



**2020**  
**SUSTAINABILITY REPORT**

## **CORPORATE PROFILE**

Viking Offshore and Marine Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and is based in Singapore with a presence in the Asian region and customers all over the world. The principal activities of the Group are that of providing (i) integrated services to the offshore and marine industries; and (ii) asset chartering services globally. Further complementing our regional presence, we have a network of service agents worldwide. Through our wholly-owned subsidiaries, the Group provides offshore and marine system solutions to yards, vessels owners and oil majors around the world as well as asset management services.

## **ABOUT THIS REPORT**

Sustainability has become a critical success factor for companies to ensure long-term value creation. We hereby present the Company’s annual Sustainability Report, for the financial year ended 31 December (“**FY**”) 2020. This report is set out on a “comply or explain” basis in accordance with Rule 711B and Practice Note 7F on Sustainability Reporting Guide of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

## **BOARD STATEMENT**

The key material environmental, social and governance (“**ESG**”) factors for the Group have been identified and reviewed by the management of the Group (the “**Management**”) and the board of directors of the Company (the “**Board**”) oversees the management and monitoring of these factors and takes them into consideration when determining the Group’s strategic direction and policies. Sustainability is a part of the Group’s wider strategy to create long-term value for all its stakeholders.

## **REPORTING FRAMEWORK**

We prepared our report with reference to the Global Reporting Initiatives (“**GRI**”) Core Reporting Options, as well as the Guide to Sustainability Reporting for Listed Companies issued by the SGX-ST. This report covers the FY2020 financial year from 1 January to 31 December. We have not sought external assurance for this report for FY2020.

## **REPORTING SCOPE**

This report will particularly focus on the economic and operation, governance and social issues that affect our group of companies in general aspects, as the Group continues to place its emphasis on bringing back profitability to the Group.

## **FEEDBACK**

We are committed to listening to our stakeholders and we look forward to your feedback. Please send your feedback to [info@vikingom.com](mailto:info@vikingom.com).

## GOVERNANCE STRUCTURE

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much influence our financial performance. In order to accommodate our sustainability goals and values, we have developed a sustainability organisational structure.



## STAKEHOLDER ENGAGEMENT

The Group’s stakeholders include, but are not limited to, customers, shareholders, employees, suppliers and local government. We prioritise 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 on a regular basis to ensure two-way communication and this is summarised in the table below:

Stakeholders	Topics of Concern	Frequency of Engagement	Mode of Engagement
Customers	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Code of conduct</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails / phone calls</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Material developments</li> <li>• Economic performance</li> </ul>	As and when required Quarterly (for financial results) Annually (for Annual Report)	<ul style="list-style-type: none"> <li>• SGX announcements</li> <li>• Annual report</li> <li>• Annual general meetings</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Personal development</li> <li>• Working environment</li> </ul>	Ongoing / Annually	<ul style="list-style-type: none"> <li>• Employee handbook</li> <li>• Email communication</li> <li>• Appraisal</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Code of conduct</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails / phone calls</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Compliance with rules and regulations</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails / phone calls</li> <li>• Catalist Sponsor</li> </ul>

## **MATERIALITY ASSESSMENT**

After conducting a materiality assessment involving internal stakeholders, taking into account related business risks and opportunities, and the current state of affairs of the Group, we have identified the ESG factors that are most material as economic performance, employment, governance and regulatory, as well as occupational health and safety. All these rank high in significance to stakeholders and to the Group's business.

## **ECONOMIC PERFORMANCE**

Economic performance is very important to a company's stakeholders, particularly its investors or owners, because this performance eventually provides them with a return on their investment. Other stakeholders, like the firm's employees and the society at large, are also deemed to benefit from such performance, albeit less directly.

The Group's operations in countries within the region are still affected by the COVID-19 pandemic situation with recovery remains uncertain and the lack of business travels undermines the sales order for the Group. While oil prices continue to rise steadily with the curtailing of supply and recovery in demand from the COVID-19 pandemic, oil and gas producers continue to be stringent with their capital expenditures. To navigate this challenging climate, the Group will continue to monitor the situation closely and adjust its operating capacity in accordance with the fluid uncertain situation and when there is more clarity on the market development.

As a company listed on the Catalist board of the SGX-ST, we publish a detailed annual report comprising our risk management, corporate governance, and financial performance. For detailed information, please refer to the financial results announcements made by the Company on a quarterly basis. The Company will publish its Annual Report for FY2020 by 14 June 2021, pursuant to the grant of approval by the SGX-ST and the ACRA for the Company's application for extension of time to hold the Company's annual general meeting by 29 June 2021, subject to fulfilment of certain waiver conditions, and as announced by the Company on 29 April 2021.

### **Target:**

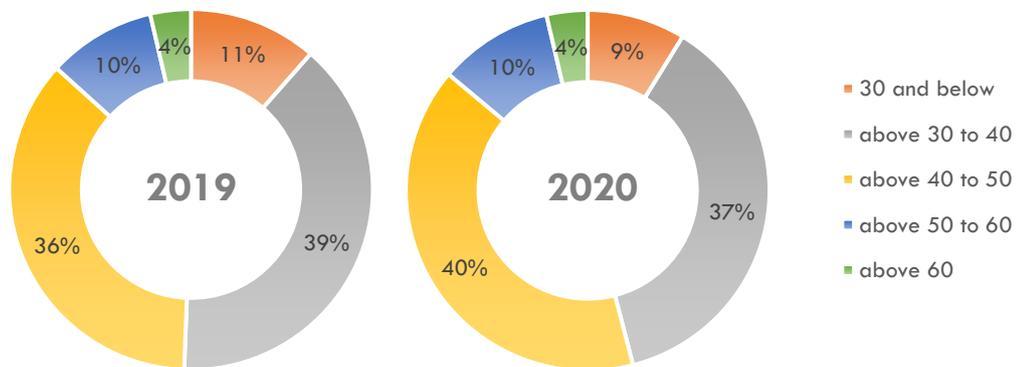
The Group continues to focus its effort in maintaining viability of its offshore and marine business, completing the share placement agreement with the potential investors, and reaching a potential settlement or arrangement of the relevant liabilities with key creditors. The above actions will allow the Group to effectively exit the moratoria, and thereby deleverage the balance sheet and improve the financial capacity of the Group. Please refer to the Company's announcements on updates of the efforts of the Group.

## **EMPLOYMENT**

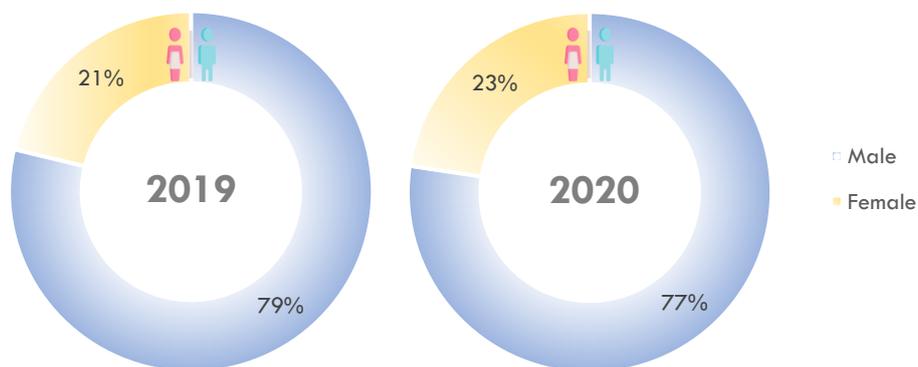
The Group is also committed to carry out its social responsibility at the workplace for employees, and recognises that it is important to provide a safe and conducive working environment for employees. In addition, employees are employed under fair and equitable terms, and in compliance with the applicable labour laws. Furthermore, employees are also given equal opportunities with regard to their career advancement.

Employee information of the Group as at 31 December 2020, together with prior year comparative, are as follows:

#### Employee Breakdown by Age



#### Employee Breakdown by Gender



We treat all employees fairly, with respect and dignity, regardless of nationality, gender, age, race or religion. The hiring procedures are fair and non-discriminative. Staff are hired on the basis of merit, skills, experience or competency to perform the job.

The Group ensures compliance with labour and employment laws, including working hours and believes in good work-life balance for our employees.

All employees are expected to uphold and ensure that they do not engage in any interest that conflicts with any of the Company's businesses. The code of work ethics is published in our Company's Employee Handbook.

#### Target:

The Group aims to ensure all its employees comply with its Code of Conduct through:

- adequate training and/or briefings to the employees on its conduct guidelines; and
- effective investigation and corrective action on whistleblowing incidents.

## OCCUPATIONAL HEALTH AND SAFETY

Health safety and environment (“HSE”) for our workforce has been a key focus throughout our growth as a company. It is not only a fundamental right for our workers to be able to work in a safe and healthy environment, but when our employees’ wellness is attained, our productivity increases, and we can provide the best for our customers.

Our HSE Policy, applies to all employees and contractors, and focuses on prevention and compliance. We conduct safety risk assessments at all levels and across all operating locations.

We have a HSE Committee to oversee the promotion of safety culture and practices in the workplace. Led by a member of our Management, the HSE Committee includes representatives from each functional department. Monthly meetings are held to discuss HSE related matters, including reviews of changes in regulatory requirements, outcomes of monthly safety inspection, results from regular risk assessments and the necessary preventive measures. The information is then disseminated by the HSE Committee members to their peers during their respective department meetings. All our employees are represented by the joint management-worker HSE Committee. Additionally, news and directives relating to HSE matters are communicated to all employees through emails and supervisor briefings.

Our operations in Singapore have safety management systems in place. The certifications for bizSAFE STAR and ISO 45001 are in place.

Health and safety trainings on aspects such as risk assessment, fire safety, and first aid are provided for all staff according to their job requirements. Both workshop-based and field staffs are sent for relevant risk management training sessions throughout the year and are familiarised with the latest safety frameworks. Specific programmes are provided for high-risk site engineers, where they learn how to work safely at heights and in confined spaces. Relevant employees who are nominated as First-Aiders will be given CPR+AED training. In addition, we conduct health talks and activities for all our employees regularly.

We follow Ministry of Manpower (MOM)’s Workplace Safety and Health Guidelines to manage safety and health of our employees in shipyards and ships. One significant hazard that our field service engineers at shipyard or on-board vessels may be exposed to is high noise level. To prevent noise-induced deafness (NID), all engineers are required to use appropriate personal protection equipment at work. All our new engineers are required to go through audiometric tests, which are followed-up annually to monitor hearing and detect any symptoms of NID.

We had no fatalities in FY2020 (FY2019 – zero).

Our Accident Severity Rate (ASR) and Accident Frequency Rate (AFR) was 13.1 (FY2019 – nil) and 4.4 (FY2019 – nil) per million man-hours worked in FY2020, respectively. This was due to a single incident which resulted in an employee taking 3 days of leave to recover and considering the low base of man-hours clocked in FY2020, the rates are higher for FY2020, as compared to FY2019. The Management will continue to focus and ensure proper and adequate safety precautions at the workplace.

Target:

The Group targets to continue to stress the importance of workplace safety and aim to post an AFR and ASR of zero in the upcoming years.

## **GOVERNANCE AND REGULATORY**

The Group strives to comply with the best practices of good governance, guided by the Singapore Code of Corporate Governance 2018 (the “**Code**”), throughout its operations to safeguard the interests of all stakeholders. The Group recognises that good corporate governance processes are essential for enhancing corporate sustainability. While the Company finalises its Annual Report for FY2020, the Group will continually be guided by the Code.

- Risk Management

An integral part of good corporate governance, a comprehensive risk management framework enables the Group to identify and manage risks in a systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud, corruption and economic value-added risks have been identified as material to ensure business sustainability.

- Whistle Blowing Policy

The Whistle Blowing Policy adopted by the Board serves to provide an effective mechanism for employees and other stakeholders of the Group to raise concerns regarding any illegal conduct or malpractice. The policy also allows such concerns to be raised without being subject to victimization, harassment or discriminatory treatment, and ensures that such concerns are properly channelled to the right party for further investigation. Details of the Whistle Blowing Policy have been made available to all employees of the Group.

- Dealings in Securities

The Group’s Code of Conduct includes guidelines to directors and employees in the Group, which sets out prohibitions against dealings in the Company’s securities (i) while in possession of material unpublished price-sensitive information; and (ii) before each announcement of the Company’s financial results. Prior to each announcement of the Company’s financial results, an email would be sent out as reminder to all directors and employees of the Group to inform them of the duration of the trading black-out period.

Target:

The Group will continue to comply with the SGX-ST Listing Manual Section B: Rules of Catalyst, and the Code.

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description	
<b>GRI 101: Foundation 2016</b>			
<b>GENERAL DISCLOSURE</b>			
<b>GRI 102: General Disclosures</b>	102-1	Name of organisation	Viking Offshore and Marine Limited
	102-2	Activities, brands, products and services	FY2020 Sustainability Report (SR) page 1
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	SR page 1
	102-5	Ownership and legal form	Will be set out in the FY2020 Annual Report (AR) to be issued in due course
	102-6	Markets served	SR page 1
	102-7	Scale of the organisation	SR page 1
	102-8	Information on employees and other workers	SR pages 3 to 4
	102-9	Supply chain	SR page 1
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary Principle or approach	We do not specifically address the precautionary approach.
	102-12	External initiatives	Nil
	102-13	Membership of associations	Nil
	102-14	Statement from senior decision maker	SR page 1
	102-16	Values, principles, standards and norms of behaviour	SR pages 1 to 2
	102-18	Governance structure	SR page 2
	102-40	List of stakeholder groups	SR page 2
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR page 2
	102-43	Approach to stakeholder engagement	SR page 2
102-44	Key topics and concerns raised	SR page 3	
102-45	Entities included in the consolidated financial statements	Will be set out in the AR to be issued in due course	
102-46	Defining report content and topic boundaries	SR page 1	

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description	
	102-47	List of material topics	SR page 3
	102-48	Restatement of information	Not applicable
	102-49	Changes in reporting	No significant changes in reporting
	102-50	Reporting period	SR page 1
	102-51	Date of most recent previous report	FY2019 Sustainability Report issued on 29 May 2020
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR page 1
	102-54	Claims if reporting in accordance with the GRI Standards	SR page 1
	102-55	GRI content index	SR pages 7 to 8
	102-56	External Assurance	SR page 1
<b>MATERIAL TOPICS</b>			
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed	SR page 3
<b>GRI 205: Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	SR page 6
<b>GRI 403: Occupational Health and Safety</b>	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR pages 5 to 6
<b>GRI 405: Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees	SR pages 3 to 4
<b>GRI 419: Socioeconomic Compliance</b>	419-1	Non-compliance with laws and regulations in the social and economic area	SR page 6



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This sustainability report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.