 pandemic, the Singapore-based team started working from home since mid-March 2020, adhering to the government's efforts to curb the community spread of the coronavirus. No cases of Covid-19 were reported by the Singapore team in 2021.

In Norway, the Company's subsidiary LPA has been following all Norwegian guidelines for Covid-19. In December 2021, only half of the LPA team worked from the office to maintain safe social distancing. Despite this, four staff members, or 33 per cent of staff strength, contracted Covid-19 and the office was immediately closed and sanitised, and LPA's Christmas dinner was cancelled to curb the spread. All staff in LPA are believed to be fully vaccinated.

^m Material issue

HSSE management in Oman

The Group's subsidiary, MOL, started production operations in 2020. Key HSSE statistics in 2021 are as follows:

- Total man hours clocked: 354,345
- Number of HSSE Audit/Reviews: 14
- Number of HSSE & Operations meetings held: 331

During the year, MOL conducted a joint emergency drill with local authorities. The objective of the exercise was the protection of crew onboard both the jack-up barge and vessel, as well as hostages in case of terrorism.

Measures were also taken to ensure business continuity and safety of all workers during the Covid-19 pandemic. There were 14 cases (20.9 per cent of staff strength) of Covid-19 infections among the operator and contractor teams.

Respect for Human Rights

The Company agrees with international human rights conventions, such as the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions, against coerced labour, modern slavery and discrimination in any form, in any jurisdiction. In all its business activities, the Group complies with applicable laws, employs best industry practices and acts in an ethical, sustainable and socially responsible manner, practises good corporate governance and respects internationally recognised human rights principles in its areas of operation.

Talent Management

As a relatively young company, the Company considers human capital as one of its key assets. The Company aims to inculcate its values of innovation, integrity and entrepreneurship among its staff by availing learning and development opportunities to them.

In 2021, the Company's employees have been assessed against a set of internal performance targets, which also includes ESG targets.

Rex International Holding offers fair compensation packages, based on practices of pay-for-performance and

promotion based on merit, to its employees. Employees are also entitled to various healthcare and insurance subsidies.

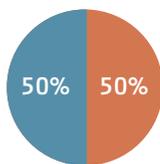
Fair labour practices and diversity

The Company believes that everyone deserves to work in an environment where he/she is treated with dignity and respect and is committed to creating such an environment to bring out the full potential in its employees, which, in turn, contributes directly to the success of its business. Rex International Holding is committed to providing a favourable workplace that has fair welfare and compensation, as well as workplace health and safety, and is free of discrimination of all types from abusive, offensive or harassing behaviour.

Rex International Holding is an equal opportunity employer and is fully committed to creating and maintaining an organisation that embraces and celebrates diversity. The Group's employees are recruited based on merit, regardless of age, ethnicity, gender, religion, marital status and disability, and treat each individual with equal respect. Diversity allows the Company access to a greater pool of talent and can help to drive better business performance over time.

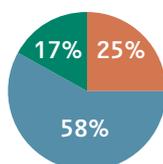
In FY2021, there were no departures and one new hire.

Nationality



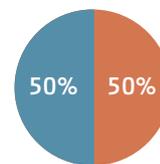
■ Singaporean/PR ■ Foreigners

Age



■ 20-40 ■ 41-60 ■ >60

Gender



■ Male ■ Female

Note: Charts are for Rex International Holding Limited only; excludes subsidiaries.

Staff Development

The provision of appropriate development and training opportunities to employees is one of the key internal performance targets monitored by the Company. In 2021, employees in Singapore attended a variety of seminars and webinars, while adhering to the Covid-19 measures put in place by the Singapore government to prevent the spread of Covid-19 in Singapore for most part of the year, averaging 6.2 hours of staff training per employee.

Finance

- KPMG Singapore - Budget 2021 Live Webinar
- EY - Singapore Budget 2021 - An analysis of recent tax cases in Singapore and their ramifications on businesses
- EY - Singapore Budget 2021 - Driving transformation through upskilling and reskilling
- EY Singapore Budget 2021 - Updates and developments on employment tax and employee remuneration reporting requirements
- EY Singapore Budget 2021 - Transfer pricing: Understanding COVID-19 positions of OECD and the IRAS and their impact on businesses
- EY Singapore Budget 2021 - The evolution of digital services tax and its impact on businesses in Singapore and ASEAN
- KPMG - Financial-Reporting-with-Clarity (Session 1)
- KPMG - Financial-Reporting-with-Clarity (Session 2)
- KPMG - Financial-Reporting-with-Clarity (Session 3)
- Deloitte - Business Combinations
- EY - Practical complexities in a simple GST
- EY - Services exposed: Practical complexities in a simple GST
- Institute of Singapore Chartered Accountants - Ethics Update for Professional Accountants in Business (Live Webinar)

Oil & Gas

- Rystad - APAC Virtual Forum: Business opportunities in Energy Transition

Corporate Governance & Sustainability

- SGX Regulatory Symposium 2021
- SGX RegCo-GCNS webinar: Roadmap to Mandate Climate-Related Disclosures
- SIAS Corporate Governance Conference - Sustainability Governance: The Next Step of Corporate Governance Framework
- SGX, Sustainable Stock Exchange (SSE), Climate Disclosure Standards Board (CDSB) & International Finance Corporation (IFC) - Continuing Professional Development (CPD)-Certified Climate Disclosure Training Programme (TCFD 1)
- SGX, SSE, CDSB & IFC - CPD-Certified Climate Disclosure Training Programme (TCFD 2)
- SGX - Amendments to Sustainability Reporting 2021

Management

- SkillsFuture Forum 2021 – Driving Business Transformation through Skills Development

Investor Relations

- Andrews Partnership - Peer discussion with Lena Haggblom, Ericsson
- Investor Relations Professionals Association (Singapore) (IRPAS) - Webinar: ESG Reporting Frameworks: New Tools for Investor Relations
- IRPAS - Webinar: Trends, Developments and Best Practices in Financial and ESG Reporting
- Asia Investor Relations Forum - Till Rosar HKEX

The Company also engages its employees and seeks to forge stronger relationships through regular social events and feedback channels.



SOCIETY

Risk Management

The Company views Risk Management as a key governance factor and is committed to maintaining a sound system of risk management and internal controls to safeguard shareholders' interest and the Company's assets.

A Risk Management Committee, overseen by the Audit Committee, is in place. KPMG Services Pte. Ltd. (KPMG), an independent third party, developed a Board Assurance Framework that includes an enterprise risk management framework to assess the Company's evolving risk profile and risk mitigation plans in FY2013. An in-house Risk Management Committee ("RMC") now oversees risk governance and ensures that a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets is maintained.

The RMC has considered in detail the most material risks for the Company which include strategic, financial, operational, compliance, fraud and corruption, litigation and cyber security risks.

Further details of the Company's enterprise risk management framework and internal controls are found in the Corporate Governance section of this Annual Report.

Regular discussions are held with our employees to focus on addressing any specific risks identified from time to time in connection with the Group's operations. The Group also carries out follow-up reviews from time to time to ensure the effective implementation of our risk management procedures. The Company aims to continue to mitigate risks effectively and to ensure that internal controls remain robust.

Code of Conduct & Ethics Policy^m

All board committees are chaired by independent non-executive Directors.

Each year, the Nominating Committee undertakes a process to evaluate the effectiveness of the Board as a whole and the Board Committees, facilitated by an independent external consultant, if and when necessary. More details are found in the Corporate Governance section of this Annual Report.

^m Material issue



The Company has in place a code of ethics and business conduct policy and a conflict of interest policy, which encompass the Company's zero tolerance stance against bribery and corruption. A whistle-blowing policy is also in place. There was no incidence of whistle-blowing, bribery or corruption, anti-competitive behaviour nor fines for non-compliance with the law in FY2021, as was the case for each consecutive financial year since the Company's listing in July 2013.

The Company's internal audit function is outsourced to Ernst & Young Advisory Pte Ltd. More details on the role and activities of the internal auditors, as well as details of the Group's whistle-blowing policy and oversight thereof can be found in the Corporate Governance section of this Annual Report.

Competition

The Company is dedicated to ethical, fair and vigorous competition. The Company promotes its products and services based on their merit, superior quality, functionality and competitive pricing. The Company also strives to practise fair competition in all business transactions. The Company discloses any information which is important

to a business transaction, in a manner such that none of its competitors will have an unfair advantage over others. Confidentiality with regard to pricing and proprietary information will also be maintained.

Data Privacy & Protection, Cyber Security

We conduct our business in compliance with the Personal Data Protection Act (PDPA) in Singapore and the European Union General Data Protection Regulation (GDPR).

Cyber security continues to be an area of risk to the industry and remains a key priority. As with previous years, the Company has experienced threats, including phishing campaigns, but none of these had a significant impact on our business in 2021. The Company will continue to focus on maintaining security across the organisation and encouraging vigilance amongst our employees through cyber security training and awareness campaigns.

Community

We aspire to do good in the communities we operate in. In 2021, Rex International Holding's Singapore office donated food hampers to the Boys' Brigade Share-A-Gift (BBSG) 2021 project, which aimed to reach 44,167 beneficiaries.



PRODUCT RESPONSIBILITY

Marketplace & Customers

The Company had previously used its proprietary technology RVD on its own assets. With the collapse of oil prices in mid-2014, the Company made the strategic decision to also offer RVD as a service for oil exploration companies, as an additional tool to de-risk their assets.

Research and development efforts on RVD have continued unabated over the years. A fifth release of RVD is targeted in 2022 and is anticipated to be more resilient to seismic data processing and provide a higher degree of predictive capability and accuracy.

Continued to strive towards compliance with privacy protection rules with regard to shareholders and customers.

In marketing communications, the Company strives for a high standard in fair marketing communications.

ENVIRONMENT

Environmental Compliance^m

The Group is committed to participating in oil exploration and production projects that minimise the impact of its activities on the surrounding natural environment, particularly in environmentally sensitive areas or areas with elevated operational risks, such as deep water or high-pressure areas.

In Oman, Rex International Holding's subsidiary MOL has an in-house HSSE manager to oversee drilling and production activities. A third-party consultancy firm has been appointed to carry out the Environmental Impact Assessment report.

Reducing Carbon Footprint

In 2021, the Borgland Dolphin drilling rig was selected and used for the drilling of the Fat Canyon prospect in the Norwegian Sea licences PL937/B, in which LPA has a 15 per cent interest, as the Borgland Dolphin had one of the lowest CO₂ emissions for drilling rigs operating in Norwegian waters.

In 2021, LPA entered into an agreement with Nautilus Carbon Services AS to participate in the first phase of a larger project involving several other joint-industry project partners, which aims to secure a storage site in the Norwegian Continental Shelf where CO₂ can be injected and safely stored permanently.

LPA's acquisition of a 33.8434 per cent interest in the producing Brage Field in the Norwegian North Sea was completed on 31 December 2021. LPA is working closely with the operator and the Brage unit on plans to electrify the platform and this could happen as early as 2024.

The Group's proprietary liquid hydrocarbon indicator, the RVD technology, empowers the Group to have a higher chance of success in finding oil, and in turn, minimises the use of resources and the adverse impact on the environment as fewer dry wells will be drilled.

The Group recognises the global trend to move from fossil fuel towards clean and sustainable energy. Renewables are also quickly representing the largest growth area in new energy supply. In 2019, the Company obtained shareholders' approval to diversify its business into sustainable energy, sustainable solutions for materials and development in

^m Material issue

various industries, and ownership or acquisition of related technology. The Group will, if the right opportunities arise, consider investments in these fields.

In 2021, the Company, through a wholly-owned subsidiary, committed to invest up to US\$4 million into commercial drone company Xer Technologies Pte. Ltd. ("**Xer**"). Xer's unique heavy-duty drones will promote sustainable practices for corporations and government institutions on a global scale by replacing larger and heavier modes of transport such as helicopters, trucks and sea vessels for a wide range of applications, minimising environmental impact and reducing CO2 emissions. As such, the acquisition brings the Group a step closer towards its business diversification mandate.

With SGX allowing the move towards electronic transmission of shareholder documents with effect from March 2017, the Company obtained shareholders' approval at its 2018 Annual General Meeting to change its Constitution accordingly so as to adopt the e-communication regime for its shareholder base, as part of its sustainability efforts and to reduce operational costs. Since 2019, the Company has stopped mailing out physical copies of its annual reports and extraordinary general meeting circulars. Shareholders can view the aforementioned reports on the Company's website <https://www.rexih.com>. In 2021, Notices of the Annual General Meeting and the Extraordinary General Meeting were also not physically posted to shareholders, in line with the "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period" joint statement issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and SGX RegCo on 13 April 2020, when Covid-19 'circuit breaker' measures were implemented by the Singapore government.

Despite its lean staff strength, the Company has made efforts to reduce energy consumption in its Singapore office. Rex International Holding participated in the "Green the Red Dot" movement on Eco Action Day, Singapore's largest business-led environmental awareness campaign encouraging awareness and action for the environment. This campaign supported the World Environment Day on 5 June 2021 and is a registered Sustainable Development Goals Partnership Platform. All pledges will contribute to the Climate Action Pledges by the Singapore Ministry of the Environment and Water Resources.

The Company pledged the following:

- Monitor and publish water consumption results using digitalised platforms
- Install energy-efficient appliances and energy-saving fittings such as LED lights
- Allow staff to telecommute where possible
- Set up a recycling corner in the workplace
- Reduce usage of single-use items such as straws, plastic utensils and cups
- Remove shark's fin dishes from company events
- Dispose waste appropriately to minimise marine pollution
- Reduce paper usage by printing on both sides and opting for soft copies
- Work with staff and stakeholders to encourage environmental sustainability

The Singapore office's electricity consumption in 2021 was 26.3 per cent lower than that in 2020 due to Work-From-Home arrangements during the Covid-19 pandemic, compared to a 13.5 per cent reduction in 2020 from 2019, a 6.5 per cent reduction in 2019 from 2018 and a 3 per cent reduction in 2018 from 2017. Water consumption decreased by 84.3 per cent in 2021 from 2020, compared to an increase of 14.5 per cent in 2020 from 2019, a 3.5 per cent increase in 2019 from 2018, and no change between 2018 and 2017. The Company aims to continue the trend of conservation in the coming year.

GRI INDEX TABLE

GENERAL STANDARD DISCLOSURES

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GRI 102-12	External initiatives	NA
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GRI 102-48	Restatements of information	Nil
GRI 102-49	Changes in reporting	Nil
GRI 102-40	List of stakeholder groups	50
GRI 102-42	Identifying and selecting stakeholders	50-52
GRI 102-43	Approach to stakeholder engagement	50-52
GRI 102-44	Key topics and concerns raised	50-52
GRI 102-50	Reporting period	48-49
GRI 102-51	Date of most recent report	48
GRI 102-52	Reporting cycle	48
GRI 102-53	Contact point for questions regarding the report	49
GRI 102-54	Claims of reporting in accordance with the GRI Standards	48
GRI 102-55	GRI content index	63-64
GRI 102-56	External assurance	Nil
GRI 102-18	Governance structure	53, 69-113
GRI 102-16	Values, principles, standards and norms of behaviour	1, 53-62
GRI 102-17	Mechanisms for advice and concerns about ethics	58-59, 100
Management Approach		
GRI-103-1	Explanation of the material topic and its boundary	50-52
GRI 103-2	The management approach and its components	-
GRI 103-3	Evaluation of the management approach	-

SPECIFIC STANDARD DISCLOSURES

PERFORMANCE INDICATORS		
Economic Performance		
GRI 201-1	Direct economic value generated and distributed	3, 44-45
GRI 201-4	Financial assistance received from government	32, 52, 54
Market Presence		
GRI 202-2	Proportion of senior management hired from local community	56
Procurement Practices		
GRI 204-1	Proportion of spending on local suppliers	52, 54
Energy		
GRI 302-1	Energy consumption within the organisation	62
Effluents and Waste		
GRI 306-3	Significant spills	Nil
Environmental Compliance		
GRI 307-1	Non-compliance with environmental laws and regulations	Nil
Employment		
GRI 401-1	New employee hires and employee turnover	56
GRI 401-3	Parental leave	-
Occupational Health and Safety		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	55-56
Training and Education		
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	57
Non-Discrimination		
GRI 406-1	Incidents of discrimination and corrective actions taken	Nil
Anti-Corruption		
GRI 205-1	Operations assessed for risks related to corruption	58-59
GRI 205-2	Communication and training on anti-corruption policies and procedures	58-59
GRI 205-3	Confirmed incidents of corruption and actions taken	Nil
Marketing & Labelling		
GRI 417-3	Incidence of non-compliance concerning marketing communications	Nil
Customer Privacy		
GRI 418-1	Substantiated complaints regarding breaches of customer privacy and loss of data	Nil

10 UN GLOBAL COMPACT PRINCIPLES

PRINCIPLE	DESCRIPTION	PAGE REFERENCE
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	56
Principle 2	Make sure that they are not complicit in human rights abuses.	56
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	56
Principle 4	The elimination of all forms of forced and compulsory labour;	56
Principle 5	The effective abolition of child labour; and	56
Principle 6	The elimination of discrimination in respect of employment and occupation.	56
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	61-62
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	61-62
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	61-62
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	58-59

TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD)

In 2021, the Singapore Exchange Regulation (SGX RegCo) unveiled its roadmap for issuers to provide climate-related disclosures based on recommendations of the Task Force on Climate-related Disclosures (TCFD). All issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from the financial year (FY) commencing 2022. The Company has endeavoured to provide some initial information supporting the TCFD's recommended disclosures in this Sustainability Report ahead of the mandatory deadline, as good practice for better transparency.

GOVERNANCE

TCFD Recommendation:

Disclose the organisation's governance around climate-related risks and opportunities

Rex International Holding is among issuers in the energy industries, for which climate reporting will subsequently be mandatory from FY2023. The Board will endeavour to implement, with the help of Management, a system of sustainability governance encompassing the Board and its associated committees, as well as the Company's Management and operational leadership teams, within the mandated timeframe.

a. Describe the board's oversight of climate-related risks and opportunities

One of the Board's objectives is to guide the Company towards sustainable business success to create long-term value for shareholders, our marketplace and customers, the communities we operate in, our people and the environment. The board is responsible for oversight of the overall conduct and strategy of the Group's business.

The Board and its associated committees, where appropriate, have oversight of climate-related matters, which include climate risks and opportunities. The Board is updated regularly on climate-related risks and opportunities by Management and operational leaders, to enable the Board or related Board committee(s) to discharge their responsibilities, including those related to climate.

In 2021, these processes included information sessions on climate-related operational updates and risk management reports.

- The role of the Audit Committee is to, *inter alia*, review the effectiveness of the Company's financing reporting, systems of internal control and risk management, and the integrity of the Company's external and internal audit processes. The Audit

Committee's remit on the oversight of financial disclosure will also extend to TCFD reporting.

- The role of the Remuneration Committee is to, *inter alia*, recommend to the Board the remuneration policy for the Board and key management officers of the Company. It also keeps abreast of workforce remuneration and monitors related policies, to ensure that the Company's incentives and rewards are aligned to the Company's business and climate-related strategies, corporate culture and long-term sustainable commercial success.
- The role of the Nominating Committee is to, *inter alia*, oversee succession plans for the Company's directors and review the process and criteria for evaluation of the Board and its board committees, to ensure that the right people are appointed to lead and guide the Company to deliver sustainable success.

Since the Company's listing in July 2013, strategy has been a core focus of every board meeting, during which the Board assesses the Group's strategic acquisitions, portfolio changes and allocation of capital. In 2021, significant deals included the Norway subsidiary's acquisition of a stake in the producing Brage Field and the Group's maiden business diversification into commercial drones. The Board also reviewed a slew of updated policies, covering various aspects of the Company's governance, conduct of business and operations.

b. Describe management's role in assessing and managing climate-related risks and opportunities

The assessment and management of climate-related matters will be from ground up, at operational leadership level in the Company's core business of oil exploration and production.

The operational leaders meet with the Company's management regularly to review progress and strategies within entities against the sustainability frame and make critical decisions pertaining to sustainability that might

present risks or opportunities to the Group's operations. The Company's management will report to the Board and board committees as appropriate.

The Board, with the assistance from the Audit Committee and the Risk Management Committee, is responsible for risk governance and ensuring that Management maintains a sound system of risk management, including for climate-related risks, and internal controls to safeguard shareholders' interests and the Company's assets.

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.

STRATEGY

TCFD Recommendation:

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material

a. Describe the climate-related risks and opportunities that the Company has identified over the short, medium and long term.

Short-term (five-year horizon): The transition to a lower carbon economy presents both risks and opportunities to the Company. With 80 per cent of global transportation still powered by fuel and an expected increase in demand for oil amid underinvestment in fossil fuel production in recent years, such opportunity poses business sustainability for the Company's core business of exploration and production.

Notwithstanding the aforementioned, access to funds from institutions with ESG-related investments mandates may be curtailed in light of the global push toward clean energy.

Medium term (10-year horizon): Production of renewables may increase and as a result, demand for fossil fuel may decline.

Long-term (30-year horizon): The global shift towards net zero carbon emission comes to fruition and demand for fossil fuels falls, challenging the sustainability of the Company's core business.

b. The impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

Short-term (five-year horizon): The Company may seize opportunities to invest in assets made available by other oil & gas companies which are transiting to renewables, even as the Company embarks on ESG initiatives such as carbon capture projects to minimise emissions from its operations. The Company will remain prudent in its cash management strategy.

Medium term (10-year horizon): The Company will consider the sign-posts and milestones towards a longer-term scenario, and consider business diversification or adjust its course, if required. The Company already has a mandate to diversify its business into sustainable energy, sustainable solutions for materials and development in various industries, and ownership or acquisition of related technology.

Long-term (30-year horizon): The Company will consider the global shift towards net zero carbon emission and adjust and adapt its business strategies, policies, as well as its business and technological growth plans accordingly.

c. The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degrees Celsius or lower scenario

The Company is confident about its financial resilience. The Company's strategy is reviewed and approved by the Board annually to ensure its relevance, resilience and corporate transparency. The Company may change or refine its strategy according to changes in the external or internal environment.

RISK MANAGEMENT

TCFD Recommendation:

Disclose how the organisation identifies, assesses and manages climate-related risks

a. Describe the organisation's processes in identifying and assessing climate-related risks

Going forward, the Company will work towards incorporating the identification and assessment of climate-related risks in its risk management system, and intends to share the process involved and how the material ESG factors contribute to the creation of value for the Company.

b. Describe the organisation's processes in managing climate-related risks

Climate-related risks may include impact on operations at asset level, performance at business level and development at regional level, arising from extreme weather conditions or global shift towards a lower carbon economy.

The leadership at asset level will meet with the Company's Management regularly to highlight potential climate-related risks and undertake appropriate contingency planning and actions to mitigate these risks.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Our processes for identifying, assessing, managing and monitoring climate-related risks will be integrated into our risk management policy and the associated risk management procedures.

METRICS AND TARGETS

TCFD Recommendation:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

The Company is in consultation with its advisers and internal audit function to formalise such metrics and targets to be disclosed in its FY2022 Annual Report.

