

A photograph of an offshore oil rig in the middle of the ocean. The rig is a complex of yellow and grey metal structures, including a crane and various platforms. The ocean is a deep blue with some whitecaps, and the sky is a clear, light blue.

SUSTAINABILITY REPORT 2017

IEV Holdings Limited

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This Sustainability Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), for the compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Sponsor has not independently verified the contents of this Sustainability Report.

This Sustainability Report has not been examined or approved by the 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

IEV Holdings Limited's ("IEV" and together with its subsidiaries, the "Group") inaugural sustainability report ("Report") covers economic, environmental, social and governance ("EESG") related factors identified for the financial year ended 31 December 2017 ("FY2017").

Sustainability at IEV means providing infrastructure and engineering 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 in future and remains committed to maintaining environmentally sustainable business practices.

This Report is set out on a "comply or explain" basis in accordance with Listing Rule 711B and Practice Note 7F of the Listing Manual Section B: Rules of Catalyst ("Catalist Rules") 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 FY2017 ("Annual Report 2017").





MESSAGE FROM THE BOARD

Dear Valued Stakeholders,

Welcome to IEV's inaugural Sustainability Report.

The Board of Directors (“**Board**”) recognises the importance of sustainability and leads the sustainability efforts at the Company. Identifying sustainability risks and opportunities is key to developing effective organisational strategies that ensures the Group's ability to improve operating efficiency while minimising negative impacts. In preparation of our first Report, the Board has commissioned an internal working team comprising of senior management to manage and drive the Group's sustainability efforts.

We believe sustainability disclosure can serve as a differentiator in competitive industries and foster investor confidence, trust, and employee loyalty. Also, at the heart of this exercise is our commitment to work without causing harm to people and the environment. We want to do the right thing, and we welcome this exercise as a move in that direction.

As a provider of products and services for the oil and gas industry, safety in our operations is a top priority. We work to ensure our people are alert to their own safety, care about the safety of their colleagues, and look out for any potential safety risks in our operations, however small. The Group continues to improve its safety processes and has in place an effective internal communication network where employees are able to quickly

escalate incidents or provide feedback on improving safety standards.

We also aim to maintain positive relations with all stakeholders and are committed to upholding regulatory compliance. These values are intrinsic in helping us avoid or mitigate risks that may have material financial impacts on our business. In essence, we believe responsible companies make for more efficient delivery of better business, social, environmental, and financial value.

The Group is also cognisant of the need to be aware of its weaknesses, and see sustainability reporting as a means to gather information about processes and impacts that may not have been previously measured. Such new data, in addition to creating greater transparency about the Group's performance, can provide us with knowledge necessary to reduce unnecessary use of natural resources, increase efficiency, and improve operational performance.

We put forward this Report to shed light on our sustainability efforts, and we welcome feedback from our stakeholders so that we can continue to improve and remain transparent and accountable.

On behalf of the Board,
Christopher Nghia Do
President and Chief Executive Officer
28 December 2018

ABOUT IEV

Background

IEV was listed on SGX in 2011 and is headquartered in Kuala Lumpur, Malaysia. In FY2017, our operations span 5 countries in Singapore, Malaysia, Indonesia, Vietnam, and Hong Kong, and has a multinational workforce of 184 people.

IEV provides innovative and advanced engineering products and services for the offshore and onshore oil and gas industry aimed at increasing clients' operational efficiency. In FY2017, these products and services can be categorised into two sectors: Asset Integrity Management (“**AIM**”) and Mobile Natural Gas (“**MNG**”).

Asset Integrity Management

Under the AIM Sector, IEV developed and implemented 8 services aimed at inspecting, assessing, repairing, and maintaining fixed assets such as oil rigs. These services are:

1. Structural Integrity Solutions
2. Corrosion Control Solutions
3. Advanced Inspection Solutions
4. Subsea Engineering Solutions
5. Structural Integrity Management
6. Pipeline Integrity Management
7. Corrosion Under Insulation Management
8. Infrastructure Integrity Management

For more information on these services, please visit our website at www.iev-group.com.

Mobile Natural Gas

Under the MNG Sector, IEV developed turnkey infrastructure that delivered natural

gas through “mobile pipelines” to customers without access to conventional gas supplies or fixed pipeline networks.

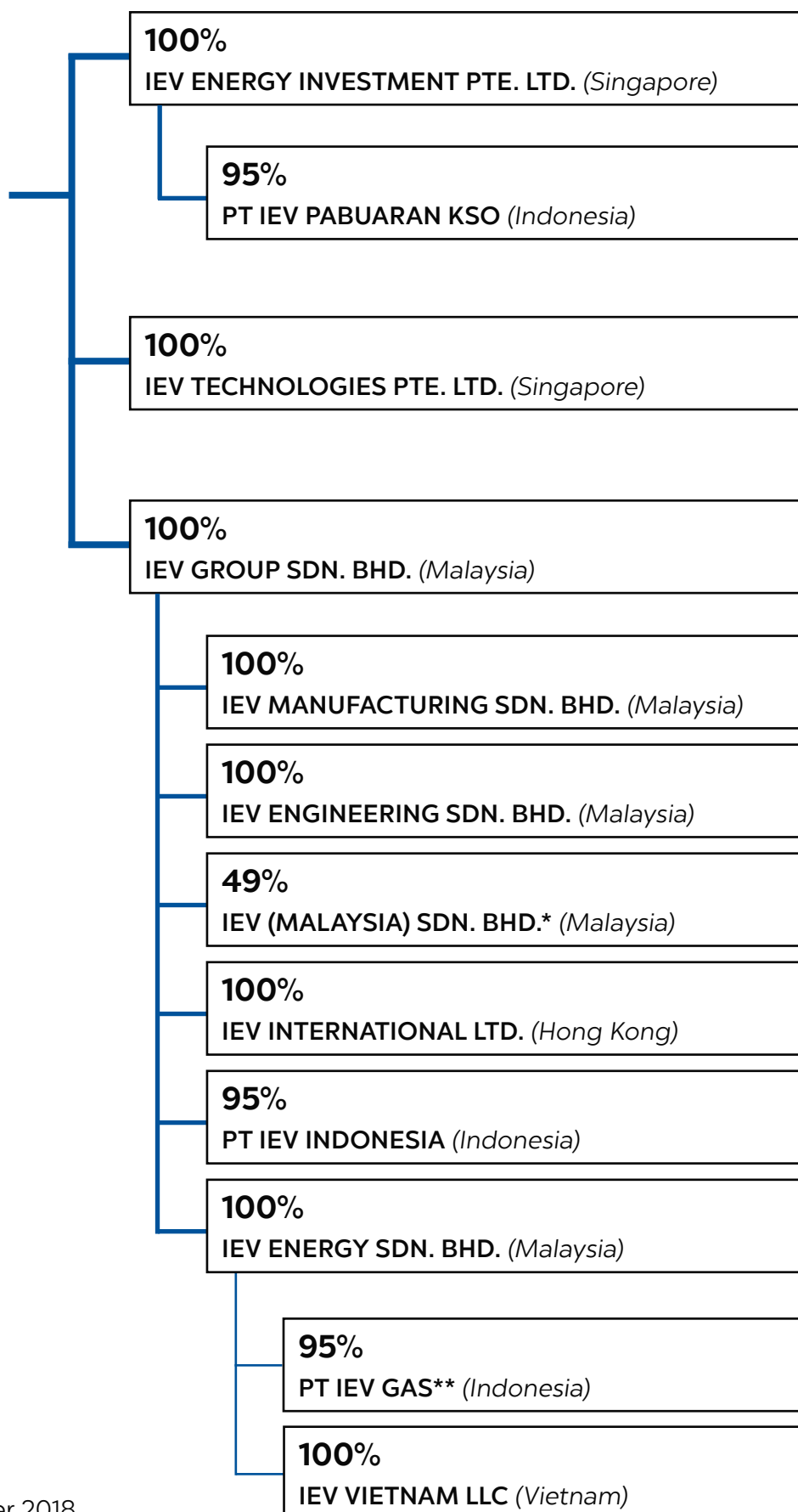
In FY2017, IEV took concrete steps to discontinue, divest, and impair parts of its business that were adversely affected by low oil prices, specifically in its Exploration and Production and Renewable Energy sectors. While the Group was active in the MNG Sector during FY2017, the Group wishes to highlight that, following the extraordinary general meeting held on 14 November 2018 whereby shareholders approved the disposal of PT IEV Gas, the Group will be exiting the MNG Sector. IEV also decided not to pursue investing in rice husk silica and nano-silica. These steps were deemed necessary to remove loss-making sectors and improve cash flow.

Moving forward, IEV looks at targeting the AIM business in the global brownfield market of offshore production facilities, refineries, petrochemical plants, chemical plants, fertiliser plants, and power plants.

CORPORATE STRUCTURE



IEV HOLDINGS LIMITED
(Singapore)



* associate

** disposed interest on 14 November 2018

OUR CORPORATE GOVERNANCE

Our Board of Directors is the highest governing body of IEV and is responsible for determining the strategic direction 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.

Currently, the Board consists of 5 members, comprising of 1 Non-Independent, Non-Executive Chairman; 1 President and Chief Executive Officer; 1 Non-Independent, Non-Executive Director; and 2 Independent Directors.

In line with the Code of Corporate Governance 2012, the Board has taken steps to integrate sustainability issues as part of its strategic formulation. Consistent with this role, the Board has determined the EESG factors identified as material to the business and ensures they are monitored and managed. The Board is supported by a strategic team of general 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 practices, please refer to our Annual Report 2017 (Report on Corporate Governance).








STAKEHOLDER ENGAGEMENT

IEV's sustainability journey begins with a robust and rigorous process of engaging our stakeholders. This 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, Board of Directors, and owners; and external stakeholders such as suppliers, communities, regulators, creditors, shareholders, and customers.

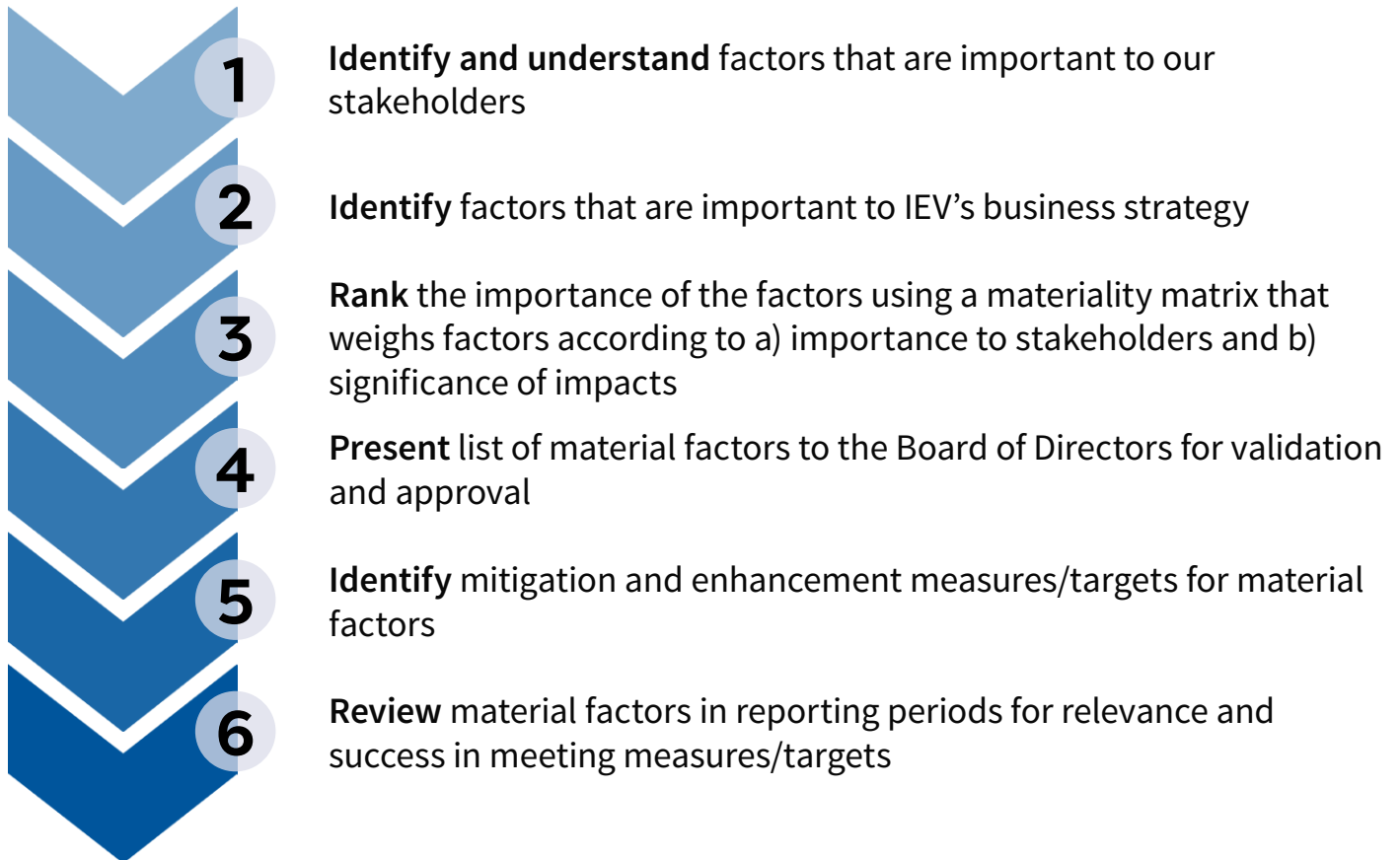
We gather opinions and advice in various ways including formal and informal meetings, surveys, site visits, feedback channels. These opinions and advice are then incorporated into our corporate strategies to achieve mutually beneficial outcomes.

Key Stakeholders	Forms of Engagement	Key Topics
 <p>Employees</p>	<ul style="list-style-type: none"> • Appraisals • Employee feedback • Town Hall meetings 	<ul style="list-style-type: none"> • Staff performance • Career advancement • Company performance • Company strategies
 <p>Customers</p>	<ul style="list-style-type: none"> • Face-to-face meetings • Feedback channels • Occasional site visits • Roadshows 	<ul style="list-style-type: none"> • Improvements in customer service • Feedback on products and services
 <p>Suppliers/Creditors</p>	<ul style="list-style-type: none"> • Face-to-face meetings • Feedback channels • Site visits 	<ul style="list-style-type: none"> • Assessment of goods and services provided by vendors
 <p>Shareholders</p>	<ul style="list-style-type: none"> • Annual general meeting • Annual reports • Company website • SGX NET announcements 	<ul style="list-style-type: none"> • Company performance • Company direction • Strategies and developments
 <p>Regulators</p>	<ul style="list-style-type: none"> • Meetings • Electronic communications • SGX NET announcements 	<ul style="list-style-type: none"> • Corporate governance • Operational performance • Financial performance • Compliance with local laws and regulations

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

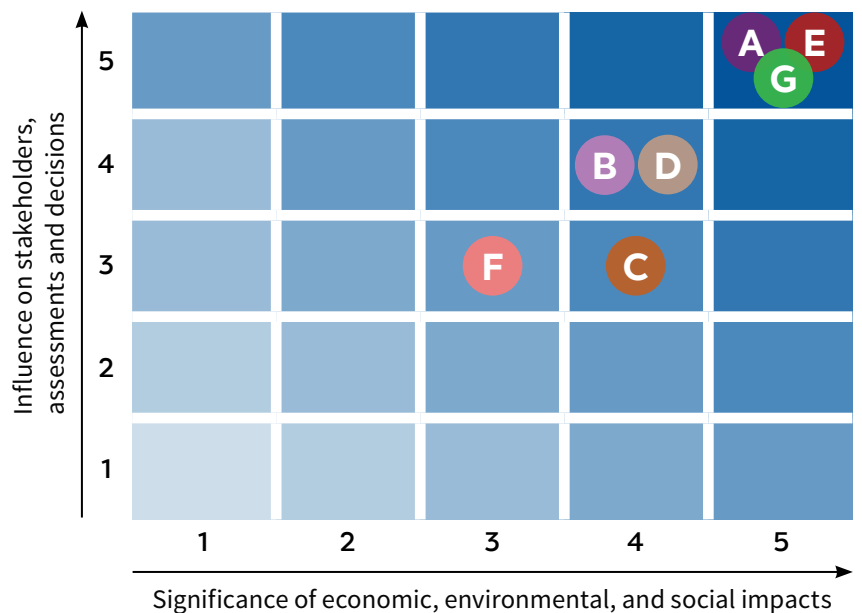
- C Effluents and waste
- D Environmental compliance

Social GRI 400

- E Occupational health and safety
- F Diversity and equal opportunity

Governance

- G Ethics and integrity



IEV endeavours to review these factors as and when there is a change to our business model. If there is no change to our model, we will review these factors annually.

Economic Performance **GRI 201**

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.

For detailed financial results, please refer to the following sections in our Annual Report 2017:

- 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

Climate change may disrupt our operations and business. Currently, our AIM sector 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 possible weather disruptions.

IEV adheres to local labour laws, in the countries where we operate, regarding defined contribution plans that we must provide to our employees' retirement funds. We will continue to follow local labour laws in providing our employees with benefit plan obligations and other retirement plans.



Anti-Corruption **GRI 205**

IEV operates across different countries and engages 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.

We prevent and manage these risks with a zero-tolerance policy towards accepting gifts or favours from individuals, organisation, vendors, or contractors doing or seeking to do business with IEV. While employees may be given tokens or gifts with nominal value, such as pens, diaries, caps, they can only receive them if the tokens/gifts were not given with the intent or prospect of influencing the employees' business decisions.

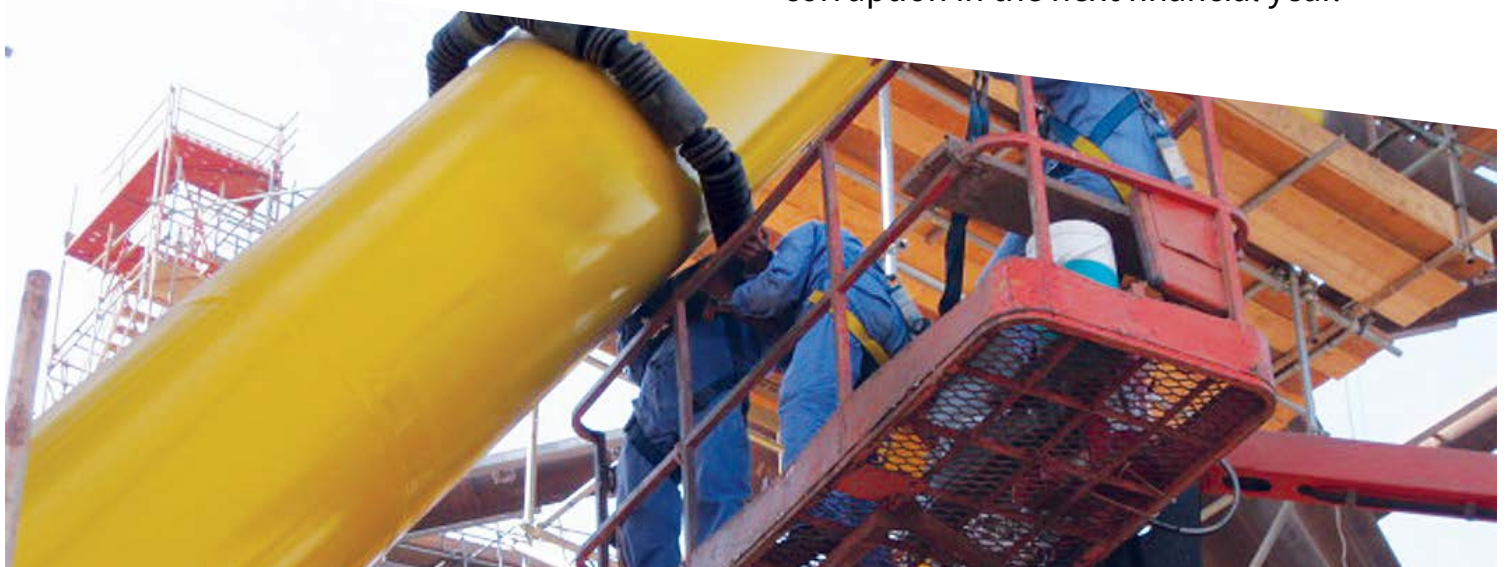
We also have in place a whistle-blowing policy that supports our anti-corruption commitment by enabling employees to, in confidence, raise concerns internally and disclose any impropriety through well-defined and accessible channels. Should

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

Our policies are communicated to employees in all countries we operate in and can be accessed easily via our company intranet. 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 human resource and/or senior management personnel.

Senior management in each country have been tasked with ensuring the appropriate controls and monitoring systems have been put in place to prevent improper payments/bribery/corrupt practices. We have also engaged our internal auditors and external auditors to assess gaps and evaluate if improper payments/procedures have been made.

No incidents of corruption were identified in 2017. We aim to maintain zero incidents of corruption in the next financial year.



Effluents and Waste **GRI 306**

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. These products are made of high-density poly-ethylene and can be considered plastic waste when they break apart or detach from structures.

To ensure better recovery or eradication of our waste, IEV's research and development arm has assessed the life expectancy of our products and we are therefore cognizant when our products will reach the end of their cycle. We aim to improve on the robustness of our products to lengthen their service life and reduce the risk of product failure. For instance, our latest generation of marine growth control products is currently undergoing endurance testing that will eventually be certified by an independent third party body. The stronger the product, the longer its service life, which will mean the products will be less prone to breakage and less likely to end up as waste in the ocean. We aim to complete this process in 2019.

IEV adheres to environmental laws pertaining to waste and waste removal in the countries we operate in, and in FY2017, there were no incidences of such non-compliance or sanctions. We aim to continue this in the next financial year.

Environmental Compliance **GRI 307**

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 FY2017, 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.



Occupational Health and Safety **GRI 403**

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 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 we operate in and have integrated a 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.

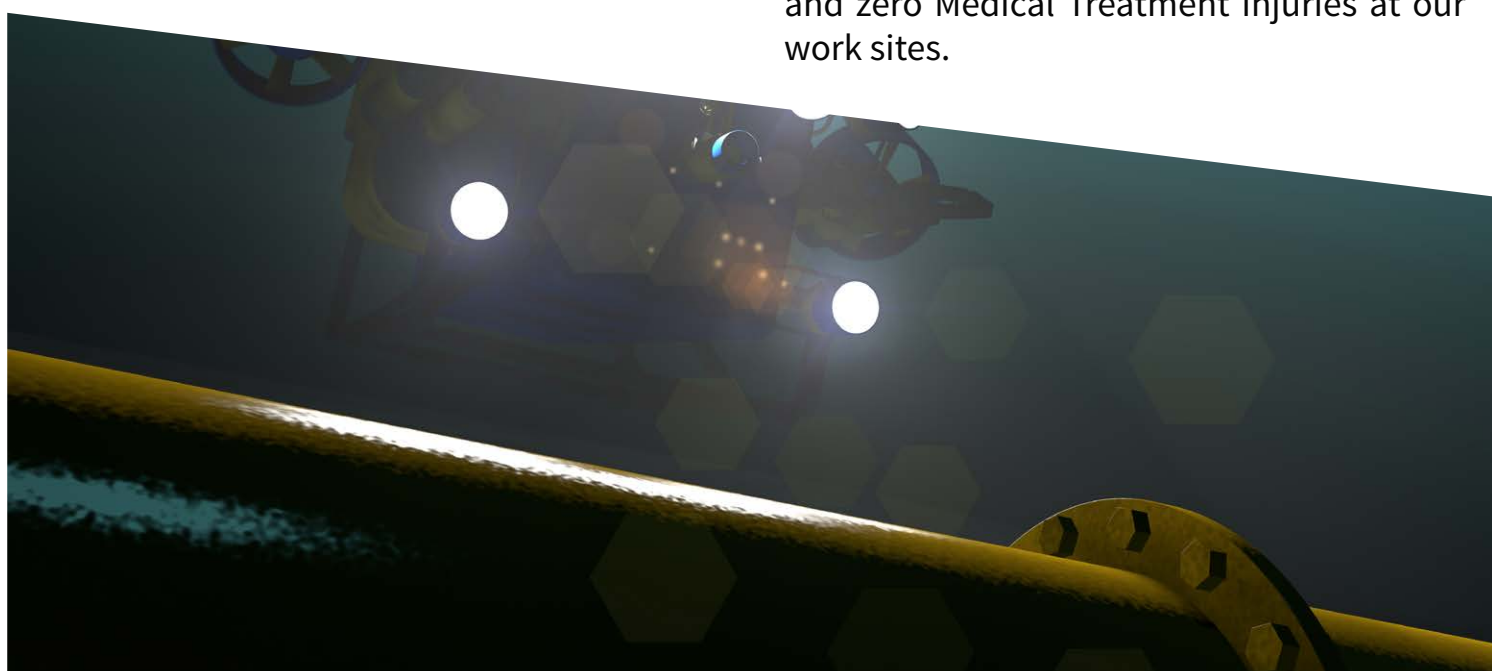
Before embarking on any engineering service work, our project management team will conduct a job safety induction. We also

have a dedicated occupational health and safety department that ensures health and safety practices are carried out across all our operations from corporate to manufacturing and engineering services.

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.

We also encourage all our stakeholders to question and observe our practices. Our health and safety management system is audited annually and outcomes are analysed to generate strategies for improvement.

Between January and December 2017, we recorded 4.38 million man-hours across our operations with 4 Loss Time Incidents and 2 Medical Treatment Injuries. Moving forward, we aim to achieve zero Loss Time Incidents and zero Medical Treatment Injuries at our work sites.



Diversity and Equal Opportunity **GRI 405**

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 2017, we received zero complaints for discrimination and we aim to replicate this in future.

We are in the process of conducting a detailed analysis of the breakdown of our employees in terms of gender and age group (under 30 years old, 30-50 years old, over 50 years old). However, as our resources are currently engaged in expediting the process of closing down the MNG Sector, we will endeavour to provide such statistics in the next report.



GOVERNANCE

Ethics and Integrity

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 Reasons 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
	102-3 Location of headquarters	5, Annual Report (AR) p4
	102-4 Location of operations	5, AR p4
	102-5 Ownership and legal form	AR p6
	102-6 Markets served	5
	102-7 Scale of the organisation	AR p5
	102-8 Information on employees and other workers	5, AR p6-11
	102-9 Supply chain	To be provided in the next Sustainability Report
	102-10 Significant changes to the organisation and its supply chain	AR p14-15
	102-11 Precautionary principle or approach	IEV supports the intent of the precautionary principle, but has not expressed a specific commitment.
	102-12 External initiatives	AR p6
	102-13 Membership of associations	Currently a member of Malaysia Oil & Gas Services Council
	Strategy	
	102-14 Statement from senior decision maker	4
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behavior	15
	Governance	
	102-18 Governance structure	7, AR p20-36

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if Applicable
GENERAL DISCLOSURE		
GRI 102: General Disclosures	Stakeholder Engagement	
	102-40 List of stakeholder groups	8
	102-41 Collective bargaining agreements	NA
	102-42 Identifying and selecting stakeholders	8
	102-43 Approach to stakeholder engagement	8
	102-44 Key topics and concerns raised	8
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	AR p126-127
	102-46 Defining report content and topic boundaries	3
	102-47 List of material topics	9
	102-48 Restatements of information	NA
	102-49 Changes in reporting	NA as this is the first Report
	102-50 Reporting period	3
	102-51 Date of most recent report	NA as this is the first Report
	102-52 Reporting cycle	9
	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	16-18
	102-56 External assurance	NA
	MATERIAL TOPICS	
Economic Performance		
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	103-2 The management approach and its components	10
	103-3 Evaluation of the management approach	10
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	10, AR p38-125
	201-2 Financial implications and other risks and opportunities due to climate change	10
	201-3 Defined benefit plan obligations and other retirement plans	10

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if Applicable	
MATERIAL TOPICS			
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	103-3	Evaluation of the management approach	11
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	11
	205-2	Communication and training about anti-corruption policies and procedures	11
	205-3	Confirmed incidents of corruption and actions taken	11
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GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	12
	103-2	The management approach and its components	12
	103-3	Evaluation of the management approach	12
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	12
Environmental Compliance			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	12
	103-2	The management approach and its components	12
	103-3	Evaluation of the management approach	12
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	12
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	103-2	The management approach and its components	13
	103-3	Evaluation of the management approach	13
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	13
	403-2	Hazard identification, risk assessment, and incident investigation	13
Diversity and Equal Opportunity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundaries	14
	103-2	The management approach and its components	14
	103-3	Evaluation of the management approach	14
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	14
Ethics and Integrity			
GRI 103: Management Approach	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

