

# Sustainability Report 2019

# CONTENTS

	<b>Page</b>
Board Statement	3
Organisational Profile	5
Our Business Model	6
Mission and Vision	7
About The Report	8
Supply Chain Management	9
Community	10
Ethics and Integrity	12
Governance Structure	13
Stakeholder Engagement	14
Materiality Assessment	15
Material Topics	16
Economic Performance	17
Occupational Health and Safety	19
Talent Management	21
Environmental Protection	24
Regulatory and Legal Compliance	25
Global Reporting Initiative Index	26

# BOARD STATEMENT

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Dear Stakeholders,

Vallianz Holdings Limited (“Vallianz” or the “Company” and together with our subsidiaries, our “Group”) is pleased to present our Sustainability Report (the “Report”) for the financial year ended 31 March 2019 (“FY2019”). This is the second year we are publishing our Report, and we wish to demonstrate to our stakeholders our commitment in creating a sustainable business model. We believe that adopting the best sustainable practices in economic, environment, social and governance (“EESG”) aspects are fundamental to our business.

The Board of Directors (the “Board”) has always been committed to sustainability and believe that sustainable development is important to the Group’s operations, seeking continuous improvement in identifying, understanding and responding to EESG challenges that the Group is facing to better understand the challenges and impacts on our operations and assist us in striving to move in a sustainable direction so that all our stakeholders benefit. The Board oversaw the identification, management and monitoring of material EESG topics and aim to continue to address the impact of a wide range of sustainability issues. As such, the Group will continue to manage our challenges and drive long-term growth while mitigating the environmental and social risks that might have a negative financial impact on our business.

While we have incorporated sustainability within our business, we understand the additional need to articulate and convey our efforts to our stakeholders and the public. Hence, we aim to communicate to our stakeholders on our sustainability highlights and performances in an accountable and transparent manner through this Report.

2019 was a challenging and eventful year as there were many geopolitical events leading to uncertainty around the world. Asia Pacific waters remain a hotspot for marine claims with a total of 21 vessel losses reported in the region for 2018 and various climate events happening around the world. In the face of these setbacks and various global uncertainties, FY2019 has been a cautious year for us as we recorded a decline in profit.

We have our vessels spanning various countries around the globe from places such as Mexico to Indonesia, and engage in various forms of marine services and solutions such as chartering, brokering and vessel management. Global events such as the steady recovery of crude oil prices may pose a challenging situation to the Offshore Support Vehicle (“OSV”) sector and coupled with the oversupply of OSVs, intense competition and soft demand conditions, the Group was is still able to record employment of more than 300 staff worldwide and an annual revenue of more than US\$180 million. As such, we are well poised in our position to overcome the uncertainties and challenges that we might face in this ever-changing and dynamic world.

While we are trying to retain our existing clients and striving to serve more in the Middle East, the Group also recognises the opportunities that are presenting itself in the Asia Pacific region, despite fierce competition in the area. The Group will continue to differentiate our services in order to elevate our market position in the Oil and Gas field development services.

The Board would like to thank all stakeholders who have contributed to our sustainability efforts and will continue to strive and improve our products and services to our customers while considering the social and environmental impacts. The Board will continue to take a balanced approach in formulating strategies to enhance long-term values which are sustainable to our stakeholders.



*“We will continue to manage our challenges and drive long-term growth while mitigating the environmental and social risks that might have a negative financial impact on our business.”*

Sheikh Abdulaziz Ali Alturki

Chairman of Vallianz Holdings Limited

## ORGANISATIONAL PROFILE

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Vallianz Holdings Limited is an established provider of OSVs and integrated offshore marine solutions to the oil and gas industry. The Company is also a limited liability company incorporated in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Vallianz’s immediate and ultimate holding company is Rawabi Holding Company Limited, who owns 56.77% of the shares. For more information on the shareholdings, please refer to the FY2019 annual report, page 163.

The Group is headquartered in Singapore and it’s core business activities are in vessel ownership, chartering, brokering and the provision of complementary vessel management services in Middle East, North Africa, Central Asia and Southeast Asia.

In FY2019, Vallianz owns and operates a fleet of 62 OSVs, while our associate, PT Vallianz Offshore Marine owns and operates another 14 OSVs.

# OUR BUSINESS MODEL

## *Vessel Ownership*

With 62 OSVs with an average age of 4.9 years and another 14 OSVs under our associate, the Group currently serves offshore oil and gas projects in Middle East, North Africa, Central Asia and Southeast Asia.

We are constantly assessing various plans to expand the size and range of our vessels to enhance our market competitiveness.

## *Chartering*

The Group offers offshore support vessel charter services to facilitate customers in their offshore oil and gas projects. For instance, our fleet is capable of performing seismic surveys to determine the location and size of possible oil and gas reservoirs. From the development to decommissioning phase, our specialised offshore vessels can be used for the positioning or removal of rig structure. Due to the flexibility and range of our fleet, our customers generally engage us throughout their entire project, which leads to long-term charters of up to 7 years, including a 2-year extension option.

## *Vessel Management*

The Group provides a diversified range of vessel management services, which can be tailored to suit the needs of interested parties. We provide operational services, ensuring compliance with the charterer's requirement, and arranging for highly skilled repair teams for port and voyage repairs upon customers' request. We also manage our fleet, crew and provisions on board to ensure smooth, on-time delivery and safe operations of our vessels.

## *Brokering*

The Group is able to relieve customers the difficulties and perplexities of buying/selling vessels. Our unrivalled expertise and resources allows our customers to acquire the vessel best suited to their requirements. During negotiations, we will be involved in all phases to ensure that the terms and conditions are beneficial to our customers. This would include negotiating the main terms of the fixture or sale, finalising the details of the contract and following the contract through to its conclusion.

We aspire to become a leading provider of offshore marine services in the global energy markets and to be our customers' preferred partner and strive for service excellence by ensuring safe, reliable and efficient vessel operations with a best-in-class fleet to support the offshore oil and gas industry.

We believe in the following 5 TRADEmark values to be instilled in all our employees:

Trust	We are trusted for our integrity, honesty, reliability, fairness and sincerity in our work with our partners, customers and employees.
Respect	We respect and value each other's views. We respect the laws of the countries we operate in and the confidentiality of information provided by our clients and employees. We win as a team.
Affirmation	We affirm and recognise the contributions made by our partners, clients and employees to the success of our business. We value our employees, encourage their contributions and develop them to their fullest potential. We practice the 101% principle in affirmation - finding the 1% we can affirm, and giving it 100% of our attention.
Determination	We are determined to succeed and will always rise up to any challenge. We are known for our resolve in solving any problems faced by us or our clients and partners.
Excellence	We excel in everything that we do and are committed to delivering jobs of the highest quality, exceeding our customers' expectations.

# ABOUT THE REPORT

## **REPORTING FRAMEWORK**

This report is prepared in compliance with Practice Note 7F Sustainability Reporting Guide of the SGX-ST and with reference to Global Reporting Initiatives (“GRI”) Standards: Core option, the universally recognised guideline in disclosing material sustainability matters. Reference has also been drawn from SGX-ST Listing Rule 711A and the primary components of Sustainability Reporting as set out in Listing Rule 711B.

## **REPORTING SCOPE AND PERIOD**

This second year Report covers information for the financial year 2019 from 1 April 2018 to 31 March 2019, and addresses the Group’s approach towards EESG issues.

## **ASSESSABILITY AND FEEDBACK**

As part of our environmental conservation efforts, the Group will print limited copies of this sustainability report. This report will be made available for download at: <http://www.vallianzholdings.com/ir.html>

We are committed to listening to our stakeholders and look forward to your feedback. Please send feedback and enquiries to: <http://www.vallianzholdings.com/contact.html>

## **INDEPENDENT ASSURANCE**

Independent assurance has not been sought for this report.

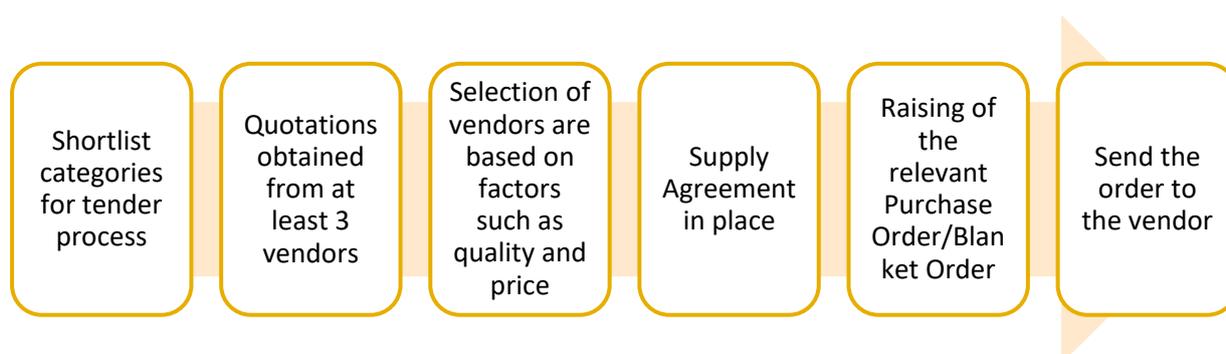
## SUPPLY CHAIN MANAGEMENT

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Vallianz aspires to continuously promote and integrate sustainability in our business operations and taking stakeholders' interest in our considerations. EESG factors are integrated into our value and supply chain.

We aim to build a responsible and sustainable supply chain by setting clear standards for our business supply partners.

We have made great strides and improvement in our vendor selection. The diagram below shows the procurement process of the Group:



We integrate the sustainability criteria into our supplier selection, monitoring risks in the priority areas of our supply chain, and working with suppliers to drive social and environmental change. By improving the oversight of our supply chain, we can identify opportunities to streamline and reduce costs, protect our reputation and the safety of our customers.

In FY2019, there were no significant events which warranted the attention of the Board members that may have led to cessation or termination of our current relationship with any of our major suppliers.

# COMMUNITY



We are committed to our local community. We believe in inspiring our employees to give back wholeheartedly in response to the evolving needs of the community.

In FY2019, Vallianz has partnered with Care Corners Senior Services Ltd (“CCSS”) to organize the Lunar New Year Charity Dinner for the 8th consecutive year, where seniors from the various Senior Activity Centres were invited to celebrate Lunar New Year together with the Vallianz family. The organization committee has worked enthusiastically with the staff of CCSS to engage and put up various programs catering to seniors of different ethnicity.

As per our previous few arrangements with CCSS, Vallianz continues to sponsor the Hot Meals program for the seniors at Toa Payoh Block 5 SAC. A dedicated cook prepared daily nutritious and sumptuous meals for the seniors.

Vallianz acknowledges the contributions made by our seniors to the society, and we wish to honor them through these various events and activities hosted.

Apart from our annual Lunar Chinese Lunch, Vallianz together with Rawabi Holding Company Limited (“Rawabi”) did the Blood Donation Campaign on Oct 2018 in Al-Khobar, Saudi Arabia.

The activity was lead by Rawabi’s CSR Department, aiming to facilitate blood donation to our employees by bringing the blood bank staff and facilities to the workplace and making it easy for employees to donate during working hours. The campaign also aims to support local hospitals with blood supply during high seasons such as The Holy Month of Ramadan, Hajj – pilgrimage-season and summer vacations.

The campaign was successfully donated 36 litres of blood to needy patients.



# ETHICS AND INTEGRITY

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## WHISTLEBLOWING

Vallianz has zero-tolerance on fraud, bribery, and corruption and the Group has established whistleblowing policy to ensure the Group's business is conducted in an ethical manner and compliance with the best practices set out in the Group's policies.

A whistleblowing channel has been established to allow employees to get direct access to the Audit Committee. By doing so, all stakeholders in the Group can be assured that all reports or suspicion of potential breaches of the Group's Employee Guidelines is well managed.

We are pleased to share that no whistle-blowing reports were received for FY2019, and there were no reported incidents concerning anti-corruption and anti-fraud regulations for FY2019.

## GOVERNANCE AND SUSTAINABILITY

We ensure that all our business units comply with all laws and regulations in the environmental, social and economic boundaries, for instances such as related environmental regulations, labor laws, personal data security regulations, employment regulations, and income tax laws. Any material breaches of laws or regulations could create a significant impact and result in irreversible reputational damage to the Group. In view of this, the Group adheres to high standards of corporate governance practices which ensure compliance to all applicable laws and regulations.

The Group manages the risk of non-compliance with relevant laws and regulations by having clear policies and procedures which state the responsibilities and obligations of all employees and senior management. In FY2019, there were no material breaches of relevant local laws and regulations.

## CONFLICT OF INTEREST POLICY

Our conflict of interest policy has been updated and approved by the Board to ensure that the key management staff understand the general principles relating to conflicts of interests, as well as to guide them in identifying, disclosing and managing conflict situations. Our conflict of interest policy has been reviewed periodically, which would be communicated to all key management staffs. Every key management staff is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his/her knowledge.

# GOVERNANCE STRUCTURE

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## CORPORATE GOVERNANCE

The Board is committed to upholding high standards of corporate governance practices throughout the Group that are in line with the Code of Corporate Governance 2012. The Board will ensure that there is compliance with the other relevant regulations, notices, circulars, and guidelines that may be issued by the Monetary Authority of Singapore (“MAS”) and the SGX-ST. Explanations will be provided should there be any deviations. The Board noted the revised Code of Corporate Governance issued on 6 August 2018 (“Revised Code”), which is only effective from the financial year commencing 1 January 2019, and will endeavour to comply with the Revised Code once it is effective.

The Board manages potential risks through the review and approval of policies and procedures. The Management then ensures that the identified risks are relevant to the business environment and hence ensuring controls or mitigating topics are in place. The audit committee of the Company, provides independent oversight of the effectiveness of the risk management process.

The Board comprises Directors who provide core competencies in accounting and finance, business experience, industry knowledge, strategic planning and legal knowledge. Where appropriate, the Directors receive relevant briefings from time to time on new updates in relation to regulatory changes to accounting standards, listing rules, corporate governance and other regulations or statutory requirements.

The independent and non-executive directors of the Company constructively challenge and assist in the development of proposals on strategy, and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. Meetings are held regularly to discuss any matters without the presence of Management as and when circumstances require.

Each key executive at the Group’s leadership is highly experienced in this industry and collectively as a whole, are able to competently handle all operational matters of the Group.

# STAKEHOLDER ENGAGEMENT

We will be able to improve the way we conduct our business and address the concerns of our stakeholders with the Board and Senior Management demonstrating such commitment to our sustainability efforts.

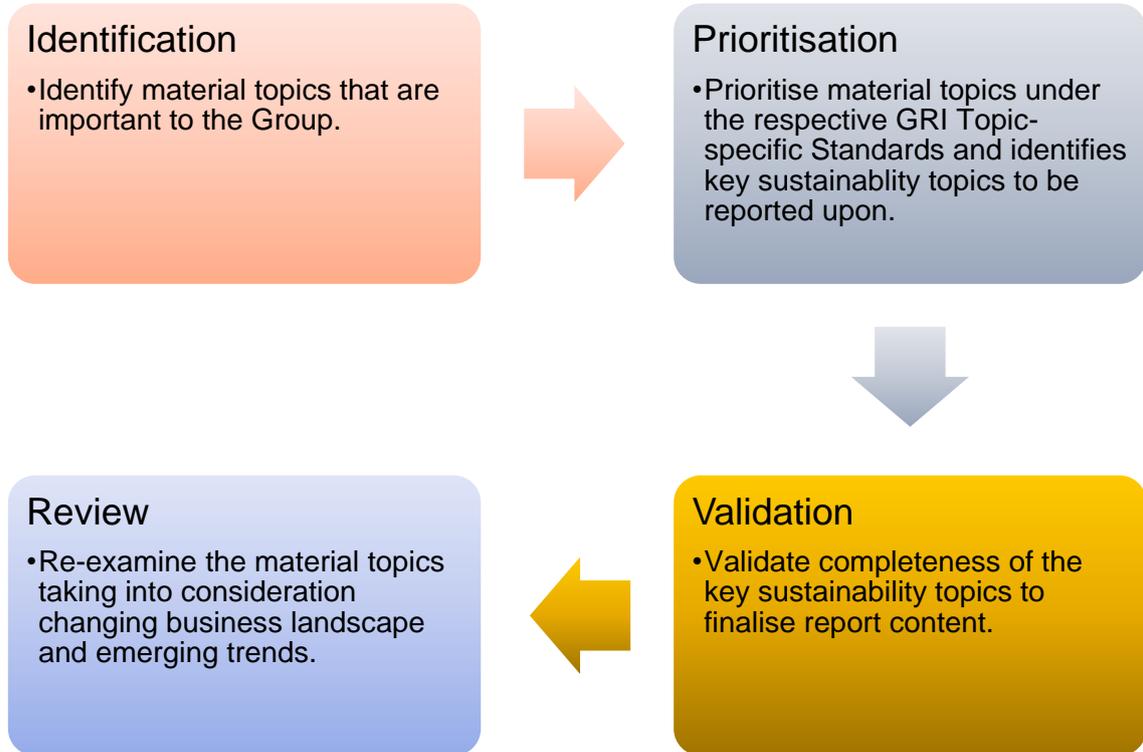
We prioritize our stakeholders for engagement based on the significance of their influence on our business and our dependency on them. We engage with our key stakeholders regularly to ensure two-way communication, and this is summarised in the table below:

STAKEHOLDERS	COMMUNICATION CHANNELS	STAKEHOLDER FOCUS
Customers	<ul style="list-style-type: none"> <li>Feedback channels including emails and hotlines</li> <li>Site visits</li> <li>Informal feedback sessions</li> </ul>	<ul style="list-style-type: none"> <li>Excellent service</li> <li>Economic performance</li> <li>Occupational health and safety</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Regular meetings and dialogue sessions</li> <li>Supplier evaluations</li> <li>HSE questionnaires for key contractors</li> </ul>	<ul style="list-style-type: none"> <li>Good relationship</li> <li>Fair market practices</li> <li>Timely payments</li> <li>Prospects of business growth</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Induction program for new employees</li> <li>Company events</li> <li>Informal feedback channels</li> <li>Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Fair employment practices</li> <li>Opportunities to learn and grow</li> <li>Recognition of efforts</li> <li>Occupational health and safety</li> </ul>
Shareholders and financial investors	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Annual reports</li> <li>SGXNet announcements</li> <li>Shareholder circulars</li> </ul>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Investment returns</li> <li>Transparency and timely reporting</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>Participation in discussions and consultations</li> <li>Seminars by local government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to laws and regulations</li> <li>Timely reporting of issues</li> <li>Sharing of industry best practices</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community outreach activities</li> <li>Engagement with community projects and charities</li> </ul>	<ul style="list-style-type: none"> <li>Social responsibility</li> <li>Environmental responsibility</li> </ul>

# MATERIALITY ASSESSMENT

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The Group adopts a four-step process to define the material topics:

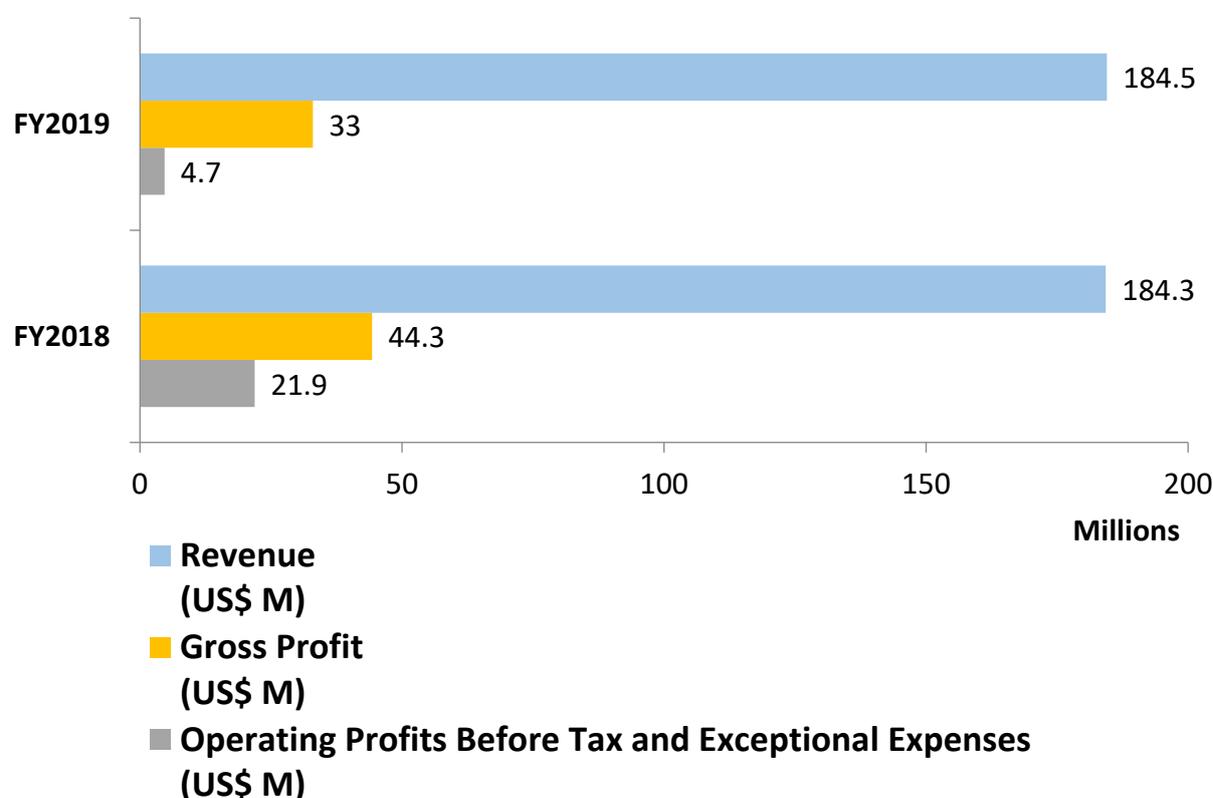


## MATERIAL TOPICS

Material topics have also been mapped to the relevant GRI Standards:

Topic	Description	Target
<b>Economic Performance (GRI 201-1)</b>	Our economic performance, the value generated and distributed to communities where our business operates.	<ul style="list-style-type: none"> <li>To maintain our competitive edge and continue to deliver sustainable growth through securing long term charter contracts, as well as to focus efforts on driving new service innovations and business offerings.</li> </ul>
<b>Occupational Health and Safety (GRI 403-8, GRI 403-9 &amp; GRI 403-10)</b>	Safety is an essential part of our operations, and we constantly strive to improve our safety practices.	<ul style="list-style-type: none"> <li>Remain focused on operating safely and healthily to ensure that no employees will be inflicted with any serious accidents or injuries.</li> <li>Comply with the safety laws and regulations.</li> </ul>
<b>Talent Management (GRI 404-1)</b>	Employees are our greatest asset. We undertake fair employment practices to achieve a diverse and inclusive environment for our employees.	<ul style="list-style-type: none"> <li>To provide equal employment opportunities regardless of age and gender.</li> <li>To retain exceptional employees and to create a higher-performing workforce.</li> </ul>
<b>Environmental Protection (GRI 307-1)</b>	Environment protection is paramount to our sustainability efforts. The Group is committed to adopt the environmentally efficient and sustainable business methods, such as sourcing from ethically and environmentally friendly suppliers and ensuring no violation of various regional environmental laws and regulations where we operate in.	<ul style="list-style-type: none"> <li>Continuous improvements in energy efficiency and energy management.</li> <li>Comply with the local environmental laws and regulations.</li> </ul>
<b>Regulatory and Legal Compliance (GRI 419-1)</b>	Measures in place to ensure that there are no significant fines incurred by the Company and that the company is in full compliance with the laws and regulations in place, and impact to stakeholders negligible and non-adverse.	<ul style="list-style-type: none"> <li>Adhere to Company's zero-tolerance policy towards fraud, corruption and unethical actions.</li> <li>Comply and maintain the relevant legal rules and regulations.</li> </ul>

## ECONOMIC PERFORMANCE



With the Group's strategy of focusing on long-term contracts with national oil companies, the Group recorded revenue of US\$184.5 million in FY2019, as compared with US\$184.3 million in FY2018. Chartering and brokerage services accounted for approximately 91% of the Group revenue (compared to 83% in FY2018), attributable mainly to the full impact of new vessel charter contracts from FY2018 and the commencement of new vessel charter contracts in FY2019.

In FY2019, the Group has completed an in-depth evaluation of the carrying value of certain of the Group's assets that comprise fixed assets and investments, in light of the continued challenges and slow recovery in the offshore marine market. Following the evaluation, the Group has recorded non-cash impairment expense for the assets as mentioned earlier as exceptional expenses. As a result, the Group has posted a net loss of US\$128.2 million for FY2019, compared to the net profit of US\$13.0 million in FY2018.

The business environment for the OSV sector is expected to stay challenging due to intense competitive pressures. Despite the challenging environment, we will continue to pursue business opportunities with our existing and new customers in the Group's target markets in Asia and the Middle East.

In particular, we noted an increase in oil & gas field development activities in the Asia Pacific region while potential opportunities exist in the Middle East for the Group to participate in upcoming project tenders. We maintain a well relationship with our strategic partner, Rawabi. Rawabi is a conglomerate that has been operating in Saudi Arabia and the Middle East for almost 40 years as one of the leading industrial players in the region, and since 2017 has cemented its position as the Company's major shareholder.

Looking ahead, we strive to continue to be one of the largest OSV providers in the Middle East and use our strategic market position to leverage and capitalize our opportunities in the Middle East.



# OCCUPATIONAL HEALTH AND SAFETY

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At Vallianz, the safety of our employees is our utmost priority. We are committed to provide a safe and healthy environment for all our employees, especially our seafarers and workers working on the ships and the shipyards. Our investment in improving Occupational, Health, and Safety (OHS) policies and practices continue to be unabated. This strong focus on safety serves as an enduring and differentiating competitive advantage.

We strongly strive and conform to the various international recognized standards and codes, such as OHSAS 18001:2007, ISM, ISO 9001: 2015, ISO 14001: 2015 and ISM Code, as well as to comply with local legislation relating to health and safety standards. We adhere to policies based on these codes, and these policies are periodically reviewed by senior management to ensure the relevancy and adequacy to the Group.

Our employees' safety and health at the workplace is one of our top priorities, and our ultimate goal is to ensure zero fatal accidents. Hence, we mandate that all our staff and employees adhere to the proper use of Property, Plant and Equipment when they are handling heavy equipment or operating machinery, especially during ship repair and maintenance.

In addition, the Vallianz Safety and Health Consultative Committee (“VSHCC”) was established to supervise and ensure that all workplace health and safety are strictly adhered to. The committee members performed their due diligence to report any incidents prejudicial to the safety or health of the persons employed in Vallianz or our Sub-contractors, and the inspection of the premises or Project Site immediately after any accident or dangerous occurrence has taken place to the head of the committee and ensuring the safety of our employees. The VSHCC reviews periodically on any injury cases brought up, such as cuts, lacerations, work injuries suffered by our employees, and measures to reduce the likelihood of these occurrences. Regular training and awareness sessions are provided to staff to avoid lapses in future. All our vessels carry medical supplies and equipment in good supplies and meet the International Convention for the Safety of Life at Sea standards.

### Vallianz Safety and Health Consultative Committee

<b>Corporate Management (Chairman, CEO and Vice President)</b>	Occupational Health and Safety Champions
<b>Middle Management (General Manager and Head of Departments)</b>	Responsible and accountable for Occupational Health and Safety implementation in their respective departments
<b>Line Management (Supervisors)</b>	Represents the workers in the Occupational Health and Safety Committee

We keep track of the number of occupational accidents, and together with our site supervisors and OHS officers, aim to reduce the number of preventable accidents that happen each year.

There was one incident in which a tanker had collided into a pipelaying vessel that is managed by the Group’s subsidiary, Vallianz Offshore Marine Pte. Ltd. (“VOM”) in January 2019. VOM was appointed as the Ship Manager of the pipe-laying vessel, Star Centurion by the Receiver & Manager acting for and on behalf of her registered owner, Trevaskis Ltd.

There were no injuries or casualties as all 22 crew onboard the vessel were safe. VOM was able to react swiftly to this incident and brought all crew safely back to shore.

We are pleased to report that in spite of this one solitary incident that has happened in FY2019, there were no fatalities which occurred in the workplace in FY2019. Moving forward, we hope to achieve zero safety related incidents.

# TALENT MANAGEMENT



Optimization of the talent pool available to Vallianz is a cornerstone of the Group's long-term strategy. We seek to go beyond compliance with existing labor laws and regulations and will look for further strengthen our existing policies to implement a robust framework that allows our employees to experience a career that is vibrant, inclusive and progressive with Vallianz.

## OUR WORKFORCE

We recruit dynamic individuals from diverse backgrounds and provide employees with equal opportunities to discover their full potential. We believe that maintaining a culture of two-way communications in the workplace is essential for enhancing employee engagement, building effective teams, and fostering a better work environment for all.

The employees in the Group can be classified as follows:

	By Employment Contract		
	Permanent	Temp / Contract	Total
Male	259	27	286
Female	71	5	76
Total	330	32	362

	By Region			
	Singapore	Indonesia	Saudi Arabia	Total
Male	37	114	135	286
Female	27	30	19	76
Total	64	144	154	362

	By Employment Type		
	Full-Time	Part-Time	Total
Male	286	0	286
Female	76	0	76
Total	362	0	362

## **DIVERSITY AND FAIR EMPLOYMENT PRACTICES/EQUAL EMPLOYMENT OPPORTUNITIES**

At Vallianz, we strongly advocate fair employment practice and provide equal employment opportunities to achieve a fair working environment, regardless of age and gender. Human resource planning also ensures only suitable candidates are hired for the jobs through our fair recruitments and selection process. The Group embraces diversity, and we recognize the importance of creating an all-inclusive environment where our employees can treat each other respectfully, honestly and equally.

### **APPRAISALS AND EVALUATION**

The Group conducts a performance review with all employees on an annual basis. This process enables us to assess and evaluate every individual's abilities and recognize the contributions and efforts of employees. With a better understanding of the capabilities and progress of our employees, we can provide them with opportunities for personal development and career advancement through training and promotions.

We believe in a robust and fair reward system to motivate our employees to achieve performance targets that are aligned to the Group's business objectives. Employees are rewarded accordingly when the specific targets are met. The Group treasures talent and aims to retain productive employees with the relevant skills and positive work attitude.

### **TRAINING AND DEVELOPMENT**



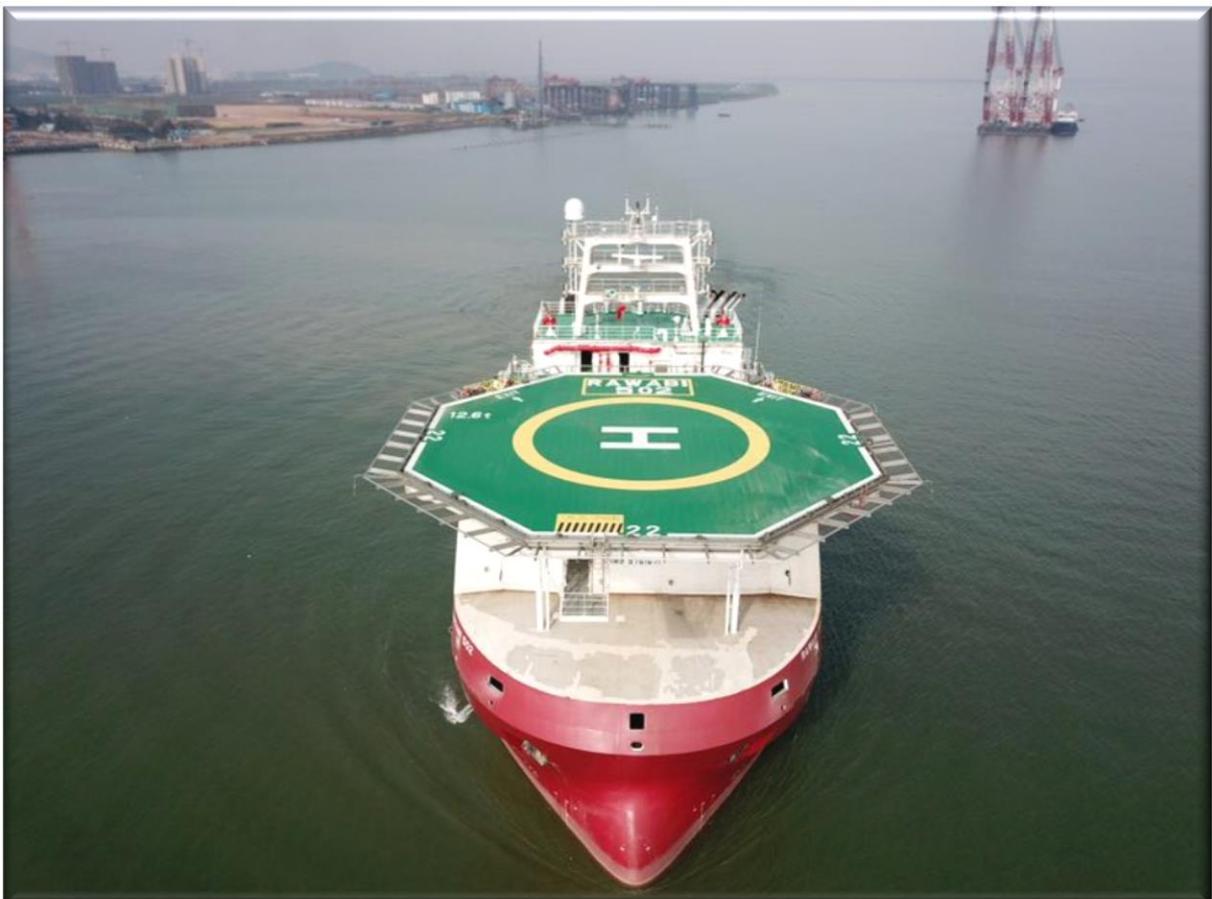
We recognise that our people underpin our operational and safety excellence around the world. Hence, we continue to develop our human capital and cultivate a deep pool of talent that shares our core values to take Vallianz forward while ensuring their safety and welfare. We also review and improve our systems annually to entrench a culture of excellence and best practice for all employees – onshore and offshore. We do this with a robust training calendar each year to continually improve and broaden the skillsets of our staff and employees, reinforce safety awareness, and instill a shared sense of corporate values.

The Group provides all staff with training opportunities for them to perform their job duties efficiently whenever necessary, with a total of 360 hours recorded for FY2019. The total training hours provided to employees in the Group are classified as follows:

	Training Hours		
	Non-Executive	Executive	Total
Male	94	191	285
Female	6	69	75
Total	100	260	360

We invest in the training of our people for them to achieve their full potential. We also offer opportunities for our talented staff to take on more challenging postings and transfers to groom them for greater responsibilities.

At Vallianz, we encourage lifelong learning among our staff and employees to embrace the changes and prepare themselves in this ever-changing and dynamic industry. The Group does not have any specific target for training hours as we only believe in retaining exceptional employees in our ranks. Employees will be sent for training whenever necessary, so as to improve their skill sets.



## ENVIRONMENTAL PROTECTION

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Operating in the OSV and chartering industry, Vallianz remains dedicated to our long-term responsibility to protect the environment. We consistently review our policies and practices to optimize the management of energy, water, and waste within the Group. Through energy-efficient practices and adhering to the principles of “Reduce, Reuse and Recycle”. Vallianz conducts the business in a sustainable manner.



We actively reiterate to our workforce the significance of environmental conservation and have implemented several policies which aim to reduce the amount of waste produced. For instance, we encourage our employees to print all the hardcopies in double-sided instead of single-sided in our workplaces, as well as recycling/reuse of used materials wherever possible.

We actively monitor our operations and processes to remove potential sources of waste and leakages. Additionally, we have incorporated energy conservation measures in our standard operating procedures throughout the Group, and follow best practices such as switching off our air-conditioning units and electricity during non-working hours.

We are pleased to announce that there were no reports/incidences of non-compliance with environmental laws and regulations for FY2019 and we aim to maintain this for FY2020 and beyond.

## REGULATORY AND LEGAL COMPLIANCE

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Vallianz is committed to comply with key laws and regulations as we operate in the highly regulated OSV and chartering industries. Besides establishing whistleblowing and anti-corruption policies, we also have a legal policy which states the commitment by the Group to conduct business with integrity, fairness, impartiality, and in an ethical and proper manner.

We monitor periodically for our existing customers and vendors. This is to ensure that we stay vigilant and remain up to date with the latest development of international sanction requirements.

Our compliance guidelines and policy requirements are aligned with industry standards and requirements. In addition, we focus on our community responsibilities as corporate citizens. We take these responsibilities very seriously, including paying our fair share of taxes, among them corporate income taxes, and social contributions. Our commitment to these responsibilities are also embodied in our corporate culture, and tax payments to the relevant authorities are in accordance with applicable anti-corruption laws and regulations, rules, and regulations.

We are pleased to report that there were no cases of reportable non-compliance to the local anti-corruption laws and regulations, rules and regulations across the Group in FY2019, and we aim to maintain zero violation to the laws and regulations for FY2020 and beyond.

# GLOBAL REPORTING INITIATIVE INDEX

GRI Standards/ Disclosures	Page Reference and Reasons for Omission, if applicable
<b>Organisational Profile</b>	
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	5
102-6 Markets served	5
102-7 Scale of the organisation	5, 17 - 18, Annual Report 2019 – Statement of Financial Position
102-8 Information on employees and other workers	21 - 23
102-9 Supply chain	9
102-10 Significant changes to the organisation and its supply chain	None
102-11 Precautionary principle or approach	13 - 14
102-12 External initiatives	Not applicable as there are no externally developed economic, environmental and social charters, principles, or other initiatives to which Vallianz subscribes, or which it endorses within the scope of this report.
102-13 Membership of associations	Not applicable as there are no externally developed economic, environmental and social charters, principles, or other initiatives to which Vallianz subscribes, or which it endorses within the scope of this report.
<b>Strategy</b>	
102-14 Statement from senior decision maker	3 - 4
<b>Ethics and Integrity</b>	
102-16 Values, principles, standards, and norms of behaviour	7, 12
<b>Governance</b>	
102-18 Governance structure	13
<b>Stakeholder Engagement</b>	
102-40 List of stakeholder groups	14
102-41 Collective bargaining agreements	Not applicable as all employees within the scope of this report are not covered by collective bargaining agreements.
102-42 Identifying and selecting stakeholders	14
102-43 Approach to stakeholder engagement	14
102-44 Key topics and concerns raised	16
<b>Reporting Practice</b>	
102-45 Entities included in the consolidated financial statements	Annual Report 2019 – Notes to Financial Statements (Subsidiaries)
102-46 Defining report content and topic boundaries	8
102-47 List of material topics	16
102-48 Restatements of information	None

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
<b>Reporting Practice</b>	
102-49 Changes in reporting	None
102-50 Reporting period	8
102-51 Date of most recent report	31 March 2019
102-52 Reporting cycle	Annually
102-53 Contact point for questions regarding the report	8
102-54 Claims of reporting in accordance with the GRI Standards	8
102-55 GRI content index	26 - 27
102-56 External assurance	8
103-1 Explanation of the material topic and its Boundary	17 - 25
103-2 The management approach and its components	17 - 25
103-3 Evaluation of the management approach	17 - 25
201-1 Direct economic value generated and distributed	17 - 18, Annual Report 2019 – Consolidated Statement of Profit or Loss and Other Comprehensive Income
205-3 Confirmed incidents of corruption and actions taken	12, 25
307-1 Non-compliance with environmental laws and regulations	24
403-8 Workers covered by an occupational health and safety management system	19 - 20
403-9 Work-related injuries	19 - 20
403-10 Work-related ill health	19 - 20
404-1 Average hours of training per year per employee	21 - 23
419-1 Non-compliance with laws and regulations in the social and economic area	25