

Sustainability Report 2020





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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 2020 to 31 December 2020 ("FY2020" 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.

The Group owns and charter out strategic offshore assets to support the offshore energy market which are focused on production enhancement and extraction related activities of the offshore oil and gas industry and also supports the offshore wind farm industry with their accommodation, loading, construction, installation and transportation capabilities. We comply strictly with environmental regulations and standards in our operations to conserve biodiversity and minimise impact on the environment.

The Group is currently undergoing restructuring and has sold off most its assets to refocus its business on the provision of vessel management services. Our safety first approach and high standards of occupational health and safety continue 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.

In FY2020, a newly discovered coronavirus emerged and resulted in the COVID-19 global pandemic which continues to be a headwind for the oil and gas industry and our operations. Nevertheless, the safety of our employees remains our top concern. Strict safety protocols and staff training on safety measures have been formalised into company policies to ensure the safety and wellbeing of our staff and crew.

Ezion will engage with our stakeholders and local communities on an ongoing basis to understand their needs including education and healthcare and implement appropriate programmes with the aim of improving their overall well-being and create positive social and environmental impacts.

Ultimately, we are steadfast in our belief that the Group's long-term success also depends 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

We are engaged in the owning, chartering and management of Liftboats involved in the production and maintenance phase of the oil and gas 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 is one of the pioneers to promote self-propelled Liftboats in Asia and the Middle East as well as the only operator in Southeast Asia that has a Liftboat fleet that can be used for offshore oil & gas and wind farm operations.

The Group has disposed of most its non-core assets and is focused on transitioning to a vessel management company. We have implemented further cost cutting measures according to business requirements and are continuing our search for potential investors to recapitalise the Group and/or realise the value of the Company's listed status.

Offshore Wind Farms

Ezion continues to support offshore wind farm development projects and the Group is looking to further increase its presence in this industry.

In 2020, Teras Offshore Pte Ltd has landed a contract for US\$83.4 million from Foxwell Energy Corp Ltd ("Foxwell") for the transportation and installation of 31 9.5 megawatt (MW) offshore wind turbines. The contract is for a one-year period and is poised to commence in September 2024.

Foxwell is an affiliate company of renewable energy firm, Shinfox Corp, which had won the tender from Taiwan Power Co to develop Phase 2 of the Taiwanese state-run utility's offshore wind farm for a total contract value of US\$2.11 billion.

Decommissioning

Ezion supported decommissioning projects for Petroliam Nasional Berhad (Petronas), a fully integrated oil and gas company in Malaysia, with our liftboat Teras Fortress 2 (the "Vessel"). We had supported their plugging and abandonment process and continued supported decommissioning projects until the Vessel was sold in December 2020.



Please refer to our Annual Report 2020 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 management for both the offshore oil & gas as well as the wind farm market.



Our Environment

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.



Workplace Health and Safety

We are aware that workplace health and safety is critical as our operations pose occupational hazards for our seafarers and staff. Ensuring workplace health and safety for our employees is our highest priority.



Our People

Our employees are our greatest asset. We will develop, reward and retain hardworking and passionate employees of the highest calibre.

Sustainability Targets

Ezion has set targets to reflect our long term commitment to sustainable vessel management operations. We seek continuous improvement on our environmental management processes, actively engage in protection efforts to reduce our environmental impact to benefit the community and our employees. On social aspects, the Group will continue to develop our employees and ensure their health and safety are prioritized, 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 FY2020	
FY2020 Target	Performance Update
Reduce energy consumption and GHG emissions	- Fuel onboard all vessels have sulphur content limit that does not exceed 0.5% m/m and 0.10% to minimise hazardous emissions.
Zero leakage of waste and effluents	- Achieved zero leakage of waste and effluents. Preventive maintenance programme has successfully safeguard reliability of equipment onboard, thus eliminating leaks and loss of containment vessels in compliance with the Group's Waste Management Plan.
Zero incidents of environmental non-compliance	- Achieved zero incident of environmental non-compliance. Regular inspections and audit of vessels have been conducted to ensure compliance with all statutory and local environmental regulations. - Disposal of industrial waste, especially hazardous waste, were done using only approved shore facilities. - OCIMF Guidelines for Safety Critical Equipment and Spare Part Guidance adopted to identify critical equipment.
Environmental Targets for FY2021	
FY2021 Target	Action Plan
Reduce energy consumption and GHG emissions	- Execute change in the company's direction towards wind farm energy, which involves sale of all vessels which will eventually decrease the energy consumption and GHG emissions.
Zero leak of waste and effluents	- Strict implementation and monitoring of preventive maintenance programme which includes proactive approach to safeguard reliability of equipment onboard, thus eliminating leaks and loss of containment.
Zero incidents of environmental non-compliance	- Strict compliance with all statutory and local environmental regulations through regular inspections and audit of remaining vessels. - Establish plans and procedures that adhere to local regulations and requirements for the wind farm projects. - Only use approved shore facilities to dispose industrial waste, especially hazardous waste.

Social Performance in FY2020	
FY2020 Target	Performance Update
Zero occupational health and safety incidents	<ul style="list-style-type: none"> - Lost Time Injury Frequency (LTIF) of 0 and Total Recordable Case Frequency (TRCF) of 0.917, with a Medical Treatment Case (MTC). - OCIMF Guidelines for Safety Critical Equipment and Spare Part Guidance adopted to identify safety critical equipment that may result in occupational health and safety incidents.
15 training hours per employee	<ul style="list-style-type: none"> - Achieved 35 training hours per employee in the year. Due to COVID-19 Work from Home (WFH) arrangements, most of the trainings were conducted virtually.
Zero incidents of socioeconomic non-compliance	<ul style="list-style-type: none"> - Achieved zero incidents of socioeconomic non-compliance. - Company operated in strict compliance with applicable social and economic laws and regulations.
Social Targets for FY2021	
FY2021 Target	Action Plan
Zero occupational health and safety incidents	<ul style="list-style-type: none"> - Continuously improve the existing risk assessments to suit the offshore wind farm projects. - Reviewing the Global Offshore Wind training standards for Offshore Wind farm project.
Provide at least 15 training hours per employee	<ul style="list-style-type: none"> - Conduct 15 training hours per employee. - Incorporate new training sessions to include offshore renewable energy subject.
Zero incident of socioeconomic non-compliance	<ul style="list-style-type: none"> - Operate in strict compliance with applicable social and economic laws and regulations.

Our Achievements - Noteworthy Awards

In recognition of its achievements in ensuring the health and safety of its operations and employees, Ezion has received the following notable certifications and awards. We strive to continuously uphold our strong safety record and vessel performance in the coming years.

Date	Organisation	Achievement	Remarks
26 November 2019	Brunei Energy Industry Integrity Pact	Certificate of Commitment	Awarded to Teras Offshore Pte. Ltd., a wholly-owned subsidiary of the Company for its high standards of integrity and business ethics, strong culture of accountability, transparency and anti-corruption in business operations.
November 2019	Vantage Energy Group	Certificate of Appreciation for Best Contractor	Awarded to Teras Fortress 2 Pte. Ltd., a wholly-owned subsidiary of the Company.



Certificate of Commitment by Brunei Energy Industry Integrity Pact



Certificate of Appreciation for Best Contractor of the Month by Vantage Energy Group

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.

In 2019, the Group became a signatory to the Brunei Energy Industry Integrity Pact which outlines ethical business practices, good corporate governance and transparency, consisting of the following 10 summarised principles:

- Prohibition of bribery and facilitation of payments in business activities;
- Code of Conduct in place and principles disseminated to staff and contractors;
- Consistent consequence management for violations of the code and principles;
- Visible training programs and communications in place;
- Disclosure and avoidance of conflicts of interest;
- Avoidance of gifts and hospitality which can lead to perceived influence or conflicts;
- Governance and internal controls / policies in place;
- Raising concerns, whistleblowing mechanisms, speaking free of retaliation;
- Investigations conducted impartially, fairly and in timely fashion, full collaboration with Anti-corruption Bureau; and
- Zero tolerance, refrain from doing business with those who demonstrate poor integrity and ethical practices.

The Group is also a member of the Brunei Energy Industry Integrity Working Group tasked with the management and oversight of the Company's compliance efforts to ensure that the Company abides by the agreed principles. This working group will partner with the Brunei Ministry of Energy and the Anti-Corruption Bureau to maintain alignment and foster continued collaboration and dialogue in the area of business integrity.

In 2020, amendments were made to some of the company's policies and procedures upon follow-up after review by Brunei Shell Petroleum (BSP). The documents include the Health, Safety & Environmental Policy which was revised to align to the ISM Code, ISO 14001 and ISO 45001 standards, Drug & Alcohol Policy which was revised to align to the latest OCIMF Standards, and Cyber Risk Policy which was a newly established policy. The Vendor Registration Form was also updated to include questions regarding anti-bribery and corruption and ethics.

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 and anti-corruption policies during their orientation.

To ensure that our staff conduct themselves in a professional manner when dealing with clients and vendors, the Group 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.

Additionally, as Teras Offshore Pte Ltd ("**Teras**"), a wholly-owned subsidiary of Ezion, is a signatory of the Brunei Energy Industry Integrity Pact, a Performance Validation Questionnaire was carried out in May 2020. During the process, some shortcomings relating to business ethics were identified. To narrow the gaps, a training on business ethics including anti-bribery and corruption and code of conduct was conducted in August 2020. This was to ensure that all employees in Teras are aware of the existing policies and/or guidelines relating to business ethics. It will also assist with tendering processes if there is any requirement regarding business ethics.

In FY2020, there were no confirmed incidents 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 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 31000:2018 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 2020 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 COVID-19 Safety Measures 	<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 key suppliers 	<ul style="list-style-type: none"> Health and safety Environmental compliance Economic performance Ethics and conduct 	<ul style="list-style-type: none"> Workplace Health and Safety Protecting the Environment
Customers	<ul style="list-style-type: none"> Annual Reports Sustainability Reporting Company website Company presentation deck/ brochure Fleet list Customer feedback Emails, calls, conferencing an in-person meetings/ lobbying 	<ul style="list-style-type: none"> Transparency of operations Supply data Business continuity strategies Economic, environmental, social and governance (EESG) performance Corporate mission and core values 	<ul style="list-style-type: none"> Refer to Financial Highlights, Operations Review and Corporate Governance report in the Annual Report Protecting the Environment Our People, Our Assets
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 COVID-19 Safety Measures 	<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 AGM and EGM 	<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 FY2020.

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 2020 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	
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	
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.

The Group is dedicated in our commitment to the protection of the environment and the community at large. This commitment transcends from the senior management down to the entire hierarchy of the Company's reach. We will regularly establish and review our environmental objectives and targets.

Teras is ISO 14001:2015 (Environmental Management Standard) certified. The management complies strictly with ISO standards in our operations, including the enhancement of environmental performance as well as the achievement of our environmental obligations and objectives.

By committing to sustainable operations, we look forward to maximise environmental protection and minimise operational costs.

Energy and Emissions Management

GRI 302-1, 302-3, 302-5

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; and
- Train vessel staff in energy efficiency.

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 seafarers, resources and transportation are maximised to eliminate wastage, and signages and posters are posted on board to promote awareness.

In FY2020, aside from our current energy conservation efforts, we will continue to comply with the 2020 Global Sulphur Cap for Ships' Fuel Oil in accordance with MARPOL Annex VI. This means that the sulphur content of fuel oil used on board outside sulphur Emission Control Areas (ECAs)² will not exceed 0.50% m/m. The 0.50% sulphur limit is a significant reduction from the current global limit of 3.50% m/m which has been in place since 2012. There are no additional investment or actions required for the Group to comply with new limit as all of our vessels are designed to run on low sulphur.

Managing Biodiversity

GRI 303-1, 303-2, 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. 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

The Group has zero tolerance for spillage of harmful chemicals. We have 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”) and ISO 14001:2015 and ISO 45001:2018.

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. There were zero oil and chemical spills in FY2020.

In addition, we dispose our old ships by recycling them in a safe and environmentally sound manner in accordance to the Hong Kong International Convention and the EU Ship Recycling Regulations. The Convention is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risk to human health and safety or the environment. The EU Ship Recycling Regulations aims to reduce the negative impacts linked to the recycling of ships by ensuring that proper vessel dismantling methods are used to achieve safe disposal or recycling of all ship components, including hazardous materials. As such, we have an environmentally sound ship recycling management in place to ensure that ship recycling is operated in accordance with human health and environmental protection standards that are broadly equivalent to relevant international and Union standards.

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 ISO 9001, ISO 14001 and ISO 45001 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.

In FY2020, there was no incident of environmental non-compliance along our supply chain.

Environmental 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 onboard 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 incidence of non-compliance with environmental laws and regulations in FY2020.

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.

The Group stands 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, 403-4, 403-5, 403-6, 403-7, 416-1, 416-2

Teras is certified to the Occupational Health & Safety Management Standard, ISO 45001. This Standard applies to the Management of both occupational health and safety including the enhancement of goals and objectives performance.

As part of our continual improvement, Teras has transited from OHSAS 18001 to the new ISO 45001:2018 in 2020. The new International standard provides a framework to manage and continuously improve Occupational Health and Safety (OH&S) within Teras. This new standard adopts a risk-based approach to the OH&S system to ensure continually improvement and agility in addressing OH&S management system nonconformities. It introduces the common 'Annex SL1' structure which provides compatibility with other ISO standards including ISO 9001 and ISO 14001, and enables the organization to integrate OH&S within the business processes which will contribute to prevention of accidents and long and short-term ill health effects.

This transition enables us to take a proactive approach in risk control by incorporating health and safety in the overall management system of the organization, thus steering the top management to have a stronger leadership role in the safety and health program. New risk assessment matrix related to occupational health & safety for ship management and offshore wind farm project was established during the ISO renewal audit in April/May 2020. It will be continuously improved to suit the company's new direction towards offshore wind farm projects.

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 seafarers and staff.

Liftboats 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 onboard 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:

	2020	2019	2018	2017
<i>Fatality</i>	0	0	0	0
<i>Lost Time Injury</i>	0	0	1	0
<i>First Aid</i>	0	3	0	2
<i>Recordable Medical Treatment Case</i>	1	0	1	2
Total Recordable Frequency Rate (TRFR)	0.917	0	1.129	1.0751
Lost Time Injury Frequency Rate (LTFR)	0	0	0.564	0

In FY2020, there was no incident of non-compliance concerning the health and safety impacts of our liftboats and wind farm operations.

Safety Measures Against COVID-19

In FY2020, the COVID-19 outbreak resulted in a global pandemic which posed a safety risk to our employees. During these unsettling times, we stay committed to prioritising their safety. We have implemented safe management measures (“SMM”) at our offices and vessels and are in strict compliance with local COVID-19 safety measures and regulations, such as safety distancing measures and frequent disinfection of our premises, especially areas with high contact points. All employees are briefed on the SMM and are required to comply strictly. This helps us minimise the risk of transmission amongst our employees whether they are at the offices or on the vessels.

In FY2020, there was no incidence of non-compliance with local COVID-19 regulations and no transmission of COVID-19 amongst employees.

Employee Diversity and Gender Equality

GRI 405-1, 405-2

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, gender, national origin, religion, sex or marital status.

As at end of FY2020, our total staff strength stood at 59 employees. Due to the massive geographical coverage of our shipping operations, we employ seafarers 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

The Group believes that having a well-trained workforce is what keeps the Group at the forefront of its business activities. Training is an important aspect of the Company's commitment to the development of our employees. All employees receive performance appraisals annually to cultivate a developmental training program for their career and professional development. Employees are appraised on their performance and progress with their respective managers and meaningful career targets are set. Job scope is expanded for those employees who have the aptitude to take on more, as part of their developmental progress.

In FY2020, we achieved 35 training hours per employee to enhance their skills. There were trainings conducted every month for the office staff and seafarers on topics in accordance with the training plans. However, due to COVID-19 travel restrictions, SLPP for selected seafarers could not be conducted. Rig move training via telecommunication was conducted for the vessels instead.

Holistically, the Group conducts Townhall meetings to promote staff communication and provide updates on the company's strategic direction. Heads of departments regularly engaged their staff to ensure alignment to company's strategic direction.

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 seafarers on-board. All grievances and disputes among the seafarers onboard 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 seafarers.

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 by 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 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 client for compliance).

During FY2020, 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.

Contribution to Local Communities

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 203-2

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.

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 locals is an 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.

Engagement with Training Institutions

Teras has accepted local seafarers and participated in various government programmes to encourage the employment and expansion of local seafarers. We have also engaged Singaporean senior officers and engineers on the Liftboats in strong support of the Singapore government's aim to attract and groom more Singaporean seafarers for further growth in the maritime industry.

To further support seafaring careers, we introduced liftboat operations to the Maritime and Port Authority of Singapore and encouraged the recognition of sea time accrued onboard the liftboats for the seafarers to help with their career progression.

Additionally, we have engaged the local Brunei Maritime Academy in Brunei and successfully recruited deck and engine cadets for training onboard our liftboat and embarkation to develop their marine career.

Enhancing employment opportunities in the local community

GRI 202-1

We employ seafarers 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 and Opportunities

GRI 204-1

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.).

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
3	Board Statement	Governance and Statement of the Board
4	Targets	Ezion's Sustainability Story
5	Framework	Reporting Practice

GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-5	Ownership and legal form	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Organisation Profile
102-9	Supply chain	Organisation Profile
102-10	Significant changes to the organisation and its supply chain	Organisation Profile
102-11	Precautionary Principle or approach	Governance & Statement of the Board
102-12	External initiatives	Organisation Profile
102-13	Membership of associations	Organisation Profile
102-14	Statement from senior decision-maker	Chairman's Letter to Stakeholders
102-15	Key impacts, risks, and opportunities	Chairman's Letter to Stakeholders, Ezion's Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity

GRI Standards	Disclosure Content	Section Reference
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder Companies	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Enhancing employment opportunities in the local community
203-2	Significant indirect economic impacts	Indirect Economic Impacts
204-1	Proportion of spending on local suppliers	Procurement Practices and Opportunities
205-1	Operations assessed for risks related to corruption	Ethics and Integrity
205-2	Communication and training on anti-corruption policies and procedures	Ethics and Integrity
205-3	Confirmed incidents of corruption and actions taken	Ethics and Integrity
302-1	Energy consumption within the organization	Energy and Emissions Management
302-3	Energy intensity	Energy and Emissions Management
302-5	Reductions in energy requirements of products and services	Energy and Emissions Management
303-1	Interactions with water as a shared resource	Managing Biodiversity
303-2	Management of water discharge-related impacts	Managing Biodiversity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Managing Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Managing Biodiversity
304-3	Habitats protected or restored	Managing Biodiversity

GRI Standards	Disclosure Content	Section Reference
306-1	Waste generation and significant waste-related impacts	Effluents and Waste Management
306-2	Management of significant waste-related impacts	Effluents and Waste Management
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance
308-1	Percentage of new suppliers that were screened using environmental criteria	Managing Our Suppliers
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Managing Our Suppliers
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	Employee Benefits
401-3	Parental leave	Employee Benefits
403-1	Occupational health and safety management system	Workplace Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Workplace Health and Safety
403-3	Occupational health services	Workplace Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Workplace Health and Safety
403-5	Worker training on occupational health and safety	Workplace Health and Safety
403-6	Promotion of worker health	Workplace Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace Health and Safety
404-1	Average hours of training per year per employee	Training and Career Development
404-2	Programmes for upgrading employee skills and transition assistance programmes	Training and Career Development
404-3	Regular performance and career development review	Training and Career Development
405-1	Diversity of governance bodies and employees	Employee Diversity and Gender Equality
405-2	Ratio of basic remuneration of women to men	Employee Diversity and Gender Equality
408-1	Operations and suppliers at significant risk for incidents of child labour	Ethical Labor Management
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ethical Labor Management

GRI Standards	Disclosure Content	Section Reference
412-1	Operations that have subject to human rights reviews or impact assessments	Ethical Labor Management
414-1	New suppliers that were screened using social criteria	Ethical Labour Management
416-1	Assessment of the health & safety impacts of product & service categories	Workplace Health and Safety
416-2	Incidents of non-compliance concerning the health & safety impacts of products & services	Workplace Health and Safety
419-1	Non-compliance with laws & regulations in the social & economic area	Workforce Compliance