



IEV Holdings Limited

SUSTAINABILITY REPORT 2019

CONTENTS

Page 3	About This Report
Page 4	Message from the Board
Page 5	About IEV
Page 6	Corporate Structure
Page 7	Corporate Governance
Page 8	Supply Chain
Page 9	Stakeholder Engagement
Page 10	Materiality Assessment
Page 11	Economic Economic Performance Anti-Corruption
Page 14	Environmental Waste Environmental Compliance
Page 16	Social Labour and Management Relations Occupational Health and Safety Diversity and Equal Opportunity
Page 21	Governance Ethics and Integrity
Page 22	GRI Standards Content Index

This Sustainability Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("Exchange") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.

The contact person for the Sponsor is Mr Ong Hwee Li, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

ABOUT THIS REPORT

This is IEV Holdings Limited's ("IEV", and together with its subsidiaries, the "Group") third sustainability report ("Report"). This Report covers economic, environmental, social, and governance ("EESG") related factors identified for the financial year ended 31 December 2019 ("FY2019").

Sustainability at IEV means providing infrastructure, engineering, and customer-driven services in a responsible manner that respects people, their safety, and the environment. This Report identifies the key sustainability challenges that IEV faces in its day-to-day operations and the ways in which the Group has responded to such challenges.

The Group strives to proactively improve on its sustainability efforts by conducting annual materiality assessments that identify EESG issues of particular interest to our stakeholders. These assessments help us ensure our operations reflect and adapt to any changes in business priorities and prevailing events, while supporting our commitment to maintaining environmentally and socially sustainable business practices.

This Report details FY2019 material issues and the actions taken by IEV to manage the EESG performance of our asset integrity management division. The issues discussed in this Report are:

Economic	Environmental	Social	Governance
<ul style="list-style-type: none">• Economic performance• Anti-corruption	<ul style="list-style-type: none">• Waste• Environmental compliance	<ul style="list-style-type: none">• Labour and management relations• Occupational health and safety• Diversity and equal opportunity	<ul style="list-style-type: none">• Ethics and integrity

Throughout each year, we use a structured process to select our list of topics and assess their validity. We engage with various groups and individuals to understand specific concerns about our operations and its impact, particularly in relation to the environment and society. We consider, among others, the views of our stakeholders such as employees, investors, and customers. We gather opinions and advice in various ways including formal and informal meetings, surveys, and site visits.

Our sustainability assessment is conducted annually and this Report is set out on a "comply or explain" basis in accordance with Listing Rule 711B and Practise Note 7F of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited ("SGX-ST"). IEV has adopted the Global Reporting Initiative ("GRI") Standards: Core Option for the preparation of this Report, which provides a globally recognised framework for companies to measure and communicate EESG performance.

IEV has not sought external assurance for this Report. This Report should be read in conjunction with IEV's annual report for FY2019 ("Annual Report 2019").

MESSAGE FROM THE BOARD

Dear Valued Stakeholders,

As we move into a time of extraordinary turbulence brought about by the global Covid-19 pandemic, we strive to continue to make positive contributions to our stakeholders and society at large.

In FY2019, our attention was focused on discontinuing, divesting, and impairing parts of our business that were adversely affected by low oil prices. Despite such pressures, we have remained committed to upholding core principles that support our business. These are: a safety-oriented culture; zero tolerance of bribery and corruption; and an open and transparent system for checking on the health and safety of our employees, protection of the environment, and efficiency of our operations.

To those ends, we have expanded our framework for sustainability reporting. In this Report, we include disclosures on labour and management relations to show how we uphold care, fairness, and equitability as we transform into a leaner entity.

We have also expanded our reporting by including the following indicators to assess our sustainability performance:

- Waste generation and significant waste-related impacts
- Management of significant waste-related impacts
- Worker training on occupational health and safety

To reduce our exposure to volatile oil prices and diversify our assets, we embarked into the healthcare space with postpartum care business in Malaysia and Singapore as the initial step. We see the healthcare sector as comparatively more stable and largely unaffected by cyclical business and market fluctuations.

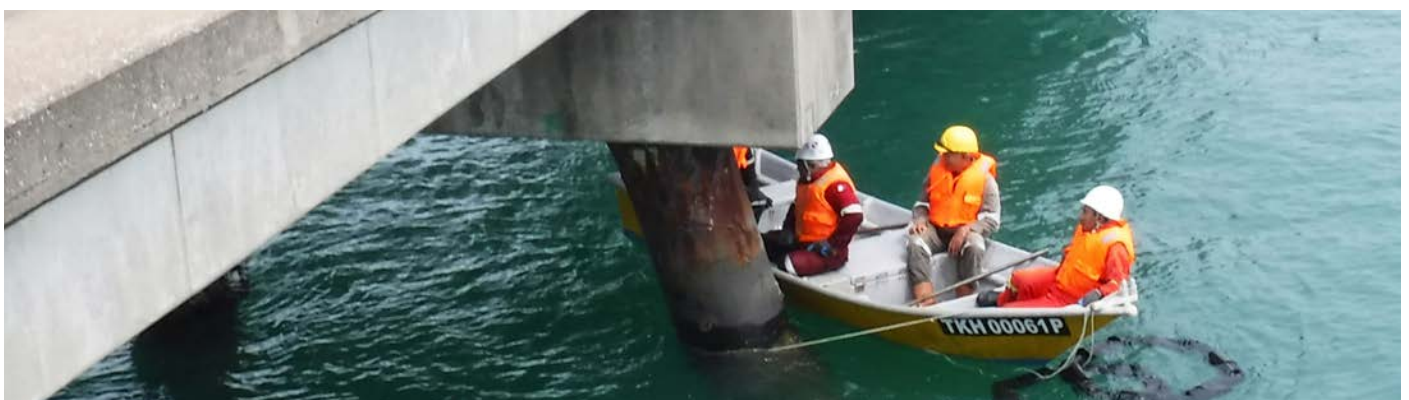
Covid-19 has presented challenges to our new business venture, namely in delaying the completion of our Singapore postpartum care centre, but we also see opportunities as the pandemic heightens awareness about the need for professional healthcare. Our Malaysia postpartum centre has already experienced an increase in enquiries and we have turned to using multiple digital means to communicate and reach out to clients even as key markets impose quarantine or lockdown measures to contain Covid-19's spread.

Safety remains a pillar of our operations. As a provider of products and services for the oil and gas industry, operating safely without hurting people or the environment remains a paramount objective. To that end, we succeeded in achieving zero fatalities in FY2019, with zero Loss Time Incidents ("LTI") and zero Medical Treatment Injuries ("MTI") at our worksites.

We also continue to invest in progressive research and development in order to reduce our environmental impact and ensure resilient operations. The latest generation of our marine growth products are self-cleaning and last longer. We also encourage clients to use our decommissioning service, so we can help them facilitate a cradle-to-cradle philosophy where our products, once decommissioned, are recycled.

Turbulent times call for forward-looking decisions that are informed and balanced by reliable data. By being as open as we can about what we do and why we do it, we aim to provide an accurate picture of how we fare and what we have done to be better.

*On behalf of the Board
Christopher Nghia Do
President and Chief Executive Officer
30 June 2020*





Established in 1986, IEV has evolved from a single product line company to become a multi-national group of companies that combines disruptive technologies and proven engineering capabilities in serving the oil and gas industry. In 2011, IEV was listed on the Catalist Board of SGX-ST and is currently headquartered in Kuala Lumpur, Malaysia.

Currently, IEV runs an asset integrity management business across Singapore, Malaysia, Hong Kong, Indonesia, Vietnam, and India. This business covers the following divisions: Structural Integrity Solutions; Advanced Inspection Solutions; Corrosive Control Solutions; and Subsea Engineering Solutions.

The divisions offer both individual and integrated technologies and solutions to assess, inspect, repair, and maintain fixed assets of both onshore and offshore structures such as offshore oil and gas platforms, pipelines, jetties, refineries, and petrochemical plants. The types of technology offered are either proprietary, co-developed, or originated from providers who partner with IEV to launch their unique technology through IEV's extensive global distribution network under long-term strategic alliance arrangements.

IEV offers such technologies and solutions across upstream, midstream, and downstream markets. They complement IEV's core engineering services such as pipeline stabilisation, cold cutting, structural pile grouting, jacket strengthening, and decommissioning studies.

IEV is also involved in the brownfield market segment and has expanded its offerings to customers of existing offshore and onshore facilities that include oil and gas platforms, ports and terminals, pipelines, and plants.

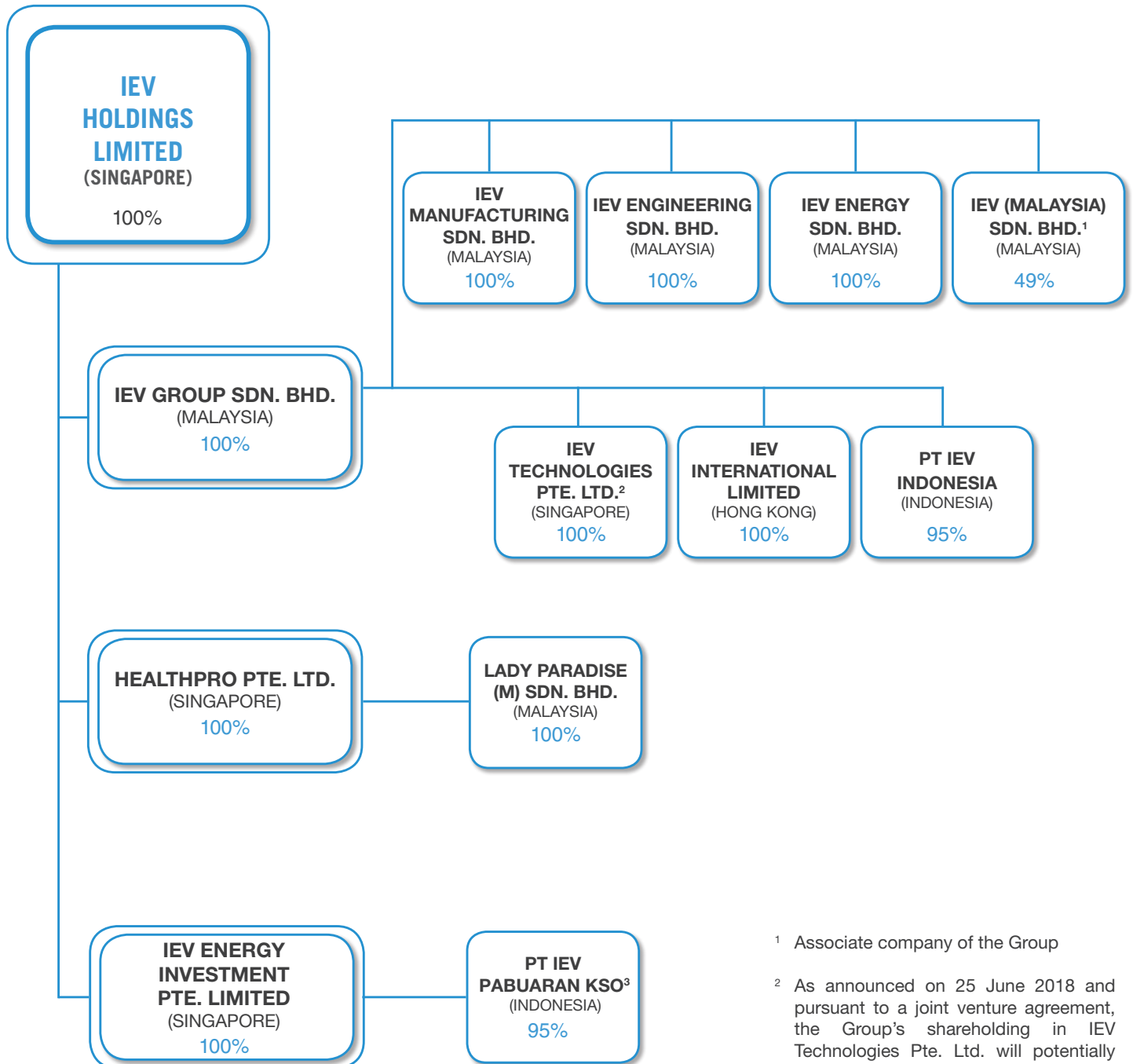
In Malaysia, IEV's subsidiaries have been active in niche turnkey services, and together with its selected service providers, implement transportation and installation contracts of major deep water or float-over facilities.

In FY2019, low oil prices prompted IEV to discontinue, divest, and impair underperforming parts. The Group disposed of two non-core subsidiaries, IEV Engineering (India) Pvt Ltd in India and IEV Technologies Vietnam LLC in Vietnam, and voluntarily liquidated two dormant subsidiaries, PT IEV Pabuaran KSO in Indonesia and IEV Vietnam LLC in Vietnam.

To reduce our exposure to the oil and gas industry, which has seen volatile prices and markets that are moving to reduce dependency on fossil fuels, IEV has diversified into the healthcare sector. In 2019, the Group acquired Lady Paradise (M) Sdn Bhd, a postpartum care centre in Malaysia, that has since been rebranded as Nadora.

Under Nadora, the Group will open two more postpartum care centres - a second centre in Malaysia and its first Singapore-based centre. The Group is also actively seeking out businesses in the arena of aesthetics, wellness, and physiology services.

CORPORATE STRUCTURE



¹ Associate company of the Group

² As announced on 25 June 2018 and pursuant to a joint venture agreement, the Group's shareholding in IEV Technologies Pte. Ltd. will potentially be reduced to 51.87% following subscription by the joint venture parties.

³ As announced on 13 September 2019, the Group has commenced voluntary liquidation of PT Pabuaran KSO.

OUR CORPORATE GOVERNANCE

Our Board of Directors is the highest governing body of IEV and is responsible for strategic direction and the long-term success of the Group. The Board is made up of Directors with a wide range of skills and qualifications in areas such as business management, finance, accounting, as well as specific experience in related/relevant industries.

In FY2019, the Board consisted of seven members, comprising of one Non-Independent, Non-Executive Chairman; one President and Chief Executive Officer; one Executive Director; and four Independent Directors.

For FY2019, the Board has complied with the principles and guidelines of the Singapore Code of

Corporate Governance 2018. As steward of IEV's strategic direction, the Board has taken steps to integrate sustainability issues as part of its strategic formulation. Consistent with this role, the Board has determined the economic, environmental, social, and governance factors identified as material to the business and ensures they are monitored and managed. The Board is supported by a strategic team of senior managers, which enables the Board to assess and ensure that sustainability governance is structured and functioning through the various levels of management.

For more information on our corporate governance, please refer to our Annual Report 2019 (Report on Corporate Governance).



SUPPLY CHAIN



Our suppliers and partners are integral to our ability to run our business. They are involved in numerous aspects of our operations, from logistics to engineering and IT. As such, we aim to work with those that conduct themselves in an economically, environmentally, and socially-responsible manner.

In FY2019, IEV spent RM2.76 million on goods and services from 50 suppliers. Our approach is to source products/materials and services through a multi-layered procurement process that is vetted at various levels of IEV management. We review, among others, potential suppliers' industry reputation, track record, work ethics and assess them for a fit with our own philosophy and strategy.

Throughout our engagement with suppliers, we assess and monitor their procedures, and if needed, ensure training is provided to meet our standards.

We source our suppliers mainly from the countries we operate in such as Malaysia and Singapore. We also source from countries where we previously had a presence and where we have maintained business relationships with local suppliers such as in India.

For non-proprietary products and services, such as diamond-wire cutting and microcrystalline wax-based anti-corrosion tape, we source the equipment

and materials from our Principals in the USA. The nature of these Principal-owned technology does not allow us to source any comparable equipment or material locally.

Equipment and tools for cutting services and anti-corrosion waxtape application are stored in supply base locations in the Asia-Pacific region, in proximity to where clients may require such services. Materials for these services are procured from the USA and shipped to these supply bases as and when projects are undertaken.

When mobilised by the client, such equipment and materials are then moved to a port for embarkation on a vessel and transported to an offshore location where the service is rendered or materials applied.





For our proprietary marine growth control technology, individual components are manufactured using custom moulds through a selected panel of injection-die manufacturers. These components are stored at IEV's own manufacturing facility, where we prepare the marine growth control products according to client specifications. The semi-assembled pieces are then freighted to and assembled at the client's destination location, be it at a fabrication yard, jetty, or on an offshore platform.

STAKEHOLDER ENGAGEMENT

The Group relies on a robust and rigorous process of stakeholder engagement to understand the expectations and needs of its stakeholders. We believe this process allows us to continuously learn about what we are doing right (and wrong), how we are impacting those we work with, and how and where we can improve. This, we believe, strengthens our accountability to, and builds trust with, our stakeholders.

Our stakeholder engagement process involves talking to and opening communication channels with various groups and individuals to understand specific concerns about our business and its impact, particularly in relation to the health and safety of our employees and our impact on the environment. These include, but are not limited to: internal stakeholders such as employees, managers, senior management, and Board of Directors; and external stakeholders such as suppliers, regulators, creditors, shareholders, and customers.

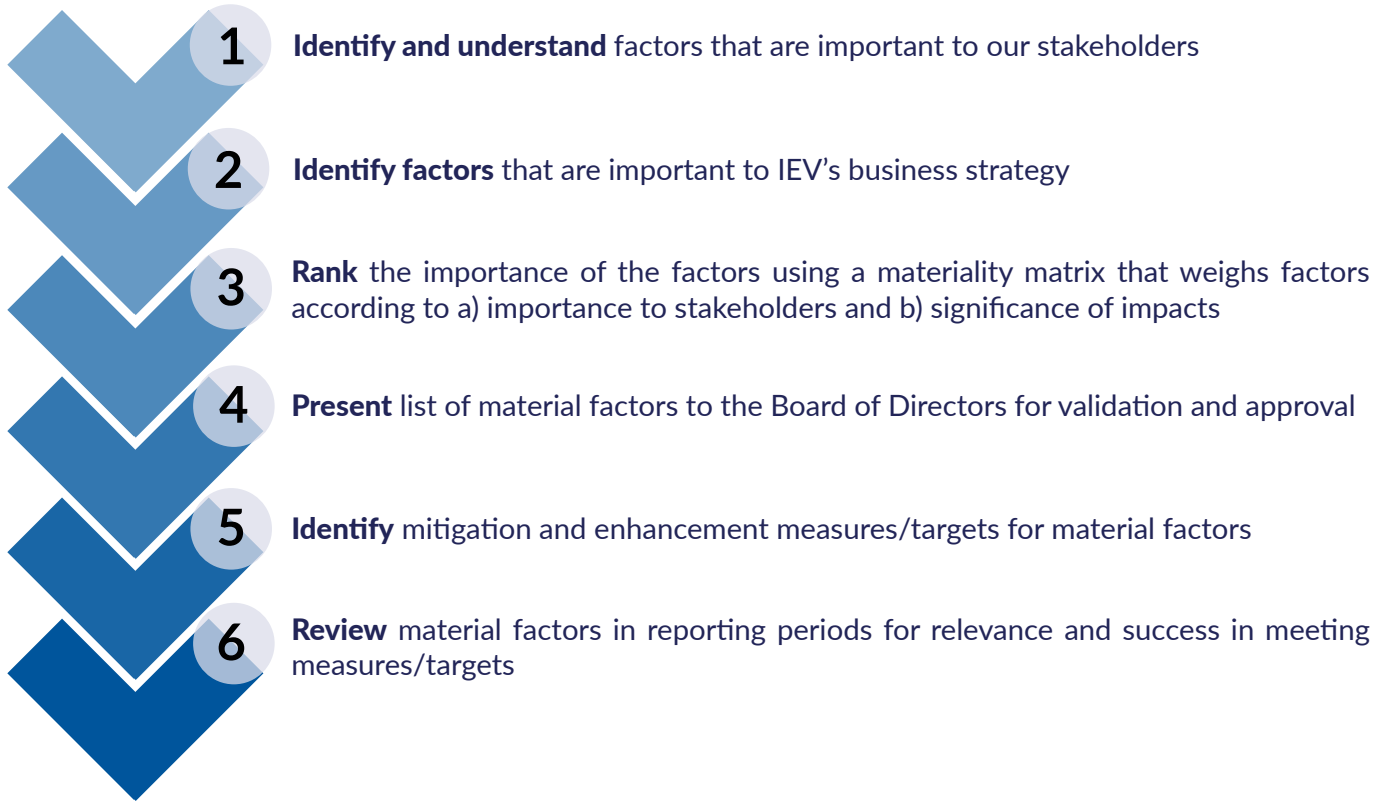
We gather opinions and advice in various ways including formal and informal meetings, surveys, site visits, and feedback channels. These opinions and advice are then incorporated into our corporate strategies to achieve mutually beneficial outcomes.

Key Stakeholders	Forms of Engagement	Key Topics
 Employees	<ul style="list-style-type: none"> • Annual Appraisals • Regular QHSE employee feedback • Scheduled town hall meetings 	<ul style="list-style-type: none"> • Staff performance • Career advancement • Company performance • Company strategies • Occupational health and safety • Diversity and equal opportunity
 Customers	<ul style="list-style-type: none"> • Project kick-off and close-out meetings • Feedback channels • Occasional site visits • Scheduled roadshows 	<ul style="list-style-type: none"> • Improvements in customer service • Feedback on products and services • Ethics and Integrity • Environmental compliance
 Suppliers/Creditors	<ul style="list-style-type: none"> • Annual vendor evaluation • Feedback channels • Scheduled site visits 	<ul style="list-style-type: none"> • Assessment of goods and services provided by vendors • Environmental compliance
 Shareholders	<ul style="list-style-type: none"> • Annual General Meeting • Annual reports • Company website • SGXNET announcements 	<ul style="list-style-type: none"> • Company performance • Company direction • Strategies and developments • Ethics and Integrity • Anti-corruption
 Regulators	<ul style="list-style-type: none"> • Electronic communications • SGXNET announcements 	<ul style="list-style-type: none"> • Corporate governance • Operational performance • Economic performance • Compliance with local laws and regulations • Anti-corruption

MATERIALITY ASSESSMENT

To identify and prioritise sustainability factors for inclusion in this report, IEV conducted a materiality assessment.

MAIN STEPS IN SELECTING MATERIAL FACTORS



Applying these steps, and following GRI guidelines for material disclosures, we have identified the following as our material factors:

Economic GRI 200

- A Economic performance
- B Anti-corruption

Environmental GRI 300

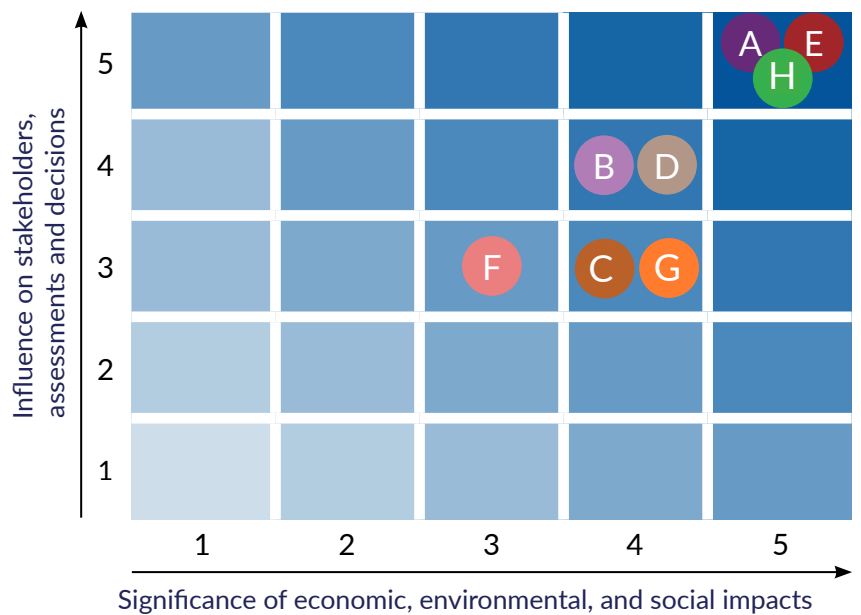
- C Waste
- D Environmental compliance

Social GRI 400

- E Occupational health and safety
- F Diversity and equal opportunity
- G Labour and management relations

Governance

- H Ethics and integrity



The Group conducts materiality assessment on an annual basis. We also review our material factors as and when there is a change to our business model. For FY2019, we have added material factor, “Labour and management relations” (GRI 402), to examine our performance in transitioning to a leaner entity.

ECONOMIC PERFORMANCE

• Direct economic value generated and distributed

IEV believes financial sustainability is critical to our survival and business progression. We aim to ensure long-term profitability by taking into account the interests of all stakeholders, such as employees, shareholders, suppliers, and society as a whole; minimise risk by identifying early opportunities and obstacles and putting in place clear measures that maximise opportunities and mitigate obstacles; and adhere to laws and regulations that protect and enhance employee welfare.

The Group's operations continue to be impacted by fluctuating prices of oil and gas, and their derivative products. In a low oil and gas price environment, our clients would generate less revenue from their businesses, which could result in the businesses incurring losses or becoming less profitable. Prolonged periods of low oil and gas prices, coupled with rising costs, over the last few years, have resulted and could continue to result in projects being delayed, cancelled, or divested.

Continuing weakness in oil and gas prices has led us to diversify into the healthcare sector. The Group acquired Lady Paradise (M) Sdn Bhd and subsequently rebranded it as Nadora to kickstart our foray into operating postpartum care centres. The Group has also disposed of two non-core subsidiaries, IEV Engineering (India) Pvt Ltd and IEV Technologies Vietnam LLC, and voluntarily liquidated two dormant subsidiaries, PT IEV Pabuaran KSO in Indonesia and IEV Vietnam LLC, to alleviate cash flow pressures.

For FY2019, the Group's revenue from its asset integrity management sector increased by RM6.8 million, or 230%, due mainly to increased sales of our proprietary marine growth control products, a

completed Advanced Inspection Solution in Nigeria, and an on-going retrofitted corrosion control project. Revenue from our healthcare division has been marginal as the postpartum centres are currently undergoing planned refurbishment and renovation, and are expected to commence operations during the financial year that ends on 31 December 2020.

For FY2019, the Group's gross profit increased by 169% to RM4.5 million from RM1.7 million in FY2018 due to increased sales of our marine growth control products and higher sales activity in our asset integrity management sector. We recorded a lower gross profit margin of 45.7% for FY2019 compared to 56.0% in FY2018 due mainly to our contract with the Advanced Inspection Solution project, which has a lower gross profit margin compared to the sales of our proprietary marine growth control products.

We view the outlook for the oil and gas industry in 2020 and beyond as uncertain. The Covid-19 pandemic has weighed heavily on prices as countries impose travel bans and shut down workplaces. Given this uncertainty, the Group will continue to exercise stringent cost control of our core asset integrity management division, cease new capital investment to preserve cash, and monitor cash flow with extreme vigilance.

For a more detailed look at our financial results, please refer to the following sections in our Annual Report 2019:

- Directors' Statement
- Independent Auditor's Report
- Statements of Financial Position
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Statements of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to Financial Statements

ECONOMIC

- **Financial implications and other risks and opportunities due to climate change**

Rising climate change concerns have led and could lead to additional legal and/or regulatory measures for our clients in the oil and gas industry. This can result in project delays or cancellations, a decrease in demand for fossil fuels, potential litigation, and additional compliance obligations.

We have continuously been working on reducing our exposure to the oil and gas industry. In 2018, we exited oil exploration and production in Indonesia; mobile natural gas distribution in Indonesia, Malaysia, and Vietnam; and the renewable energy (rice husk-based) sector in Vietnam. In 2019, we continued to divest parts of our business that had been negatively impacted by low oil and gas prices. We parted ways with four companies whose operations had been rendered dormant or unprofitable (see About IEV for the list of companies).

In FY2019, the Group worked on diversifying our assets by entering the healthcare sector and planning for the opening of several postpartum care centres. We believe the healthcare sector to be a comparatively more stable market, and in light of the current Covid-19 pandemic, may present more opportunities as markets call for an increase in professional healthcare services.

Physical effects of climate change such as, but not limited to, adverse weather patterns could negatively impact our operations. Currently, our work in asset integrity management can be subject to weather disruptions, which may delay the start and completion of work. We have put into place contingencies in our work schedule and budgeting that compensate for potential weather disruptions.



ANTI-CORRUPTION

• Operations assessed for risks related to corruption

The Group operates across different countries and engage numerous contractors, suppliers, agents, and other partners. This exposes us to numerous vulnerable points for corruption. Preventing and managing risks associated with corrupt practices is therefore a material factor.

As corruption is considered a major risk factor in the company's overall risk assessment, the Group's accounting and procurement practices are consistently scrutinised and audited by external and internal auditors to monitor and maintain corruption-free practices. Each year, the auditors assess any gaps or lapses to evaluate if improper payments/procedures have been made.

The Group also mitigates any potential risk of corruption that may arise from procurement processes by centralising its procurement at the Group's headquarters. The Group's centralised procurement process is validated by ISO 9001:2015 standard. This requires the Group to set a limitation on what can be procured and any procurement in excess of set limits requires multiple levels of authorisation before the procurement can be approved.

We prevent and manage corruption risks with a zero-tolerance policy towards accepting any gifts or favours from individuals, organisation, vendors, or contractors doing or seeking to do business with the Group. Senior management has been tasked with ensuring the appropriate controls and monitoring systems have been put in place to prevent improper payments/bribery/corrupt practices.

We also have in place a whistle-blowing policy that supports our anti-corruption commitment by enabling employees to, in confidence, raise concerns internally and disclose any impropriety through well-

defined and accessible channels. Should there be any reported impropriety, we have an audit committee that conducts independent investigations and enact appropriate follow-up actions where necessary.

• Communication and training about anti-corruption policies and procedures

Our policies are communicated to all employees, including our Board of Directors and senior management, in all countries we operate in and can be accessed easily via our company intranet.

As part of our induction programme when any new personnel joins the organisation, we instil in them the Group's anti-corruption policies and procedures including no-gifts and whistle-blowing.

We also notify our employees on changes to such policies via internal notices and emails. Our employees are also encouraged to consult or seek clarification from HR and Senior Management personnel who have been designated to manage whistle blowing channels.

The Group's anti-corruption policies are described in our annual Sustainability Report, which the general public can access online. Our business partners and suppliers are encouraged to access the Report in order to understand our policies better and ensure they abide by them. We also expect our people to adhere to such policies when interacting with business partners and to clarify to the latter our policies should anything be unclear.

• Confirmed incidents of corruption and actions taken

We had zero incidents of corruption in FY2019. We aim to maintain zero incidents of corruption in the next financial year. No whistle blowing reports were made during FY2019.

ENVIRONMENTAL



WASTE

• Waste generation and significant waste-related impacts

The Group regularly assesses how materials move into, through, and out of our companies. We do this to understand where these materials eventually become waste. Such assessments provide an overview of waste generation and its causes, which in turn can support us in identifying how we can prevent waste and adopt circularity measures. We believe this will allow us to go beyond mitigating and remediating negative impacts once waste has been generated and move towards managing waste as a resource.

Previous generations of our marine growth control products tend to reach the end of their service life when their anti-fouling coating loses

its efficacy, which is usually after five years. Our recommendation to clients is for these products to be removed and replaced by a new set of marine growth control products. As our products are made of high-density poly-ethylene, they can be recycled like any plastic material.

We have since improved our latest generation of products by making them self-cleaning, which negates the requirement for an anti-fouling coating and therefore extends its service life beyond five years.

In typhoon prone or icy ocean conditions, there is a risk that IEV's marine growth control products installed on offshore structures may, after a prolonged period, break apart or detach from the structures and drift into the open sea. Before the latest generation of products, we have avoided installing our products in locations prone to extreme weather conditions.

To reintroduce our products to locations with extreme weather conditions, our latest generation of marine growth control products have been developed to be stronger such that it can withstand extreme storm conditions.

To support such efficacy claims, various tests have been conducted by an external agency, designed to see if our products can withstand typhoons and other severe ocean conditions.

The initial tests revealed that our Single Ring product can withstand winds and ocean conditions up to Beaufort force 10 without any damage, while our Multiple Ring can withstand up to Beaufort force 12 without any damage. The Beaufort scale measures wind speeds and relates them to observed conditions at sea or on land, with the maximum, force 12, denoting typhoon force winds and conditions.

Further tests are being conducted to determine the products' endurance in repeated height drops to simulate extreme wave conditions.

ENVIRONMENTAL

- **Management of significant waste-related impacts**

We aim to assist our clients in recovering infrastructure that has been decommissioned. This will allow us to better plan for the end-of-life of our products with our clients and moving forward, facilitate a cradle-to-cradle philosophy where our products, once decommissioned, are recycled. However, in FY2019, none of our clients requested for their infrastructure to be decommissioned as their structures are still in prime working condition.

As for plastic waste produced during the manufacturing of our products, we abide by Malaysia's Environment Quality Act of 1974, which requires us to recycle the waste at periodic schedules. We produced 300 kilograms of plastic waste in FY2019, which is half of what we produced in FY2018.

We will store the plastic waste, which does not pose any environmental hazard in its current state, on our premises until enough is accumulated to make it cost effective for us to recycle. We will then contract a professional waste recovery and recycling company to treat and recycle our plastic waste using the latest technology.

We maintain a centralised database, which incorporates online data entry, of the amount of

waste we generate. While we do not include the waste generated by our clients as part of our waste database, we recommend clients engage us when removing or dismantling our products so we can assist in transporting, recovering, and disposing of such items. At the same time, this helps us remain accountable for the products we sell and aids the execution of our commitment to circularity.

ENVIRONMENTAL COMPLIANCE

- **Non-compliance with environmental laws and regulations**

IEV believes in reducing our footprint and impact to as low as reasonably practicable. As such, we support the precautionary principle and aim to avoid negative impacts on the environment where feasible. To this end, we aim to ensure all risks generated from our operations are identified, assessed, and mitigated to a reasonably practicable level.

We have adhered to all relevant Codes and Regulations on the environment. In FY2019, there were no incidences of non-compliance with laws and regulations that resulted in significant fines or sanctions, and we aim to maintain this in the next financial year.



SOCIAL



LABOUR AND MANAGEMENT RELATIONS

- **Minimum notice periods regarding operational changes**

The Group believes that promoting an environment of collaboration, understanding, and mutual trust among employees is important in preventing conflicts and deteriorating relations.

When a company has to undergo significant operational changes, timely and meaningful consultation allows affected parties to understand the impacts of the changes and trust that the company is not unilaterally making decisions against them. It also allows the company sufficient opportunity to work with affected parties to avoid or mitigate negative impacts as much as possible.

The Group believes that good consultation, whereby management takes the views of employees into account when making specific decisions, must take place before the implementation of significant operational changes. The Group also believes genuine consultation involves face-to-face dialogue and endeavours to provide employees with sufficient information in a timely manner.

FY2019 proved significant in how we managed our people's expectations and needs as low oil prices forced us to discontinue or dispose of four underperforming subsidiaries. While the Group does not have a prescribed minimum notice period for informing staff of significant operational changes,

management conducted town hall meetings with affected staff to discuss operational changes at least two weeks before they were to be implemented.

Also, in FY2019, the Group sought to minimise the number of retrenched employees as a result of any discontinued operations. When the Group sold two non-core subsidiaries, IEV Engineering (India) Pvt Ltd in India and IEV Technologies Vietnam LLC in Vietnam, to Disruptech Holdings Sdn Bhd ("**Disruptech**") in October 2019, all employees of the subsidiaries were retained by Disruptech.

With IEV Vietnam LLC, a subsidiary of the Group that was deregistered in October 2019, all staff of the subsidiary had already been transferred to IEV Technologies Vietnam LLC before the subsidiary was liquidated. The staff were then retained by Disruptech when it bought IEV Technologies Vietnam LLC.

The Group liquidated PT IEV Pabuaran KSO ("**Pabuaran KSO**") in September 2019 and retrenched employees only after exhausting all other options. Prior to liquidation, Pabuaran KSO sought to get its exploration and production concession renewed but it was not successful. As a result, many roles within the company were made redundant. The company wanted to retain all staff with reduced pay but most chose to resign and look for work elsewhere. Following that, the Group opted for liquidation of Pabuaran KSO. Remaining Pabuaran KSO employees were retrenched and provided with all statutory retrenchment benefits.

OCCUPATIONAL HEALTH AND SAFETY

- Occupational health and safety management system

Providing engineering services to offshore and onshore oil facilities carries a certain degree of risk that requires the installation of carefully calibrated processes to minimise injury and danger. As such, occupational health and safety (“OHS”) is of great importance to IEV and we have put in place robust systems for engendering a safety culture that goes beyond compliance to one where our people feel listened to, cared for, and comfortable raising concerns.

As a basic requirement, we adhere to applicable health and safety laws in the countries where we operate. These laws include Malaysia’s Occupational Safety and Health Act 1994, Factory & Machinery Act 1976, and Environmental Quality Act 1974. Malaysia is where the Group’s manufacturing facility is based. Other country offices manage sales and marketing operations and do not produce industrial waste but nevertheless abide by laws imposed by their respective governments.

We have also put in place an integrated health and safety culture that runs throughout all levels of our organisation. We believe putting in place proper training and effective communication and consultation can ensure all accidents and incidents are preventable.

IEV’s OHS is managed by the Quality, Health, Safety, and Environment (“QHSE”) department. This department is led by a QHSE Manager, who is responsible for ensuring the management system is established, updated, and maintained according to local and international standards and requirements. This position is part of senior management, which reports directly to the President and CEO of the Group.

Also, IEV’s OHS management system is implemented in reference to ISO 45001:2018 standard. We strive to continually improve on the suitability, adequacy, and effectiveness of the OHS management system by ensuring that we have put in place numerous checks and communication channels for identifying and rectifying hazards and risks. These checks and communication channels will be elaborated upon further in the next sections.



SOCIAL

• Hazard identification, risk assessment, and incident investigation

Our dedicated QHSE department ensures health and safety practices are carried out across all our operations from corporate to manufacturing and engineering services. Before embarking on any engineering service work, our project management team will conduct a job safety induction. In addition, we conduct a job hazard analysis, which dissects the job procedure by procedure to identify existing as well as potential hazards, prioritise corrective actions, and reduce/eliminate the hazards.

Our whistle-blowing policy supports our health and safety commitment by enabling employees to, in confidence, raise concerns internally and disclose any impropriety through well-defined and accessible channels. Our people need not fear reprisal for reporting any shortfalls in our health and safety practices.

Should employees view an activity to be a potential hazard, we have a “Stop Work” policy, which can be exercised by any employee, regardless of position, seniority, or discipline. We do not apportion blame or fault on any employee who calls for a “Stop Work” order even if, upon investigation, the “Stop Work” order was deemed unnecessary. Work that has ceased due to a “Stop Work” order resumes only after all safety checks have been conducted.

When investigating incidents, we have a reporting process that must be completed within 12 hours for incidents involving a fatality, within 24 hours for loss time incidents (“LTI”), and a maximum of 48 hours for incidents involving medical treatment or the application of first aid. This involves filling up a “Work Incident Report” form and submitting the form to the immediate supervisor. Within the same time periods (12 hours for fatal incidents and 24 hours for LTI), supervisors must form a team to investigate the incident. For medical treatment incidents, supervisors must form an investigative team within 72 hours.

The team is responsible for analysing the incident, evaluating the risks, and preparing concluding remarks that will be presented to all staff to raise awareness and put in place prevention measures. This process should be completed within seven days for fatal incidents, within 10 days for LTI, and within 14 days for medical treatment incidents.

We periodically conduct an internal review and reference against relevant clauses of the ISO 45001:2018 requirements. The outcome of the review is analysed and presented at our management review meeting. Further action is then taken where warranted. This can involve, among others, changing policies and processes that do not work/have resulted in accidents and identifying new risks and opportunities.

In FY2019, an internal review found no negative outcomes and the Group continues to strive to meet ISO 45001:2018 standards.

• Worker participation, consultation, and communication on occupational health and safety

The Group have in place a formal joint management-worker health and safety committee. This committee comprises of representatives from senior management and the workers. This committee meets every quarter and reports to the committee's chairman, who represents IEV's senior management.

The committee is responsible for assisting in the development of health and safety rules and safe work systems; reviewing the effectiveness of health and safety programmes; carrying out studies on accident trends, near-misses, dangerous occurrences, occupational poisoning/disease; reporting on unsafe/unhealthy practices and providing recommendations for corrective action; reviewing workplace health and safety policies; and making recommendations for revising any existing policy.

• Worker training on occupational health and safety

We view training as an essential part of our operations to ensure competency and avoid the risk of injury. In that regard, a job safety training is conducted before every engineering service work. We also arrange for staff to periodically get certified for a range of safety and technical skills via training courses, with recertification occurring every two to three years.

We identify the training courses that staff need to complete by assessing the training needs of the various work activities that they undertake. A training matrix is then drawn up to identify the necessary skills needed to perform each job and any training gaps on the part of the employee. Staff then attend courses that have been matched to their needs/abilities, and what they would be required to learn to

perform effectively at their job. Staff also attend courses to refresh or update their knowledge of occupational health and safety related to their job needs.

Such training courses have included the following: Basic Offshore Safety Induction and Emergency Training; Travel Safely by Boat; Hydrogen Sulfide Training; Working at Height; and Permit to Work Procedures.

The training courses are conducted by certified third parties or accredited training centres, which have been approved by our clients. Also, the courses require participants to pass tests so that they can be properly certified to carry out their work.

Every year, we conduct a Health & Safety Awareness Day, where staff are educated on various health and safety topics. In FY2019, we conducted a Fire Safety Talk for our factory staff that was led by a representative from the local Fire Brigade. The Talk included a demonstration on how to properly use fire extinguishers.

It is mandatory for staff to attend training courses that have been assigned to them. The Group bears the cost of the courses and ensures that staff attends the courses during working hours. If the courses are conducted outside of the company's workplace, the Group will pay for the staff's travel and accommodation.

• Work-related injuries

Between January and December 2019, we recorded 109,087 man-hours across our operations with zero Loss Time Incidents and zero Medical Treatment Injuries. In 2018, the Group recorded 110,536 man-hours with zero Loss-Time Incidents and zero Medical Treatment Injuries. Moving forward, we aim to maintain zero Loss Time Incidents and zero Medical Treatment Injuries at our work sites.

DIVERSITY AND EQUAL OPPORTUNITY

• Diversity of governance bodies and employees

IEV considers our employees our most valuable asset, and as such, endeavour to offer our people a fair and safe work environment. We do not discriminate against race, age, gender, religion, ethnicity, nationality, or physical abilities. This is codified in our

employee handbook, which is disseminated to all our people when they start working with us.

In addition, we have put in place a strict policy against sexual harassment in order to ensure a safe and conducive work environment. We define sexual harassment as conduct of a sexual nature which can take verbal (e.g. innuendoes, comments), non-verbal (e.g. leering, obscene gesticulations), visual (e.g. posters, signs), physical (e.g. touching, coerced sexual act), and textual/electronic (e.g. e-mails, texts) forms. A thorough investigation is launched when a complaint is received and those found guilty will be meted punishments, ranging from a warning to dismissal.

In 2019, we received zero complaints for discrimination and we aim to replicate this in future.

We aim to sustain a diverse workforce and an inclusive environment that respects and shows care for all our people, which in turn, we believe will improve our business performance.

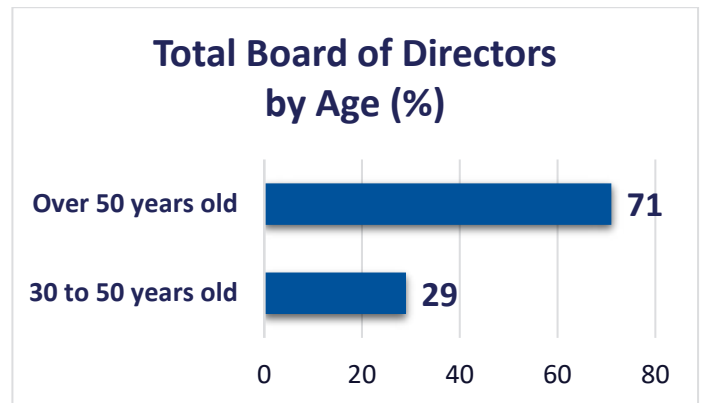
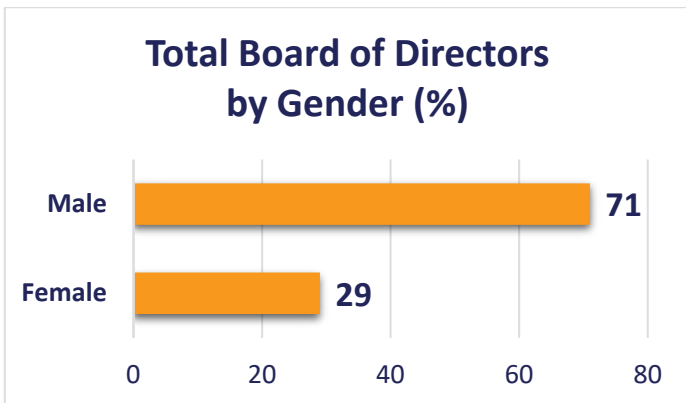
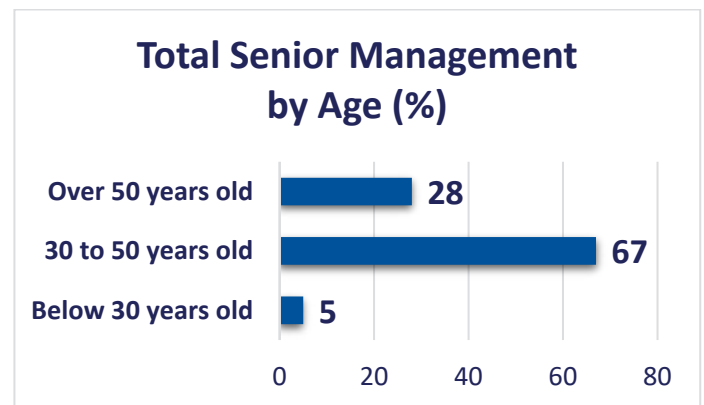
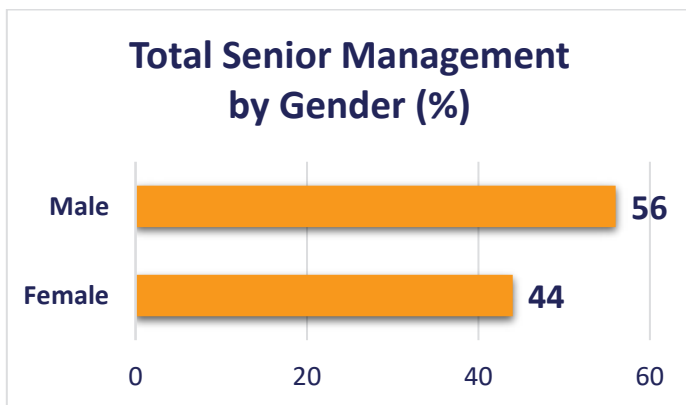
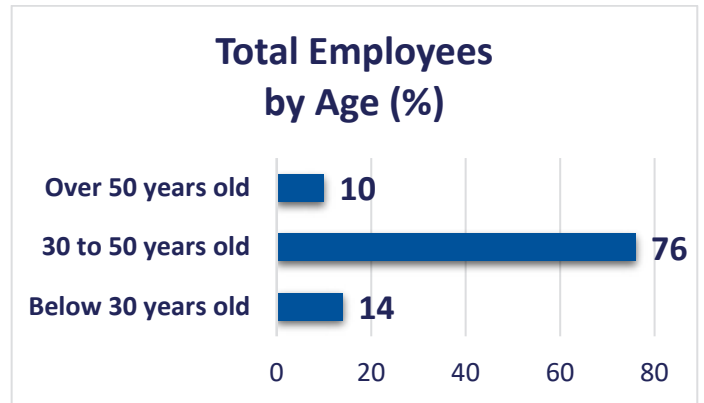
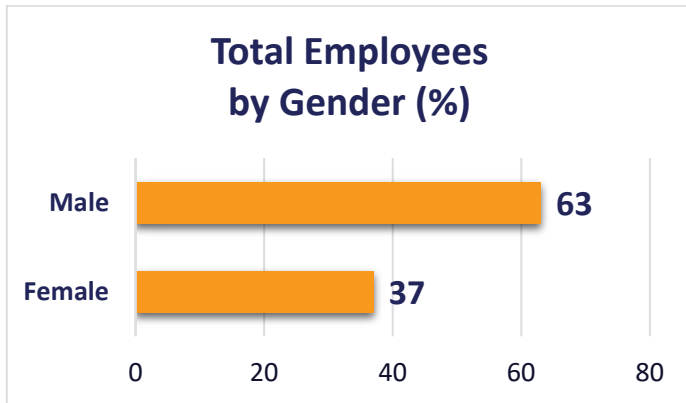
In FY2019, IEV employed a total of 51 permanent employees (including senior management and CEO). The employee gender breakdown was 37% female and 63% male. The breakdown for employees in terms of age was 14% were below 30 years old; 76% were 30-50 years old; and 10% were over 50 years old.

Out of the 51 permanent employees, IEV's senior management team comprised of 18 employees holding positions ranging from Assistant Manager to Chief Executive Officer. The gender breakdown of the senior management positions was 44% female and 56% male. Out of a total of 18 senior management members, 5% of senior management were below 30 years old; 67% were 30-50 years in age while 28% were over 50 years old.

IEV's Board of Directors for FY2019 comprised 29% female and 71% male. Two were 30-50 years old while 5 were over 50 years old.

We have endeavoured to have an equal gender mix, where possible. However, in the engineering sector and the kinds of industries (such as oil and gas) that we target, we do receive more applications from males than females. This can account for the slightly lower overall percentage of female employees.

SOCIAL



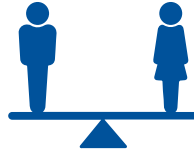
ETHICS & INTEGRITY

• Values, principles, standards, and norms of behaviour

IEV has an internal Code of Conduct that stipulates how we conduct our business and practices. Our Code of Conduct provides guidance to our employees on our key commitments, which include:



High standards in workplace health, safety, and the environment



No discrimination in pay based on gender



Fair and transparent employment practices



Provision of whistle-blowing channels in event of breach



Responsible behaviour while on-site (no drugs or alcohol policy)



Provision of a safe work environment free from harassment



Prevention of improper payments/corruption

We recognise that the creation and maintenance of a safe and secure workplace, free of risk or exposure to personal harm, property damage, or adverse impacts on the environment, hinges on keeping our employees informed of the Code of Conduct. The Code of Conduct is disseminated to our employees via our company's intranet, bulletin boards, employee handbooks, and regular briefings. Senior management is also responsible for ensuring that guidelines set out in the Code of Conduct are communicated to and understood by all employees, and for ensuring compliance.

We endeavour to remain cognizant and ever-vigilant of the needs of our employees, stakeholders, and environment. In that regard, we review our Code of Conduct annually so as to ensure they remain true to our core values of respect, integrity, professionalism, and accountability.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Page reference and reason for omission if applicable
General Disclosure		
GRI 102: General Disclosures	Organisational Profile	
	102-1 Name of the organisation	3
	102-2 Activities, brands, products, and services	5-6
	102-3 Location of headquarters	5
	102-4 Location of operations	5
	102-5 Ownership and legal form	Annual Report 2019 p 5
	102-6 Markets served	5-6
	102-7 Scale of the organisation	5-6, 19-20, Annual Report 2019 p 16-19
	102-9 Supply chain	8
	102-10 Significant changes to the organisation and its supply chain	4-6, Annual Report 2019 p 14-19
	102-11 Precautionary principle or approach	IEV supports the intent of the precautionary principle, but has not expressed a specific commitment.
	Strategy	
	102-14 Statement from senior decision maker	4
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behavior	20
	Governance	
	102-18 Governance structure	7, Annual Report 2019 p 20-51
	Stakeholder Engagement	
	102-40 List of stakeholder groups	9
	102-41 Collective bargaining agreements	NA
	102-42 Identifying and selecting stakeholders	9
	102-43 Approach to stakeholder engagement	9
	102-44 Key topics and concerns raised	9
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	Annual Report 2019 p 116 to 120
	102-46 Defining report content and topic boundaries	3
	102-47 List of material topics	10
	102-48 Restatements of information	NA
	102-49 Changes in reporting	NA
	102-50 Reporting period	3
	102-51 Date of most recent report	Second Sustainability Report published on 31 May 2019
	102-52 Reporting cycle	3
102-53 Contact point for questions regarding the report	Back cover	
102-54 Claims of reporting in accordance with the GRI Standards	3	
102-55 GRI content index	21-24	
102-56 External assurance	NA	

GRI Standard	Disclosure	Page Reference and Reason for Omission if applicable
Material Factors		
Economic Performance	103-1 Explanation of the material topic and its boundaries	11-12
	103-2 The management approach and its components	11-12
	103-3 Evaluation of the management approach	11-12
	201-1 Direct economic value generated and distributed	11, Annual Report 2019 p 16-19, 53-68
	201-2 Financial implications and other risks and opportunities due to climate change	12
Anti-Corruption	103-1 Explanation of the material topic and its boundaries	13
	103-2 The management approach and its components	13
	103-3 Evaluation of the management approach	13
	205-1 Operations assessed for risks related to corruption	13
	205-2 Communication and training about anti-corruption policies and procedures	13
	205-3 Confirmed incidents of corruption and actions taken	13
Waste	103-1 Explanation of the material topic and its boundaries	14-15
	103-2 The management approach and its components	14-15
	103-3 Evaluation of the management approach	14-15
	306-1 Waste generation and significant waste-related impacts	14
	306-2 Management of significant waste-related impacts	15
Environmental Compliance	103-1 Explanation of the material topic and its boundaries	15
	103-2 The management approach and its components	15
	103-3 Evaluation of the management approach	15
	307-1 Non-compliance with environmental laws and regulations	15
Labour and Management Relations	103-1 Explanation of the material topic and its boundaries	16
	103-2 The management approach and its components	16
	103-3 Evaluation of the management approach	16
	402-1 Minimum notice periods regarding operational changes	16
Occupational Health and Safety	103-1 Explanation of the material topic and its boundaries	17-19
	103-2 The management approach and its components	17-19
	103-3 Evaluation of the management approach	17-19
	403-1 Occupational health and safety management system	17
	403-2 Hazard identification, risk assessment, and incident investigation	18
	403-4 Worker participation, consultation, and communication on occupational health and safety	18
	403-5 Worker training on occupational health and safety	18-19
	403-9 Work-related injuries	19
Diversity and Equal Opportunity	103-1 Explanation of the material topic and its boundaries	19-20
	103-2 The management approach and its components	19-20
	103-3 Evaluation of the management approach	19-20
	405-1 Diversity of governance bodies and employees	19-20
Ethics and Integrity	103-1 Explanation of the material topic and its boundaries	21
	103-2 The management approach and its components	21
	103-3 Evaluation of the management approach	21

IEV HOLDINGS LIMITED

(Company Registration No.: 201117734D)
(Incorporated in the Republic of Singapore on 26
July 2011)

Level 5, Menara PKNS
Block A, No. 17 Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +6 (03) 7931 9921 Fax : +6 (03) 7931 9964
info@iev-group.com

www.iev-group.com