

Ezion Holdings Limited Sustainability Report 2018





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Chairman's Letter to Stakeholders

Dear Stakeholders,

I am pleased to present the Sustainability Report of Ezion Holdings Limited ("Ezion" or "the Company") and its subsidiaries ("the Group") covering our Group's performance from 1 January 2018 to 31 December 2018 ("FY2018" or "the reporting period").

In this report, we disclose the Group's sustainability efforts and performance in all aspects of our business strategy and operations. We actively engage our stakeholders and identify the sustainability issues material to them so as to progress in a sustainable manner.

We are fully aware that our global operations in the Liftboat as well as offshore oil & gas sector has a tremendous impact on the environment. As such, we have made it our priority to innovate through process enhancement and energy-saving technology. We strictly comply with environmental regulations and standards in our operations to conserve biodiversity and minimize impact on the environment.

The Group imposes a stringent and high standard of occupational health and safety guidelines to govern our operations. We adopt a zero-tolerance approach to any breach of regulatory and safety requirements to ensure a safe and conducive working environment.

The Group also ventured into providing support services for the construction and maintenance of offshore wind farms. We have a set of safety framework and policies in place to ensure the health and safety of our employees.

Ezion will engage with local communities on an ongoing basis to understand their needs including education and healthcare, and implement appropriate programmes to improve their overall well-being and create positive social impacts.

Ultimately, we are steadfast in our belief that the Group's success depends not only on financial success but also on growing sustainably and creating a better future.

Dr Wang Kai Yuen
Chairman
Ezion Holdings Limited

Organisation Profile

Ezion is listed on the Main Board of the SGX-ST. The Group's Liftboats and Jack-up Rigs are focused on production enhancement, extraction-related activities of the offshore oil & gas industry and supporting the offshore wind farm industry.

Liftboats and Jack-up Rigs

We are engaged in the owning, chartering and management of rigs involved in the production and maintenance phase of the oil and gas industry as well as the offshore windfarm industry.

Our Liftboats are designed to serve the offshore oil & gas and wind farm industries by providing well services support work, platform work support, accommodation support and offshore platform decommissioning support.

The Group has one of the youngest, largest and most modern Liftboat fleet in the world and is also one of the pioneers to promote self-propelled Liftboats in Asia and the Middle East. The Group is also the only operator in Southeast Asia that has a Liftboat fleet that can be used for offshore oil & gas and wind farm operations.

Offshore Wind Farms

Ezion has ventured into the offshore wind farm business segment through strategic partnerships and securing global projects to support offshore wind farm construction. In December 2015, the Group entered into a strategic cooperation agreement with a Chinese state-owned enterprise to support offshore wind power installation projects in China. In 2016, the Group secured a contract in the United Kingdom and in 2018, another contract in Germany to support offshore wind farm construction.



Please refer to our Annual Report 2018 for Corporate Information and Financial Highlights.

Ezion's Sustainability Story

Sustainability Philosophy

Ezion specializes in the development, ownership and chartering of strategic offshore assets to support the offshore energy market. The Group has set a strategic direction of being a market leader in Liftboat for both the offshore oil & gas as well as the wind farm market.

	<h3>Our Environment</h3>	<p>Protecting our environment is of high priority to the Group. We are conscious of the impact that our projects have on the environment, and shall continue to monitor and measure these impacts and also uphold our energy saving standards. We will comply with all relevant regulations and play an active role in protecting the environment through innovative methods.</p>
	<h3>Workplace Health and Safety</h3>	<p>We are aware that workplace health and safety is critical as our operations pose occupational hazards for our crew and staff. Ensuring workplace health and safety for our employees is our highest priority.</p>
	<h3>Our People</h3>	<p>Our employees are our greatest asset. We will develop, reward and retain hardworking and passionate employees of the highest calibre.</p>
	<h3>Our Community</h3>	<p>We have a massive global footprint and our global operations have a significant impact on the local communities. We encourage innovation and implement a 'hire-local' policy to benefit the community.</p>

Sustainability Targets

Ezion has set targets to achieve a more sustainable business operation in the future. We endeavour to demonstrate continuous improvement on delivering our environmental management and protection efforts to reduce our environmental impact, as well as to benefit the community and our employees.

The Group will continue to foster and deepen its social responsibility awareness and philosophy of sustainable development, while strictly complying with the laws and regulations of the countries where we operate and distribute.

Below is a summary table of the Group's sustainability targets and performance during the reporting period:

Environmental Performance in FY2018	
FY2018 Target	Performance Update
Reduce energy consumption and GHG emissions	<ul style="list-style-type: none"> - Digitalisation of International Maritime Organisation (“IMO”) Publication on board by supplying IMO E-Pub KR-CON, an electronic version of IMO instruments, greatly reducing printed copies on board - Reduce carbon emissions by eliminating procurement and courier services - Use of marine gas oil (“MGO”) with lower sulphur content reduces emissions that are environmentally unfriendly - Effectively implemented Shore-Shipboard Skype video conference for management meetings, visits and interactions, eliminating the need to go on board
Enhance waste management and minimise effluents discharge	<ul style="list-style-type: none"> - Use of MGO with lower sulphur content generates less sludge, oily waste and mud, and improves performance of oily water separator (“OWS”) which reduces the need to replace fuel filters
Environmental Targets for FY2019	
FY2019 Target	Action Plan
Reduce energy consumption and GHG emissions	<ul style="list-style-type: none"> - Digitalisation of Admiralty Nautical Publications - Digitalisation of Safety Management System and process - Provide common transport to ferry staff to and from the office premises, promoting utilisation of public transport
Zero leak of waste and effluents	<ul style="list-style-type: none"> - Implement preventive maintenance programme which includes proactive approach to safeguard reliability of equipment on board, thus eliminating leaks and loss of containment, prolonging planned maintenance system (“PMS”) routines and reducing defects - Minimise spares and consumables on board to manage and minimise that wastes generated - Reuse industrial waste by safely converting it into reusable items - Compact solid waste to reduce volume - Donate recyclable waste to the local community
Zero incidents of environmental non-compliance	<ul style="list-style-type: none"> - Strict compliance with all statutory and local environmental regulations through regular inspections and audit of vessel - Only use approved shore facilities to dispose industrial waste, especially hazardous waste

Social Performance in FY2018	
FY2018 Target	Performance Update
Zero occupational health and safety incidents	- Achieved total recordable incident rate ("TRIR") of 1.129 and lost time incident rate ("LTIR") of 0.564
Social Targets for FY2019	
FY2019 Target	Action Plan
Zero occupational health and safety incidents	- Regularly emphasise the importance of proper work procedures and safety practises based on industry guidelines and best industry practices
Training and development of staff	- Training programmes include feasibility study to the Liftboat simulator assessment to meet client and Teras operational requirements

Our Achievements - Noteworthy Awards

Ezion has been lauded for its achievements in ensuring the health and safety of its operations as well as its employees.

Ezion has received safety case certificates for its vessels in recognition of the Group's compliance to Brunei Control of Major Accident Hazards ("COMAH") regulations. The PT Pertamina Hulu Energi Offshore North West Java ("PT PHE ONWJ") Safety Award was also awarded to the Group for 4 years of operations without lost-time injuries in Well Services Contribution from 2011 to 2015.

Ezion was named the best performing vessel operator in the Brunei Shell Petroleum Awards 2014 for high value-added and incident free operations. This is awarded to the vessel operator with the best record of safety and compliance during the year. In addition to being named the best performing operator, one of Ezion's Liftboats was named as the best performing vessel for 2016 and 2017. The Group received the certificate of award for "Best QHSSE Performance Contractor" from PT Pertamina Hulu Energi West Madura Offshore ("PHE WMO") in 2018.

The Group strives to continuously uphold its strong safety record and vessel performance.



The Group has also successfully transitioned from ISO 14001:2004 to ISO 14001:2015 to improve our environmental management system ("EMS") and further enhance our environmental performance.

Ethics and Integrity

Ezion works diligently to ensure our employees adhere to the highest standards of ethics and integrity and comply with applicable regulations and professional codes of conduct.

Anti-Bribery and Corruption Policy

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

The Group has implemented an anti-bribery and corruption policy where we adopt a zero-tolerance approach towards unethical behaviour. Ezion is committed to always comply with all anti-bribery and corruption laws where we do business. All new staff are briefed on the established Code of Conduct during their orientation.

To ensure that our staff conduct themselves in a professional manner when dealing with clients and vendors, Ezion requires staff to declare receipt of gifts from third parties. To avoid putting staff in a compromising position, in particular those holding senior positions and those having to deal with vendors, staff are to declare any conflict of interest, both potential or real, on a regular basis or as and when they deem timely. The Group does not condone bribery and corruption by third parties and/or government entities.

The Group has provided accessible channels for employees, shareholders, clients, consultants and suppliers to raise concerns on possible improprieties in financial reporting, fraudulent acts and other irregularities. These communication channels ensure independent investigations and timely implementation of appropriate preventive and corrective actions.

In FY2018, there was no confirmed incident of corruption or any whistleblowing report.

Governance and Statement of the Board

Ezion's Board and Senior Management assess sustainability issues as part of the strategic formulation of the Group. The Board is supported by the management's Sustainability Task Force ("STF") comprising heads of different business units which help to spearhead sustainability efforts in the organization. The STF is chaired by the Acting Chief Financial Officer who will oversee achievement of all sustainability targets and report to the Board.

The Board incorporates sustainability issues into the strategic formulation of the Group. The Board with the assistance of the STF determines the material environmental, social and economic factors, and ensures that the factors identified are well-managed and monitored.

Ezion adopts a precautionary approach in strategic decision making and daily operations by implementing a comprehensive Enterprise Risk Management ("ERM") framework which is aligned with the requirements of ISO 31000:2009 Risk Management framework. To enhance the effectiveness of the ERM framework, the Group implemented Orion ERM system, a third party software that automates the risk management, internal control and assurance functions and enables these functions to be managed on an integrated platform. On a yearly basis, a Group-wide assessment is conducted to update the firm's risk profile in the ERM framework and reflects changing business risk exposures and addresses the significant and relevant risks to the Group.

Please refer to the Corporate Governance Report in our 2018 Annual Report for more information on our corporate governance practices and risk management structure.

Stakeholder Engagement

We engage with all of our stakeholders through a variety of channels to update them about Ezion's developments and gather their feedback. We identify stakeholders as groups that have an impact, or have the potential to be impacted by our business, as well as external organisations that have expertise in topics that we consider material. The feedback we receive from our stakeholders helps us to determine our material topics and identify our focus areas as the following:

Stakeholders	Engagement platforms	Issues of Concern	Section Reference
Employees	<ul style="list-style-type: none"> Well-structured and open annual performance appraisal system to link performance with remuneration Employee training and occupational safety courses 	<ul style="list-style-type: none"> Remuneration and benefits Training and development Ethics and conduct Workplace health and safety 	<ul style="list-style-type: none"> Ethics and Integrity Our People, Our Assets Workplace Health and Safety
Suppliers	<ul style="list-style-type: none"> Weekly update with suppliers 	<ul style="list-style-type: none"> Health and safety Environmental compliance Economic performance 	<ul style="list-style-type: none"> Workplace Health and Safety Protecting the Environment
Customers	<ul style="list-style-type: none"> Annual Reports Sustainability Reporting 	<ul style="list-style-type: none"> Economic performance Health and safety Environmental compliance Compliance with both global and local maritime law 	<ul style="list-style-type: none"> Refer to Financial Highlights in the Annual Report Workplace Health and Safety Protecting the Environment
Governments & Regulators	<ul style="list-style-type: none"> SGX quarterly announcements Annual Reports Sustainability Reporting Ongoing dialogues 	<ul style="list-style-type: none"> Environmental compliance Compliance with both global and local maritime laws Compliance with labour laws 	<ul style="list-style-type: none"> Protecting the Environment Workplace Health and Safety Our People, Our Assets
Community	<ul style="list-style-type: none"> Community Services Engagement 	<ul style="list-style-type: none"> Environmental impact Social development 	<ul style="list-style-type: none"> Protecting the Environment Contribution to local economy
Shareholders and investors	<ul style="list-style-type: none"> Annual Reports Investor Relations Management 	<ul style="list-style-type: none"> Economic performance Anti-corruption 	<ul style="list-style-type: none"> Refer to Financial Highlights in the Annual Report

Reporting Practice

This sustainability report is produced in accordance with the GRI Standards “Core” Option covering the Group’s performance in FY2018.

The GRI Standards represent global best practices for reporting on economic, environmental and social topics. The report also incorporates the primary components of report content as set out by the SGX’s “Comply or Explain” requirements on sustainability reporting under Listing Rule 711B. The Group has assessed that external assurance is not required as the Group is laying the foundations for a sustainability reporting framework this year. This report supplements the Group’s Annual Report 2018 and is available online at: <http://www.ezionholdings.com>.

Detailed section references with GRI Standards can be found on the GRI Index Page.

Ezion’s material topics are identified based on their impact on our internal and external stakeholders, as outlined in the Stakeholder Engagement Section.

Key Sustainability Topics	Boundaries
ECONOMIC	
GRI202: Market Presence	Group-wide
GRI203: Indirect Economic Impacts	
GRI204: Procurement Practices	
GRI205: Anti-Corruption	
ENVIRONMENT	
GRI302: Energy	Group-wide
GRI304: Biodiversity	
GRI305: Emissions	
GRI306: Effluents and Waste	
GRI307: Environmental Compliance	
GRI308: Supplier environmental assessment	
SOCIAL	
GRI401: Employment	Group-wide
GRI403: Occupational Health and Safety	
GRI404: Training and Education	
GRI405: Diversity and Equal Opportunity	
GRI408: Child Labour	
GRI409: Forced or Compulsory Labour	
GRI412: Human Rights Assessment	
GRI413: Local communities	
GRI414: Supplier Social Assessment	
GRI416: Customer Health & Safety	
GRI419: Socioeconomic Compliance	

Protecting the Environment

Ezion operates in strict compliance with environmental laws and regulations as well as taking the necessary steps to protect the environment. The Group is committed to increase efforts in reducing any negative environmental impact. Our management assesses all identified environmental risks of the vessels and our operations and establishes appropriate safeguards.

Teras Offshore Pte Ltd (“TERAS”) stands firm in our commitment to the protection of the environment and the community at large. This commitment policy will transcend from top senior management level down to the entire hierarchy of the Company’s reach. This policy provides a framework for setting and reviewing environmental objectives and targets.

By committing to sustainable operations, we look forward to protecting the environment and saving costs at the same time.

Energy and Emissions Management

GRI 302-5, 305-5

The Group is committed to managing our energy consumption and greenhouse gas (“GHG”) emissions in a sustainable manner. Ezion has implemented various initiatives targeted at reducing energy consumption both in the office as well as on the vessels and rigs utilised by the Group.

Our vessels implement the Ship Energy Efficiency Management Plan (“SEEMP”) which is in compliance with International Maritime Organisation Marine Pollution (“IMO MARPOL”) Annex VI for the reduction of GHG emissions.

We strive to achieve energy efficient operations through thorough planning, implementation, monitoring and review of energy efficiency measures within a continuous improvement management cycle. Our measures include the following:

- Monitor fuel consumption and reduce fuel wastage;
- Reduce heat/energy loss;
- Minimise hull resistance;
- Maintain optimum speed during open sea passages;
- Train vessel staff in energy efficiency; and
- Optimise trim adjustment and reduce ballast.

To further reduce our carbon footprint on board, non-operational vessels are subjected to strict measures such as efficient utilisation of equipment and reduced manning to conserve fuel consumption. Effective utilities management and utility energy conservation training programmes are provided to all personnel on board (“POB”) of operational vessels to reduce fuel and utilities energy consumption. Resources such as crew, resources and transportation are maximised to eliminate wastage, and signages and posters are posted on board to promote awareness.

Managing Biodiversity

GRI 304-1, 304-2, 304-3

Ezion carries out many business activities in the sea, including managing and operating liftboats and rigs. Given the nature and locality of our operations, the marine ecosystem is integral to our business. The Group is aware of the importance of preserving the ecosystem to ensure sustainable economic growth.

Undoubtedly, our business activities in the sea carry certain environmental risks, such as sea pollution and oil spills. As such, we have an environmental management plan in place to protect the surrounding ecosystem of our operations. The Group also implemented an Environmental and Social Assessment to measure the environmental impact of our operations and drive at the importance of saving the environment.

By having zero tolerance environmental pollution, Ezion hopes to protect and preserve biodiversity where operational activities are carried out.

Effluents and Waste Management

GRI 306-1, 306-2, 306-3, 306-5

Ezion has adequate effluents and waste management principles that are in line with the “International Management Code for the Safe Operations of Ships and for Pollution Prevention” (“ISM Code”), ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007.

Ezion has a marine environmental management plan which underlines the procedures and process in the management of spillage. There are robust risk management and preventive measures for activities with high spillage risk. The Group has zero tolerance for spillage of harmful chemicals. There were zero oil and chemical spills in FY2018.

Managing our Suppliers

GRI 308-1, 308-2

Ezion requires its vendors and suppliers to strictly comply with the environmental standards and policies governed by TERAS. We also assess our major suppliers on their environmental impacts and responsibility on an annual basis. The assessment requires suppliers to disclose their financial stability, licensing and specific certifications such as ISO9001, ISO14001 and OHSAS 18001 which relate to responsibility of environment accreditation.

Annual appraisals on the performance of all key suppliers in terms of environmental regulation compliance will be carried out to ascertain that the environment is not compromised by the activities of Ezion’s suppliers.

Environmental Targets and Compliance

GRI 307-1

Ezion has also put in place an internal audit system to ensure conformance and effective implementation of its Integrated Management System (“IMS”). External audits are conducted by ABS Group to certify our management system on-board our assets to ensure compliance with ISM and ISO 14001 Standards.

The IMS is reviewed annually to promote continuous improvement. We ensure that the system is in strict compliance with mandatory rules, applicable codes, guidelines and standards recommended by the IMO, Administrations, Classifications Societies and maritime industry organisations regulations applicable to both ships and shore-based operations.

There was no incident of non-compliance with environmental laws and regulations in FY2018. In order to maintain strict environmental compliance and achieve our environmental targets in FY2019, we have reviewed our environmental performance in FY2018 and developed an action plan for FY2019.

Environmental Performance in FY2018	
FY2018 Target	Performance Update
Reduce energy consumption and GHG emissions	<ul style="list-style-type: none">- Digitalisation of International Maritime Organisation (“IMO”) Publication on board by supplying IMO E-Pub KR-CON, an electronic version of IMO instruments, greatly reducing printed copies on board- Reduce carbon emissions by eliminating procurement and courier services- Use of marine gas oil (“MGO”) with lower sulphur content reduces emissions that are environmentally unfriendly- Effectively implemented Shore-Shipboard Skype video conference for management

	meetings, visits and interactions, eliminating the need to go on board
Enhance waste management and minimise effluents discharge	- Use of MGO with lower sulphur content generates less sludge, oily waste and mud, and improves performance of oily water separator ("OWS") which reduces the need to replace fuel filters
Environmental Targets for FY2019	
FY2019 Target	Action Plan
Reduce energy consumption and GHG emissions	- Digitalisation of Admiralty Nautical Publications - Digitalisation of Safety Management System and process - Provide common transport to ferry staff to and from the office premises, promoting utilisation of public transport
Zero leak of waste and effluents	- Implement preventive maintenance programme which includes proactive approach to safeguard reliability of equipment on board, thus eliminating leaks and loss of containment, prolonging planned maintenance system ("PMS") routines and reducing defects - Minimise spares and consumables on board to manage and minimise that wastes generated - Reuse industrial waste by safely converting it into reusable items - Compact solid waste to reduce volume - Donate recyclable waste to the local community
Zero incidents of environmental non-compliance	- Strict compliance with all statutory and local environmental regulations through regular inspections and audit of vessel - Only use approved shore facilities to dispose industrial waste, especially hazardous waste

Our People, Our Assets

Ezion is committed to the development, safety and wellbeing of our staff. We value and fairly remunerate our staff, and treat everyone equally and with respect.

Through TERAS, we stand committed to protecting the health and safety of our employees and by extension, the community. We strive for zero fatal accidents in all operations and have implemented measures to ensure workplace safety.

Workplace Health and Safety

GRI 403-1, 403-2, 403-3, 416-1, 416-2

To protect the health and safety of our employees, we have implemented stringent policies and operational procedures to govern all offshore activities. Strict compliance with these policies are enforced by the Group to protect our employees. We conduct regular maintenance of our fleet and equipment to ensure safety of the users, primarily our crew and staff.

Liftboats and Jack-up Rigs Operations

As our operations are in diverse parts of the world where illnesses and diseases are not uncommon, we have implemented various medical policies to minimise the health risk of our employees working in such areas. Ezion has established various medical response plans such as Influenza, Ebola, Lassa Fever, Tuberculosis and Malaria plans as part of our emergency response plan. This allows us to respond to the threat of serious diseases in a timely manner by putting in place appropriate measures to mitigate risk.

The Health, Safety, Environment and Quality Assurance (“HSEQA”) Department regularly disseminates medical and travel advice to all office and seafarers. Doctors and medics are stationed on board our Liftboats to provide medical responses and conduct weekly regular hygiene inspections to mitigate health risks of our employees.

In addition, Ezion is committed to preventing safety hazards at all cost, be it on-board at sea or in port. To achieve zero safety incidents, we conduct regular vessel safety checks and maintenance to ensure that all vessels operate at the industry’s highest safety standard. We also have strict implementation of safety measures and practices to mitigate safety risks.

Offshore Wind Farm Operations

The site safety of our wind farm installation and construction is managed by a Health, Safety and Environmental (“HSE”) Committee comprising qualified personnel. The Committee works hard to provide a safe working environment and promotes safe working practices in all daily operations.

Our management assesses all identified risks to the employees and establishes appropriate safeguards. We monitor all incidents and accidents for timely address and institute mitigating and preventive controls to protect the safety of our employees.

Our incident / accident statistic for both Liftboat and wind farm operations are as follows:

	2018	2017	2016
<i>Fatality</i>	0	0	0
<i>Lost Time Injury</i>	1	0	0
<i>First Aid</i>	0	2	2
<i>Recordable Medical Treatment Case</i>	1	2	2
Total Recordable Frequency Rate (TRFR)	1.129	1.0751	1.056
Lost Time Injury Frequency Rate (LTFR)	0.564	0	0

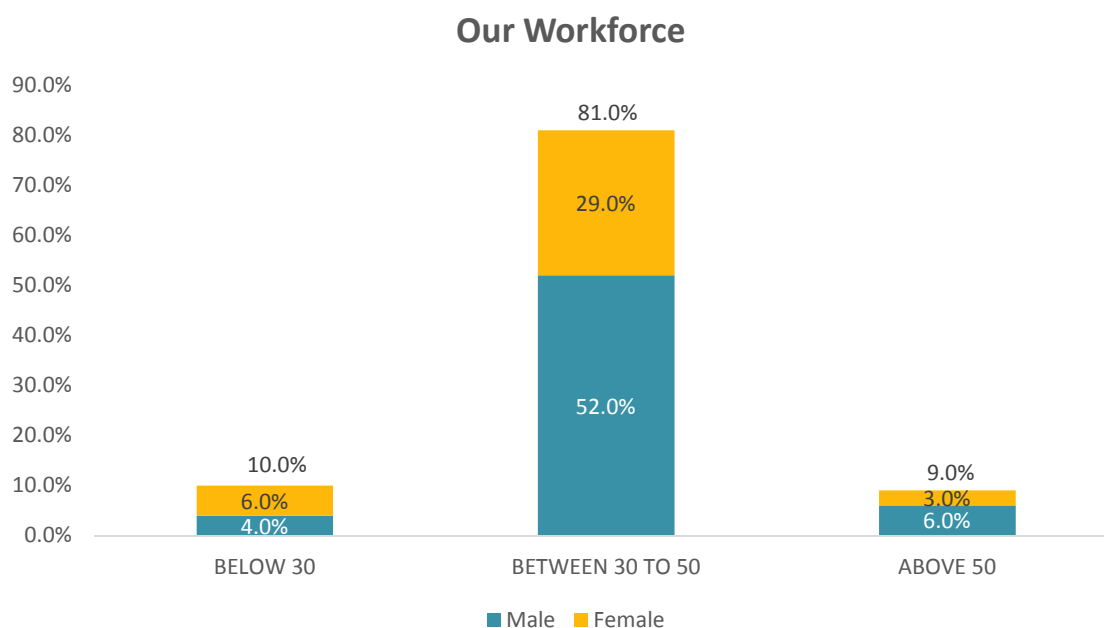
There were no incidents of non-compliance concerning the health and safety impacts of our liftboats, rigs and wind farm operations.

Employee Diversity

GRI 405-1

Ezion is an equal opportunity employer. Our employment practices are non-discriminatory in nature and are based solely on job-related factors. Our employees are remunerated, employed and promoted based on performance, and the potential and willingness to take on higher responsibilities or job scopes, without reference to any distinction or preference made on the basis of race, national origin, religion, sex or marital status.

As at end of FY2018, our total staff strength stood at 100 employees.



Due to the massive geographical coverage of our shipping operations, we employ crew and employees from more than 20 countries around the world.

Employee Benefits

GRI 401-2, 401-3

Ezion values our employees who are the backbone of our organisation. We commit to protect employee welfare and have various schemes to ensure that our employees receive fair employee benefits.

Ezion's employee benefits, in addition to remunerating staff based on market standards of the countries that we operate in, is also aligned to local legislations and market practices through providing competitive benefits scheme for our full-time staff. In addition, our employees can continue to work in Ezion on a permanent employment contract without wage reduction for the same job scope when they reach official retirement age.

Training and Career Development

GRI 404-1, 404-2, 404-3

Ezion believes that having a well-trained workforce is what keeps the Company at the forefront of its business activities. Training is an important aspect of the Company's commitment to the development of our employees. We conduct annual performance appraisals to cultivate a developmental training program for our employees that optimises their career and professional development.

In addition to optimising employee development, performance appraisals are conducted to promote staff engagement, retention and performance. Employees are appraised on their performance and progress with their respective managers and meaningful career targets are set.

We conducted our first Senior Leadership Preparatory Programme (“SLPP”) where senior officers undergo company-specific leadership programmes before they assume command on board our Liftboats as Master and Chief Engineers. The SLPP includes assessment on our Lifeboat Simulator, a full mission ship handling simulator built in accordance with our Liftboat specifications, where senior officers are assessed on their manoeuvring skills, bridge resource management and emergency response.

Holistically, Ezion conducts Townhall meetings to promote staff communication and the company’s strategic direction. Despite the industry downturn that the company is experiencing, we abstain from retrenchment exercises.

Gender Equality

GRI 405-2

Ezion believes in remunerating all employees fairly based on their ability and performance. Basic remuneration for women is equal and comparable to men of similar position and performance. We uphold the principle of employee fairness and equitable remuneration without placing gender into the equation.

Ethical Labour Management

GRI 408-1, 409-1, 412-1, 414-1

Ezion prides itself as a good global corporate citizen. We require all vessels to be in strict compliance with the Maritime Labour Convention (“MLC”), which is an international labour organisation that embodies all up-to-date standards of existing international maritime labour conventions and recommendations, as well as the fundamental principles to be found in other international labour conventions.

Under this convention, we stay committed to protect the individual rights and standards of living of our crew on-board. All grievances and disputes among the crew members on-board are fully documented and properly addressed. We also conduct regular site visits by shore personal (e.g. HSE, operations, technical and management) to gather feedback on areas of improvement from the crew members.

We do not condone the engagement of child labour or forced labour in our work. We ensure that our operations comply with human rights policies and procedures, and we strictly abide to acceptable societal norms on how we carry out our work.

In addition, we uphold the same principles in the appointment of labour suppliers. In this respect, we usually engage suppliers of reputable standing, whom we believe share the same values and practices in labour management.

Workforce Targets and Compliance

GRI 419-1

The Group endeavours to be a socially responsible employer. Ezion’s commitment to strict compliance with all applicable codes, regulations and guidelines is reflected and documented in its HSE policy and its comprehensive IMS. The IMS is fully implemented across the company and the fleet is audited internally and externally (e.g. Classifications Society, Flag State, and Port State Control (“PSC”)) for compliance.

During FY2018, all vessels operated by Ezion had fully complied with the applicable codes, rules, and guidelines, standard as required by the IMO, Administrations, Classification societies and Maritime industries. There were no instances of non-compliance, PSC detention or any fines imposed on any vessel operated by the Group.

In order to maintain strict compliance with labour laws and regulations and achieve our workforce targets in FY2019, we have reviewed the effectiveness of our workforce strategies in FY2018 and developed an action plan for FY2019.

Social Performance in FY2018	
FY2018 Target	Performance Update
Zero occupational health and safety incidents	- Achieved total recordable incident rate ("TRIR") of 1.129 and lost time incident rate ("LTIR") of 0.564
Social Targets for FY2019	
FY2019 Target	Action Plan
Zero occupational health and safety incidents	- Regularly emphasise the importance of proper work procedures and safety practises based on industry guidelines and best industry practices
Training and development of staff	- Training programmes include feasibility study to the Liftboat simulator assessment to meet client and Teras operational requirements

Contribution to Local Community

Ezion's operations span the entire globe and have an impact on local economies. We hope to have a positive impact on local economies through procurement and hiring practices. Efforts to innovate and enhance our operations potentially stimulate innovation and create greater working opportunities in local communities.

Indirect Economic Impacts

GRI 202-1, 203-2, 204-1

Ezion's global operations result in a business footprint that spans across multiple countries. The company is committed to making economic contributions to the countries in which it operates in through paying its fair share of corporate taxes to the governing bodies of the countries. We adhere strictly to the business framework set up in each country to ensure we are in compliance with the business ethics of operations.

Enhancing employment opportunities in the local community

We employ crew and employees from more than 20 countries around the world and we strictly comply with national minimum wage laws. We believe that by providing local communities with more job opportunities, we have a chance to stimulate their economic and social development.

Developing offshore wind energy infrastructure creates jobs in component manufacturing, turbine installation, facility operation and maintenance, and other various areas which indirectly support these activities. Manufacturing requires skilled labourers who design and build towers, rotor blades, generators, hubs, substation interconnects, and assorted electronic controls which make up a wind turbine power generating platform. Installation typically involves local construction firms which help to boost local economies.

As such, the operation and maintenance needs of wind farms create permanent and high-quality local jobs. With an increase in employment and income level, consumer demand and spending in the community increases, resulting in overall economic and social development.

Procurement Practices Opportunities

The economic impact of building an offshore wind farm extends well beyond the direct jobs created by building and installing the equipment. Each dollar invested creates impacts that ripple outwards throughout the local economy and creates indirect jobs for suppliers of intermediates, components and services. In addition, all new workers require housing, food and other necessities that will be purchased locally.

The Group's Manufacturers, Developers and Contractors require support in cranes, transportation, labour, accommodation and subsistence which are sourced locally. During our operations, there will be additional demands for inputs from industries that sell non-labour goods and services directly to the project (i.e. raw materials, equipment and tools, industrial or manufacturing required services, etc.).

Skills upgrading

The Group works with local companies during the execution of its projects. The staff at local companies will develop skills and capabilities that will change the productivity of the industry and benefit the economy in the long term.

Training and developing workforce readiness of the locals is a very important part in developing a work ready community. Using the skills and knowledge of external developers and contractors as a model, community colleges, universities and unions can be enlisted to offer specialised training to the local community, thereby increasing the workforce quality of the community.

Community Engagement

GRI 413-1

The Group endeavours to achieve a sustainable development of the local communities where we operate in. As such, we will engage with local communities on an ongoing basis to understand their needs including education and healthcare, and implement appropriate community engagement programmes to improve their overall well-being.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> ▪ Stakeholder Engagement ▪ Reporting Practice
2	Policies, Practices and Performance	<ul style="list-style-type: none"> ▪ Chairman's Message ▪ Ezion's Sustainability Story ▪ Protecting the Environment ▪ Our People, Our Assets ▪ Contribution to the Local Community
3	Board Statement	Governance and Statement of the Board
4	Targets	Ezion's Sustainability Story
5	Framework	Reporting Practice

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