

Sustainability Report 2020

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BOARD STATEMENT

Dear Stakeholders,

Vallianz Holdings Limited ("Vallianz" or the "Company" and together with our subsidiaries, the "Group") is pleased to present our Sustainability Report (the "Report") for the financial year ended 31 March 2020 ("FY2020"), which is the third published report.

Our report demonstrates to our stakeholders our commitment to creating a sustainable business model, where adopting the best sustainable practices in economics, environment, social and governance ("EESG") topics are fundamental to our business.

The Board has been involved in the Group's sustainability efforts by actively overseeing Management's responsibilities of identifying, managing and monitoring material EESG topics. As such, the Group will continue to address 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 a sustainability philosophy and mindset within our business, we understand the additional need to articulate and convey to our stakeholders and the public such efforts. We hope that this report would achieve such an objective.

The year 2020 has been an extraordinary time for us at Vallianz, as much as they have been for everyone else. It started with the devastating bushfires raging across Australia. It was followed by regional tensions in the Middle East. Thereafter, it was followed by the worst pandemic in recent history that killed more than 1 million people so far and has completely changed our lives.

Demand for crude oil trickled as lockdown measures by governments worldwide to contain the spread of COVID-19 limit travel and reduce business activities. This unprecedented decline in worldwide oil consumption sent crude oil prices plummeting to a low in April 2020. The Organization of Petroleum Exporting Countries (OPEC) and its allies have reacted by cutting crude oil production to support oil prices and reduce inventories build-up caused by the COVID-19 pandemic. In the wake of deepening market uncertainty, exploration and production companies have been lowering activities and deferring projects as they cut their planned expenditures and investments. This, in turn, is adversely affecting the demand for oilfield services in the supply chain.

We will continue to strengthen our network in the Middle East region during this challenging period to prepare the Group for a recovery in offshore activities when the time comes. Simultaneously, as we pursue our business development plans, we are also keeping a close watch on operational costs and continually working to enhance the Group's operational efficiency.

Moving forward, the Board will continue to support the Group to create long-term value for our stakeholders through responsible business practices for a sustainable future.



ORGANISATIONAL PROFILE



Vallianz is an established provider of OSVs and integrated offshore marine solutions to the oil and gas industry. The Company is a limited liability company incorporated in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Vallianz's controlling shareholder is Rawabi Holding Company Limited ("Rawabi"), which owns 56.77% of the shares. Rawabi is a company that provides products and services to a diversified range of key industries and headquartered in the Kingdom of Saudi Arabia. For more information on the shareholdings, please refer to page 153 of the FY2020 annual report.

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

In FY2020, Vallianz owns and operates a fleet of 61 Offshore Support Vessels ("OSV"), while our associate, PT Vallianz Offshore Maritim, owns and operates another 9 OSVs.

OUR BUSINESS MODEL

Vessel Owners

- With 61 OSVs with an average age of 6.8 years and another 9 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 charters its offshore support vessels to customers throughout various stages of their offshore oil and gas exploration, development and production projects. They are used in activities that include seismic surveys during the exploration phase, positioning of rigs during the development of the oil and gas fields, towing, mooring and handling of ship anchors and transportation of supplies during the production period and the removal of rig structures at de-commissioning.

Vessel Management

- The Group provides a suite of vessel management services for both owned vessels and third party vessels. The Group is able to manage and operate a diverse range of vessels deployed in different phases of offshore oil and gas operations. Its services include crewing, procurement, vessel repair and maintenance, and facilitating port and documentation clearance.

Brokering

- The Group also provides brokering services that match customers' requirements. This includes sourcing for vessels, arranging for assist tugs and/or harbour movements, making initial contact with vessel owners or vessel buyers, acting as an intermediary between (a) the vessel owner and the charterer for towage, time and bareboat charters and (b) the seller and buyer of vessels, and assisting with the drafting of related agreements and negotiations.

MISSION AND VISION

We aspire to become a leading provider of offshore marine services in the global energy markets and 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 which we instill 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 Catalist Rules 711A, 711B and Practice Note 7F Sustainability Reporting Guide of the SGX-ST and Global Reporting Initiatives ("GRI") Standards: Core option, the universally recognized guideline in disclosing material sustainability matters.

REPORTING SCOPE AND PERIOD

This report covers information for FY2020 from 1 April 2019 to 31 March 2020 and addresses the Group's approach towards EESG issues.

ACCESSIBILITY AND FEEDBACK

As part of our environmental conservation efforts, the Group will not be printing 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 inquiries to <http://www.vallianzholdings.com/contact.html>.

INDEPENDENT ASSURANCE

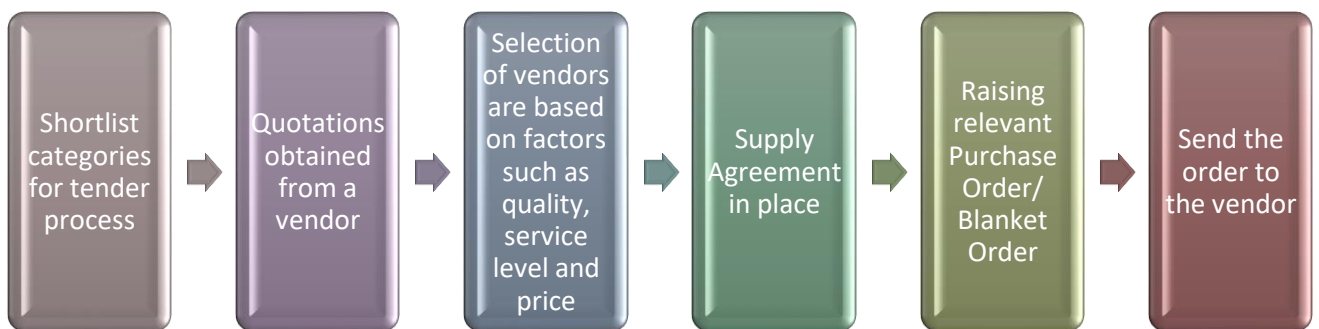
Independent assurance has not been sought for this report.

SUPPLY CHAIN MANAGEMENT

At Vallianz, we integrate our sustainability strategy of the EESG material topics into our value and supply chain. This takes into account our desire to achieve efficient business operations and stakeholders' interests in our operations and on sustainability issues.

We aim to build a responsible and sustainable supply chain by setting clear standards for our business supply partners. By applying it into our supply chain management, we strengthen the selection process of suppliers, monitor risks in the priority areas of our supply chain and work closely with suppliers to drive social and environmental change in order to take strides towards a more sustainable platform. 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.

The diagram below shows the procurement process of the Group:



In FY2020, there were no significant events that warranted the board members' attention that may have led to cessation or termination of our current relationship with any of our major suppliers.

COMMUNITY



COVID-19 Pandemic

The health and safety of staff and visitors is our prime concern. During this period of the COVID-19 pandemic, the Singapore office has adopted the following measures since February 2020. The measurements were updated from time to time following advisory from the Ministry of Manpower (MOM).

Temperature screening and health and travel declarations are mandatory for all employees and visitors entering the office.

Following the temperature taking and declarations, the following persons will not be allowed entry:

- Anyone who has been in contact with any person who is a confirmed case of COVID-19 in the past 14 days; or
- Anyone currently having fever / flu-like symptoms.

In addition, the Singapore office has implemented the following:

- A core COVID-19 committee was set up, led by the Vice-Chairman and CEO, to plan and manage the pandemic;
- Employees were required to work from home as a default;
- Split team arrangements and staggered working hours were implemented for employees who need to work in the office;
- There is a monitoring plan to ensure compliance with the Safe Management Measures;
- Safe Management Officers were appointed to assist in the implementation, coordination and monitoring of Safe Measurement Measures at the workplace;
- Sufficient masks, hand sanitizer and disinfectant sprays were prepared for all employees;
- Employees and visitors to the office must declare via SafeEntry before being allowed to enter the office;
- Employees and visitors are required to wear masks at all times and are constantly reminded to keep a safe distance of 1 meter apart;
- Office cleaning measures; and
- Management of unwell and infected cases.

All employees are reminded to take the following safety precautions as advised by Ministry of Health (“MOH”):

- Avoid contact with live animals including poultry and birds and consumption of raw and undercooked meats;
- Avoid crowded places and close contact with people who are unwell or showing symptoms of illness;
- Observe good personal hygiene;
- Practice frequent hand washing with soap (e.g., before handling food or eating, after going to the toilet, or when hands are dirtied by respiratory secretions after coughing or sneezing); and
- Seek immediate medical attention promptly if one is feeling unwell.

Care Corner Singapore

Over the years, Vallianz regularly organized the annual Lunar New Year dinner for the Seniors of Care Corner Senior Services Ltd ("CCSS"). 2020 marks the 9th year of partnering with CCSS, which operates a total of six Senior Activity Centres – five in Toa Payoh and one in Woodlands.

However, in the year 2020, due to the COVID-19 pandemic, Vallianz was unfortunately unable to organize the annual Chinese New Year dinner with the elderlies of Care Corner. In this challenging time, Vallianz is even more committed to ensuring that the elderlies of Care Corner continue to be well taken care of.



Vallianz continues to support the daily hot meals program, ensuring that elderlies of Care Corner have access to nutritious and delicious food. Food hampers containing essential items had been distributed to the elderlies as a token of support during this uncertain period. Mooncakes were distributed to the elderlies during the Mid-Autumn Festival. The Vallianz team hopes that with these gestures, the residents of Care Corner will be able to enjoy the festivals in the comfort of their own homes.

Blood Donation Campaign 2019

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

Every quarter, Rawabi's Corporate Social Responsibility ("CSR") Department, with the support and cooperation of Eithar Foundation for Promoting Organ Donation and the Regional Blood Bank in Dammam, organized a Blood Donation Campaign in August 2019 as part of Rawabi CSR's Corporate Community Service Program, which aims to facilitate blood donation by 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.

These campaigns take place in all the Business Units locations, of which our employees from the Company's subsidiary, Rawabi Vallianz Offshore Services Company Limited ("RVOS"), were involved and blood is collected from employees, their family members, friends and employees from nearby companies. Donors from Rawabi receive volunteer points for each donation they make and get rewarded on a yearly basis according to their points during the Community Service Appreciation Ceremony, attended by the Chairman of the Rawabi Group

and Management teams from all companies under the Rawabi Group. Rewards are financial donations made on their behalf to a charity of their selection.

152 donors successfully donated 85.6 litres of blood to needy patients.



The Warmth of Giving Campaign

Rawabi's CSR Department launched the Warmth of Giving Campaign in December 2019 as an initiative to relieve those in need from suffering during the winter by providing jackets, gloves, ice caps, scarves and warm socks. The targeted beneficiaries included street workers and less privileged individuals. Thanks to our employees' participation and support, we were able to secure 172 winter bags with a total cost of SAR 5000 (US\$1,333).

ETHICS AND INTEGRITY

WHISTLEBLOWING

Vallianz has zero-tolerance for fraud, bribery and corruption, and the Group has established a whistleblowing policy to ensure the Group's business is conducted ethically and complies with the best practices set out in the Group's policies.

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

We are pleased to share that no whistleblowing reports were received for FY2020 and there were no reported incidents concerning anti-corruption and anti-fraud regulations for FY2020.

GOVERNANCE AND SUSTAINABILITY

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

The Group manages the risk of non-compliance with relevant laws and regulations by having clear policies and procedures that state all employees' responsibilities and obligations and senior Management.

CONFLICT OF INTEREST POLICY

Our conflict of interest policy has been reviewed periodically, which would be communicated to all key management staff. 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

CORPORATE GOVERNANCE

The Board is committed to upholding high standards of corporate governance practices throughout the Group that aligns with the Code of Corporate Governance 2018. 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 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 ensures 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 developing proposals on strategy, helping the Board in reviewing the performance of Management in meeting the agreed goals and objectives and monitoring 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 handle all operational matters of the Group competently.

STAKEHOLDER ENGAGEMENT

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

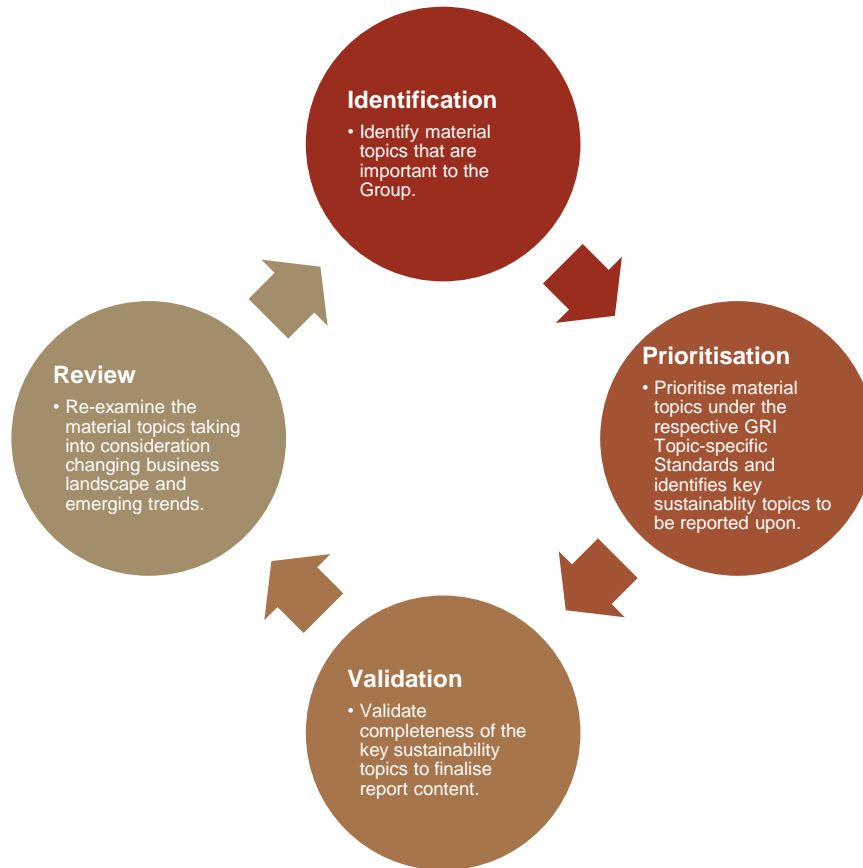
Feedback from our key stakeholders form a crucial part of our strategic and business planning and is viewed as valuable insights for the Group to continuously improve its sustainability performance. The material topics were evaluated in FY2020 for its potential impact on the environment and society, its influence on the stakeholders, and its impact on the Group's operations.

The Board and senior management aim to conduct an annual review of the Group's material topics as well as monitor the performance of the issues as part of the Group's sustainability strategy.



MATERIALITY ASSESSMENT

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



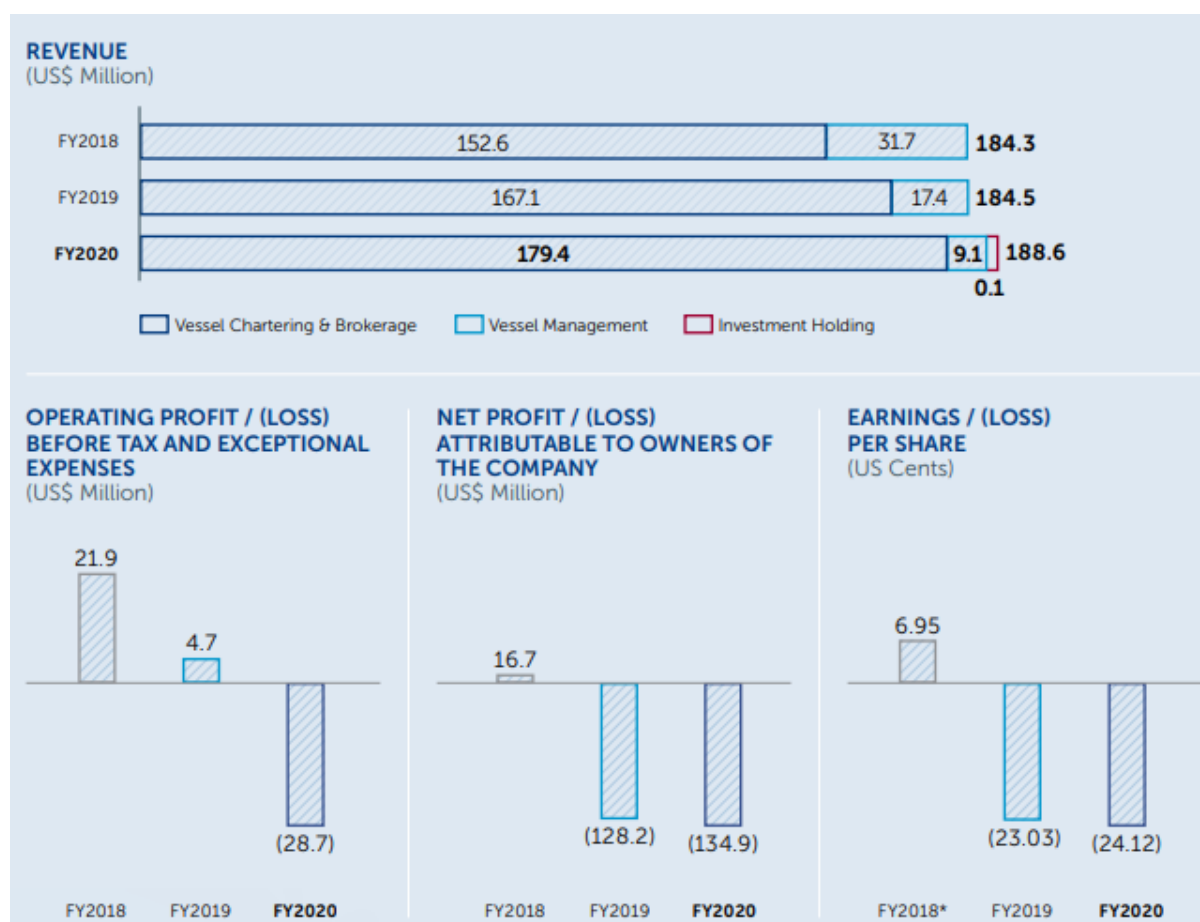
Based on the Group's internal assessment where there were no significant changes in the business and the operating environment, the Board is of the opinion that the materiality assessment from FY2018 continues to be valid and relevant for the Group in FY2020.

MATERIAL TOPICS

Management re-evaluated the topics in FY2020, and all topics were deemed to be material to the Group. As such, the Management recommended to the Board the same topics to be the material topics to be reported in FY2020.

Topic	Description	Target
Economic Performance (GRI 201-1)	Our economic performance, the value generated and distributed to communities where our business operates.	<ul style="list-style-type: none"> To maintain our competitive edge and continue to deliver sustainable growth through securing longterm charter contracts and focusing efforts on driving new service innovations and business offerings.
Occupational Health and Safety (GRI 403-9)	Safety is an essential part of our operations, and we continuously strive to improve our safety practices.	<ul style="list-style-type: none"> Remain focused on operating safely and healthily to ensure that no employees will be inflicted with severe accidents or injuries. Comply with the safety laws and regulations.
Talent Management (GRI 404-1)	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"> To provide equal employment opportunities, regardless of age and gender. To retain exceptional employees and to create a higher-performing workforce.
Environmental Protection (GRI 307-1)	Environmental protection is paramount to our sustainability efforts. The Group is committed to adopting 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"> Continuous improvements in energy efficiency and energy management. Comply with the local environmental laws and regulations.
Regulatory and Legal Compliance (GRI 419-1)	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"> Adhere to Company's zero-tolerance policy towards fraud, corruption and unethical actions. Comply and maintain the relevant legal rules and regulations.

ECONOMIC PERFORMANCE



* On 24 January 2019, the Company completed a share consolidation exercise to consolidate every thirty (30) existing ordinary shares into one (1) ordinary share. The weighted average number of ordinary shares and total number of shares issued for FY2018 have been restated for the purpose of the calculation of earnings per share and net asset value per share.

The Group's revenue in FY2020 edged up to US\$188.6 million from US\$184.5 million in FY2019. This was driven mainly by higher revenue from core chartering and brokerage business, which benefited from incremental revenue contribution from new vessel charter contracts.

Amid a highly competitive landscape for offshore support vessel providers, the Group still chalked up an increase in revenue from chartering and brokerage services to US\$179.4 million in FY2020 from US\$167.1 million in FY2019. This performance was buoyed primarily by the Group's long-term vessel charter contracts with a Group's key customer in the Middle East. The chartering and brokerage services business accounted for 95% of the Group's revenue in FY2020 compared to 91% of the Group's revenue in FY2019. The remaining 5% of revenue was derived mainly from the provision of vessel management services.

As announced by the Company on 16 April 2020, the Group's controlling shareholder Rawabi had assigned its 50% economic rights in Rawabi Vallianz International Company Limited

("RVIC"), which is the Group's 50%-owned joint venture company in the Middle East, to Vallianz Investment Capital Pte Ltd ("VIC") with effect from 1 October 2019.

Since RVIC is being treated as a wholly-owned subsidiary following the 50% economic rights assignment in RVIC by RHC to the Company with effect from 1 October 2019, the Group has consolidated RVIC's financial results. This reflects the better operating gross profit margin of the chartering and brokerage business, where the cost of sales will reflect the depreciation of the Group's vessels instead of accounting for the financing obligations of RVIC as the cost of sales.

In light of the prevailing challenges and prolonged downturn in the offshore and marine market, the Group conducted an in-depth evaluation of its vessels and the recoverability of prepayments. As a result of this evaluation, the Group recorded impairments to property, plant and equipment of US\$53.1 million and prepayments written-off of US\$20.9 million in FY2020. There was also a compensation for late delivery of vessels of US\$26.2 million and fair value loss on derivative financial instruments of US\$3.4 million. In total, the Group recorded exceptional items of US\$103.6 million in FY2020.

As a result of the exceptional items, higher finance cost and lower gross profit in FY2020, the Group posted a net loss attributable to owners of the Company of US\$134.9 million compared to a net loss of US\$128.2 million in FY2020.



OCCUPATIONAL HEALTH AND SAFETY



At Vallianz, the safety of our employees is our utmost priority. We are committed to providing 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 continues to be unabated. This strong focus on safety serves as an enduring and differentiating competitive advantage.

We operate in conformation with the various internationally recognized standards and codes, including ISO 9001: 2015, OHSAS 18001: 2007, ISO 14001: 2015 and the International Safety Management (ISM) Code. The ISM code is the International Maritime Organization (IMO) requirement for safe management and operation of ships and pollution prevention. Compliance with local legislation relating to health and safety standards are in place. Following the latest changes, we are in the process of converting from OHSAS 18001: 2007 to ISO 45001: 2018 in line with industry standards in the year 2020.

OHSAS refers to the Occupational Health and Safety Assessment Series, which is a British Standard for occupational health and safety management systems; while International Safety Management (ISM) Code is an international standard for the safe operation of ships and for pollution prevention.

We have in place a Company Safety Management System ("SMS") with policies and procedures based on these codes, standards and local legislation. This applies to both our ship and shipyard operations. The SMS is periodically reviewed by senior management to ensure the relevancy and adequacy for the Group.

We keep track of the number of occupational incidents to continuously reduce the number of preventable incidents occurring each year. There were two (2) incidents in 2019, both involving our vessels. The first incident was a grounding incident where the vessel could float itself on the next tide without sustaining any damage. The second incident was due to a leakage in the cooling line system, which caused the vessel's bow thruster to shut down. Response to the incidents was managed promptly and there were no injuries or casualties.

Beside the two above-mentioned incidents, there were no fatalities and high consequence work-related injuries in the workplace for the reporting period. Moving forward, we hope to achieve zero safety-related incidents in FY2021 and beyond.

We believe that the way to achieve our zero-incident target and long-term sustainability is our occupational health and safety effort to focus on prevention measures. These include well-designed vessels and workplaces, competent staff and crew, good policies and procedures, and committed leadership. That is our commitment.

TALENT MANAGEMENT



At Vallianz, we strive to optimize our available talent pool. We are continually looking to add talent from outside our organization to add greater strength and depth to our overall human resources. This is a cornerstone of the Group's long-term human resources strategy.

To develop and strengthen our overall human resources framework, we continuously explore competitive compensation and retention schemes and re-skilling and up-skilling programs to offer our employees a vibrant, inclusive and progressive career 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	331	65	396
Female	73	9	82
Total	404	74	478

	By Region			
	Singapore	Indonesia	Saudi Arabia	Total
Male	46	151	199	396
Female	27	34	21	82
Total	73	185	220	478

	By Employment Type		
	Full-Time	Part-Time	Total
Male	396	0	396
Female	82	0	82
Total	478	0	478

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 ensures that only suitable candidates are hired for the jobs through our adequate recruitment 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 employees' contributions and efforts. With a better understanding of our employees' capabilities and progress, 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 aligned with 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 recognize 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 to continually improve and broaden our employees' skillsets, reinforce safety awareness and instill a shared sense of corporate values.

The Group provides all employees with training opportunities to perform their job duties efficiently whenever necessary, with 997 hours recorded for FY2020. The total training hours provided to employees in the Group are classified as follows:

FY2020

	Training Hours		
	Non-Executive	Executive	Total
Male	641	120	761
Female	216	20	236
Total	857	140	997

FY2019

	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 our talented employees opportunities to take on more challenging postings and transfers to groom them for greater responsibilities.

At Vallianz, we encourage lifelong learning among our 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 to improve their skill sets.



ENVIRONMENTAL PROTECTION

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 energy, water and waste management 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 the significance of environmental conservation to our workforce and have implemented several policies 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 and recycling/reuse 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 lights during non-working hours.

We are pleased to announce that there were no reports/incidences of non-compliance with environmental laws and regulations for FY2020, and we aim to maintain this for FY2021 and beyond.

REGULATORY AND LEGAL COMPLIANCE

Vallianz is committed to complying with fundamental 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 that states the Group's commitment to conduct business with integrity, fairness, impartiality, ethically and adequately.

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

Our compliance guidelines and policy requirements are aligned with industry standards and requirements. Also, we focus on our community responsibilities as corporate citizens. We take these responsibilities very seriously, including paying our fair share of taxes, corporate income taxes and social contributions. Our commitment to these responsibilities is also embodied in our corporate culture. 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 was no reportable non-compliance to the local anti-corruption laws and regulations across the Group in FY2020, and we aim to maintain zero violation of the laws and regulations for FY2021 and beyond.



GLOBAL REPORTING INITIATIVE INDEX

GRI Standards/ Disclosures	Page Reference and Reasons for Omission, if applicable
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102-1 Name of the organisation	3
102-2 Activities, brands, products, and services	3 - 4
102-3 Location of headquarters	3
102-4 Location of operations	3
102-5 Ownership and legal form	3
102-6 Markets served	3
102-7 Scale of the organisation	6 - 8, 17 & 56-57 of Annual Report 2020
102-8 Information on employees and other workers	22 - 24
102-9 Supply chain	7
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
Strategy	
102-14 Statement from senior decision maker	1 - 2
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102-16 Values, principles, standards, and norms of behaviour	5, 12
Governance	
102-18 Governance structure	13
Stakeholder Engagement	
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	17
Reporting Practice	
102-45 Entities included in the consolidated financial statements	Annual Report 2020 – Notes to Financial Statements (Subsidiaries)
102-46 Defining report content and topic boundaries	16
102-47 List of material topics	17
102-48 Restatements of information	None

GRI Standard/ Disclosure	Page Reference and Reasons for Omission, if applicable
Reporting Practice	
102-49 Changes in reporting	None
102-50 Reporting period	6
102-51 Date of most recent report	31 August 2019
102-52 Reporting cycle	Annually
102-53 Contact point for questions regarding the report	6
102-54 Claims of reporting in accordance with the GRI Standards	6
102-55 GRI content index	28 - 29
102-56 External assurance	6
103-1 Explanation of the material topic and its Boundary	16 - 27
103-2 The management approach and its components	16 - 27
103-3 Evaluation of the management approach	16 - 27
201-1 Direct economic value generated and distributed	56 - 57, Annual Report 2020 – Consolidated Statement of Profit or Loss and Other Comprehensive Income
205-3 Confirmed incidents of corruption and actions taken	12, 27
307-1 Non-compliance with environmental laws and regulations	26
403-9 Work-related injuries	20 - 21
404-1 Average hours of training per year per employee	22 - 24
419-1 Non-compliance with laws and regulations in the social and economic area	27