









V-TIC Services is a leading testing, inspection and certification company focused on the interactions between fuels, oils and machines. We proudly serve a wide range of industries across the oil and gas, marine, transportation and industrial sectors







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## Message from our CHAIRMAN





## Dear Friends, We are pleased to share our inaugural 2021 ESG report with you.

Since the start of the Covid-19 pandemic in 2020, our primary concern has been the safety of our employees and their families. We have dedicated our time and efforts to strategically improving business continuity, to protect our people and their positions and our customers. We are happy to confirm that those efforts have been successful, and we continue to thrive despite the challenges we all face.

We continue our efforts of becoming a more environmentally sustainable organization by digitalization efforts, developing tools that enable reduction of paper usage, transitioning to sustainable energy sources, and altering our purchasing habits to use more sustainable products for day-to-day consumption in all our labs and offices. We intend to continue these initiatives and are happy to report that our Singapore office and lab have been awarded the Maritime SG Carbon50 Award during the Sustainability Conference.

As the pandemic continues, we continue to actively participate in projects to bring about a positive impact on our local and global communities. We offer support to less privileged communities and programs aiding low-income families, refugees, education projects and schools for young girls,

promoting sustainable practices in the marine industry and supporting rehabilitation and housing charities for mentally and physically challenged individuals.

We remain dedicated to promoting good governance throughout the organization. We find constant and unswerving effort must be put in to operate an ethical and fair business. We have prepared a Supplier code of conduct to make sure our activities and our suppliers' actions exhibit common values and principles. We have also conducted a full review of our Cyber security and resilience and engaged experts to conduct penetration testing and a comprehensive review of all our IT systems. We fully support the United Nations Global Compact and pledge our ongoing commitment to the initiative principles.

These few years of the pandemic have emphasized that each of us is only as strong as our weakest link and looking ahead, we will keep our focus on continuous improvement on our business, our processes, our relationships with our customers, vendors, and our community.

We hope you enjoyed reading this report and benefit from it. We would like to thank our employees, our partners, customers, and other stakeholders for their continued support and backing.

Kind regards,

**Dr. R. Vis** Chairman





We collaborate with our clients across the globe to help them progress on their journey towards their ESG goals by improving their energy efficiency, helping them make choices to reduce their carbon footprint and improving their safety performance. We also encourage our clients to promote sustainability throughout their supply chain.

### **Greener Operations**

Our facilities are powered by renewable energy sources. Our Houston office and lab are powered by solar energy for more than half of its energy needs, and our Houston and UK offices and labs have upgraded to LED lighting.





### **Health & Safety**

Health and Safety is one of the most important aspects for V-TIC. We aim to be the safest place to work. We provide ongoing training and support and ensure a hazard-free, safe work environment for all our employees.

## Sustainability at V-TIC A snapshot



#### **Sound Ethical Standards**

Ethical standards are integral to V-TIC for many reasons such as reliability, reputation and long-term viability. We provide repeated training on the importance of preserving ethical standards and conduct audits. Our Quality team is tasked with maintenance of the standards and raising awareness among our new employees.



## **Technical Excellence**

We believe in investing in cutting-edge technology and learning to ensure that our clients stay in full compliance with industry standards.

Our team develops and delivers energyefficient, smart solutions and services to assist the marine industry in addressing environmental issues while also improving its operations. Some of our offerings which improve environmental performance include:

- A scrubber system that reduces SOX emissions.
- Smart Vessel Monitoring System to measure, track and adjust energy consumption based on real-time data.



### **Community Interventions**

In the United States of America and India, we support underdeveloped and underprivileged communities. Through our active involvement with non-profit organizations and charities, we seek to improve the lives of the people around us and continue to grow our commitment to our global community.



## **Our commitment to UNGC**



## V-TIC Services is a participant to the United Nations Global Compact, the world's largest initiative for corporate sustainability.

V-TIC Services supports the United Nations Global Compact's Ten Principles on human rights, labor, the environment, and anti-corruption. This statement demonstrates our commitment to implementing those principles. We are committed to incorporating the UN Global Compact and its principles into our company's strategy, culture, and day-to-day operations, as well as to collaborating on projects that advance the United Nations' broader development goals, particularly the Sustainable Development Goals.

#### **WE SUPPORT**



# The 10 Principles of the UN Global Compact



- Businesses should support and respect the protection of internationally proclaimed human rights; and
- Make sure that they are not complicit in human rights abuses.



- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced and compulsory labor;
- **05** The effective abolition of child labor; and
- The elimination of discrimination in respect of employment and occupation.

## **Our commitment to UNGC**





- O7 Businesses should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.



Businesses should work against corruption in all its forms, including extortion and bribery.

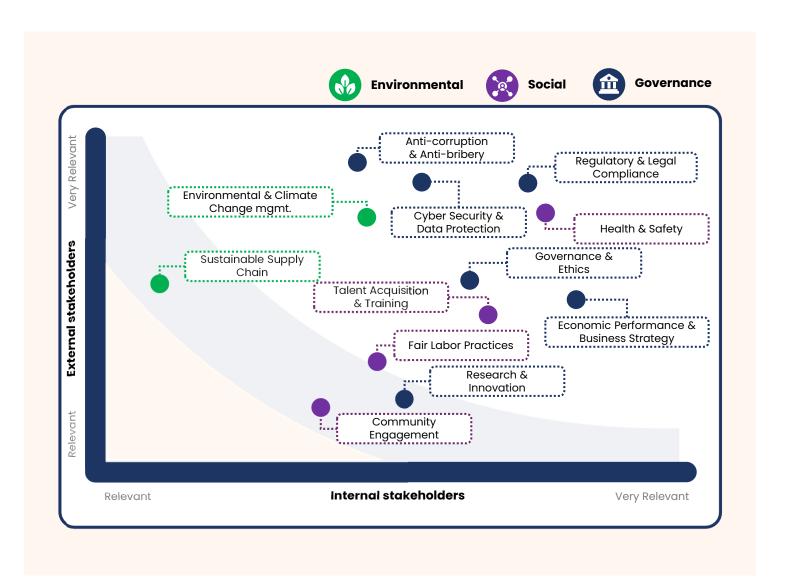
## United Nations 17 SDGs Sustainable Development Goals



## **Prioritization of our ESG Topics**



The sustainability management team at V-TIC monitors the performance of various ESG indicators continuously. We understand the critical nature of identifying and prioritizing material issues affecting our business and stakeholders. As a result, we conduct a materiality assessment to identify and rank related ESG topics to ascertain current sustainability strategy priorities.



## **Prioritization of our ESG Topics**

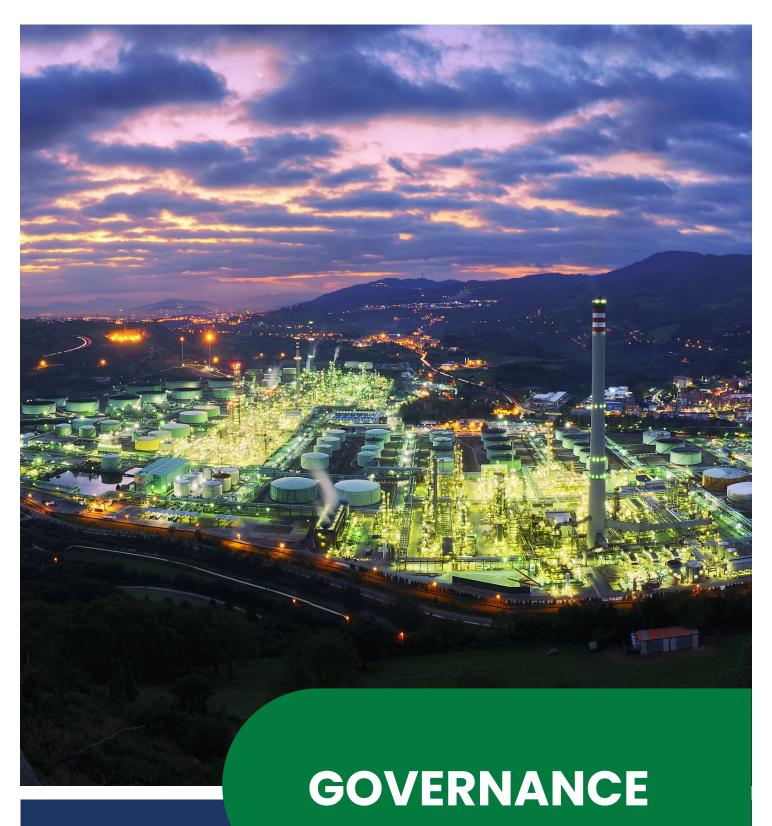




Our materiality assessment process involved interviews and questionnaires distribution to internal and external stakeholders. This approach enabled us to rank the relevance of each identified material topic from high to low and identify the most relevant material topics for V-TIC's business operations. We identified 12 material topics as a result of the assessment, and each of them is strongly related to our sustainability management and performance. This report will present our strategies and initiatives for addressing those material issues and demonstrating our commitment to long-term sustainability.

In this assessment, external stakeholders have given priority to Governance factors like Anti-corruption & Anti-bribery, Regulatory & Legal Compliance, Cyber Security & Data Protection, while Internal stakeholders focus more on factors like Economic Performance & Business Strategy, and Health & Safety. Our key stakeholder V-TICs will continue to influence our sustainability strategy. There is extensive coverage of every ESG material topic in this report, and it is not intended to limit or represent our response to other relevant topics.





## **Engaging our Stakeholders**



Feedback from different stakeholders can motivate us to improve and grow. We identify our key stakeholders, including clients, employees, suppliers, communities, industry and investors. We actively engage with these stakeholders to collect their opinions and comments on V-TIC's ESG strategy and management.



## **Engaging Our Stakeholders**



#### Stakeholder

#### Stakeholder engagement

#### Topics of Stakeholder interest

#### Clients

Besides providing high-quality service to our clients, we also care about how we can collaborate with our clients for a more sustainable future.



Face-to-face meetings

**Modes of** 

- Satisfaction surveys
- Conferences and events
- Economic Performance & Business Strategy
- Research & Innovation
- Cyber Security & Data Protection
- Governance & Ethics

#### Industry Organization

Industry organizations can guide us on future investment and opportunities as well as collaborate to innovate.



- Conferences and events
- Media and publications
- Performance & Business Strategy
- Research & Innovation

#### **Suppliers**

Suppliers are critical in delivering our outstanding services. We Bond and collaborate with our suppliers to build a stable supply chain.



- Face-to-face meetings
- Due diligence of suppliers
- Supplier evaluations
- Performance & Business Strategy
- Anti-corruption & Anti-bribery
- Sustainable Supply Chain
- Regulatory and Legal Compliance

#### Communities

We grow and thrive with our communities together. We bring values back to our communities and support long-term sustainable society.



- Public events
- Meetings with NGOs
- Anti-corruption & Anti-bribery
- Community Engagement
- Fair-Labor Practices
- Environment & Climate Change Management

#### Academic Institute

Academic Institute support our business development through collaboration and innovations.



- Conferences and events
- Media and publications
- Economic Performance & Business Strategy
- Research & Innovation

#### **Employees**

Our talent team is the core of our business.

We care about their thoughts and continue
providing them a better workplace.



- Employee surveys
- Performance Reviews
- HR mailbox
- Anti-corruption & Anti-bribery
- Health & Safety
- Talent Acquisition & Training
- Fair Labor Practices

## **Engaging our Suppliers**



Suppliers are critical stakeholders for us because they have a direct impact on our business operations. Our efforts are directed toward developing and maintaining a value-adding supply chain based on sustainable principles.

We make a deliberate effort to work with as many local suppliers as possible in order to support and stimulate the communities in which we operate. In 2021, the proportion of local suppliers reached 80 percent of our spending. Our objective is to maintain and, where possible, increase the proportion of our spending on local goods and services in order to have a positive impact on the economies and communities in which we operate.

V-TIC is committed to the highest standards of ethics and integrity in business. We anticipate that our suppliers will uphold the same high standards of ethics and integrity. We expect and encourage our suppliers' business and labor practices to be compliant with all applicable laws and our newly established Supplier Code of Conduct. All suppliers will be required to educate and, where necessary, train their representatives on V-TIC's expectations for their behavior.

This Supplier Code of Conduct describes in detail V-TIC's ethos, our vision for how our business should operate, and the standards we expect of our suppliers. It is critical to the success of our business strategy and operations that we have a positive impact on our clients, suppliers, employees, and the broader society in which we operate.

### Distribution of Spend\*



\* The data is based on an initial assessment, detailed data will be disclosed in the future reports

#### Key aspects of the V-TIC Services Supplier Code of Conduct



#### **Compliance with laws**

- Laws, rules, and regulations
- Trade secrets
- Data privacy
- Fair business practices



#### **Fair Dealing**

- False and/or misleading statements
- Unfair dealing practices



#### **Anti-bribery/Corruption**

- U.S. Foreign Corrupt Practices Act ("FCPA")
- · UK Bribery Act
- Gifts



#### **Labor & Immigration**

- Equal employment opportunities
- Fair treatment
- Compensation
- Forced Labor



#### **Conflicts of Interest**

 Interactions on a fair and objective manner



## Dangerous Substances & Product Safety

 Safe handling, movement, storage, recycling, and disposal of hazardous materials, chemicals, and substances.



## **Ethics & Compliance**



Ensuring high-standard ethical operations and regulatory compliance is our organization's topmost priority. The company's reputation for its excellence requires that we follow the spirit and letter of all laws and regulations, as well as a personal commitment to the highest standards of conduct and integrity.



## **Regulatory compliance**

Our company's success hinges on strictly adhering to all applicable laws. We follow relevant regional and global regulations while our team supported by external consultants oversees potential developments. For the Singapore office as well, we work with government agencies to ensure all compliance requirements with local regulations are met. Quarterly meetings are organized for reviewing any potential risks and taking suitable mitigation measures. Additionally, V-TIC is committed to serve customers within the regulatory regime in order to avoid any potential disputes which may arise during our services.



### **Ethics and Integrity**

We are committed to building a culture of transparency, integrity, and trust. We encourage our partners and stakeholders to hold the same value for better cooperation. Our Code of Conduct policy sets the foundation for ethical behavior and culture of V-TIC. All employees are required to acknowledge the policy, which sets expectations in the aspects of benefits acceptance, gifts, confidentiality of information, conflict of interest and honesty.



#### Acceptance and Offer of Advantage/Benefit/Gratification

No employee shall solicit or receive any advantage to any person or organization on behalf of the company or in individual capacity

#### **Gift and Entertainment**

No employee shall receive any gift, excessive or unusual entertainment, loan or other favor from any outside source including customers and suppliers without approval from management

#### **Confidentiality of information**

No employee shall store information outside of the company (either in written or electronic form) about any matter pertaining to the conduct of the company's business.

#### **Conflict of Interest**

Employees must not let personal considerations or relationships, either actual or potential, influence them in any way when representing the company in dealings with other persons or organizations.

## Act honestly and in good faith, due diligence to fulfill work function All staff shall act honestly and conduct their work function in a professional manner.



## Whistleblowing

V-TIC encourages all employees to report unethical conduct in accordance with our Code of Conduct policy. Employees can report immediately to their line managers or Human Resource managers when they are aware of real or suspected unethical conduct or a violation of the Code.

Our organization ensures that whistleblowers are protected from reprisal, and no one is falsely accused by ensuring effective investigation procedures. The Global Quality Manager, who is responsible for the investigation, assures a fair and transparent process.











## **Our People: Diversity & Equality**



As a company that operates globally in seven different countries, V-TIC Services greatly values the diversity of our employees. We respect and embrace the talent brought by our employees from various cultural backgrounds to build up an inclusive and fair working environment.



### **Our Approach**



As a part of our core values, we recognize that knowledge, experience and skill will vary in a V-TIC of employees, and we greatly value this diversity. We respect the merit of collective wisdom brought by our employees from different backgrounds. Therefore, we hire experts and professionals having various expertise, across the world. This has been one of the pivotal driving forces of continuous improvement and development within the organization.

V-TIC is an equal opportunity employer and always maintains inclusiveness and fairness in all activities and operations. We are committed to provide equal employment opportunities to all employees and applicants regardless of their age, race, colour, national origin, gender, religion and any other legally protected characteristics.

V-TIC also ensures that there is no discrimination of any kind in providing employees prospects for career development, training, performance review, promotion, working conditions for personnel, etc.



## **Women Empowerment**

We continue making efforts for women empowerment, and we have received significant contribution from our female employees in building our organization and ensuring our success. Our top leadership has several dynamic women including two female board members out of three. Several women employees hold key managerial positions within the organization and have taken a lead in representing V-TIC at different forums, seminars and conferences.



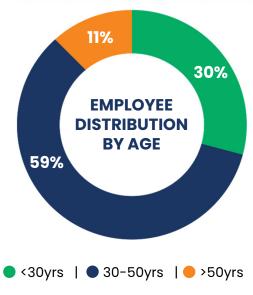
## Our People: Diversity & Equality

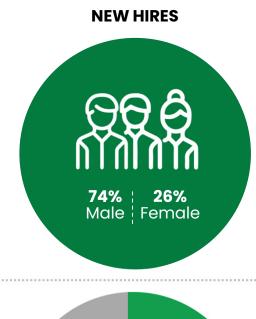


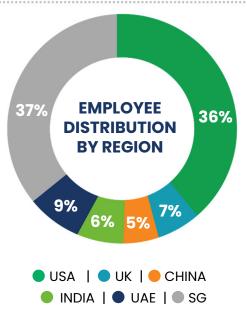
As a company that operates globally in seven different countries, V-TIC greatly values the diversity of our employees. We respect and embrace the talent brought by our employees from various cultural backgrounds to build up an inclusive and fair working environment.













of females in executive management positions

## **Employee Training & Development**



At V-TIC, we foster a spirit of continuous learning and improvement. We recognize that employees are our most valuable assets. By providing exceptional training and development opportunities, we ensure that our employees continue to grow and succeed and at the same time optimize and create better services for our clients.



### **Our Approach**

We design suitable training programs for our employees according to employee expectations, career aspirations, market trends and industry requirements. This ensures that our employees remain up to date and our service offerings remain competitive in the industry.



### **Our Training Programs**



In the past year, we offered both internal and external training programs to all our staff, including lab analysts, lab supervisors, quality control supervisors, sales and marketing executives, accounts executives, administrative assistants, etc.

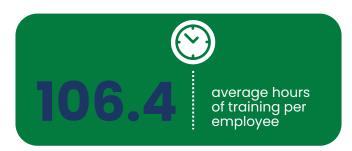
We require every new employee to complete on-the-job training from accredited consultants and experienced personnel. Once the initial training is completed each employee is tested to ensure that they are qualified to operate independently.

Further, if any new equipment is purchased by a lab, the senior staff gets trained first. They are then responsible for training other junior staff who will be operating the equipment. This encourages the culture of learning from peers and seniors.

In order to provide uninterrupted training opportunities during the COVID-19 period, we invested in our E-learning platform and converted numerous training modules to digital versions for our employees to access these without any cost.







## Occupational Health & Safety



V-TIC attaches great importance to ensuring the health and safety of our employees during their work. We are committed to a high standard of health and safety management system and establish comprehensive health and safety policy for each of our operating sites. We provide ongoing support and ensure a hazard-free, safe work environment for our employees.



V-TIC ensures compliance with all health- and safety-related laws and regulations, such as regulations of the National Institute for Occupational Safety & Health (NIOSH) and Occupational Safety and Health Administration (OSHA). We have obtained ISO 17025 to show our commitment to guarantee lab safety and regularly conduct external audits. We have established a Safety Management System, which covers our Health and Safety policy and the procedures according to the pre-requisites of our lab certifications and accreditation.

In order to minimise the risks for our lab staff, we actively identify potential risks and hazards in the labs by conducting a risk assessment. We require employees to have daily reviews to report potential safety incidents and to raise awareness of the team on work-related hazards. Any work-related accidents are reported and investigated according to local statutory requirements.



### Management Plans & **Process**

- Chemical hygiene plans
- Hazardous chemical handling
- Risk analysis plan for the complete process

- Regular health check-ups are covered for every employee
- The company covers the staff for their health insurance including hospitalization
- Labs have installed "Awair" system for real-time monitoring of air quality





- All employees working in the laboratory and on board need to wear Personal Protective Equipment (PPEs)
- Safety showers and eyewash stations are placed in the lab and first aid kits are provided

- Safety drills are carried out on periodical basis
- Health and safety trainings are provided to employees. Key topics of these trainings include safety protocols, equipment handling and maintenance, emergency management, and accidental spillage.





## **Employee Welfare & Benefits**



Our employees are the foundation of our business. As a result, V-TIC aims to provide our people with competitive compensation and benefits to attract and retain our employees. We are committed to complying with local laws related to compensations and benefits and keep developing more beyond the law.



### Remuneration

V-TIC offers its employees competitive remuneration and other benefits.

The compensation package includes base pay, Annual Wage Supplement (13<sup>th</sup> month Bonus), and a variable/ performance bonus, which is based on overall company's and employee work performance. Employees' grades are determined by the nature of their work, their experience, their qualifications, and their level of responsibility.

Salary scales and individual salaries are evaluated once a year based on market salary surveys, corporate business outcomes, and employee performance.



### Communication

We are willing to hear from our employees and are open to feedback from them. Therefore, we set a flexible hierarchy for communication throughout the organization, and all employees are welcome to share their thoughts with the management team. Supervisors of each team will have monthly meetings to discuss problems and share ideas from feedback, and they are welcome to share great ideas with managers.

We will keep hearing and learning from our employees and will continue building a transparent and open channel for internal communication.



### **Key benefits offered**

We offer our employees several benefits in accordance with local government rules and requirements. These are enlisted below:



\*3 employees took parental leave in 2021, with 100% retention rate

## **Community Engagement**



We see ourselves as part of the communities where we operate. It is our responsibility to bring positive impacts to our community, and we expect to build a vital, collaborative community which continues contributing to the United Nations Sustainable Development Goals (SDGs).



## **Our Approach**

V-TIC actively participates in different community programs to support people, environment, and culture. We offer support to less privileged communities globally. The programs we support include supporting low-income families on basic living needs, promoting sustainable practices in the marine industry, investing in critical medical research, etc. Based on these programs, the social impact we can bring to our community may include:

- Higher living standards for low-income households and vulnerable V-TICs
- Raising awareness for the sustainable marine industry
- · Strengthen local talent pool and create more job opportunities

We have obtained active memberships and partnerships with several non-profit organizations and charities which strive to build a better community. These include:

- UNICEF
- MD Anderson Cancer Center
- World Food Program USA
- Breakthrough Houston USA
- Hurricane Harvey Relief
- Swami Dayananda
   Educational Trust
- Shri Kanchi Kamakoti Educational Trust
- Sri Sarada Ashram
- Amar Seva Sangam



- The Banyan
- Akshaya Trust
- Battered Women's Shelter
- Disabled American Veterans
   Charitable Service Trust
- Healthcare for the Homeless
  - Houston
- Houston Food Bank
- The Purple Door
- World Central Kitchen Incorporated

We have joined the **North American Marine Environment Protection Association (NAMEPA)**, which preserves the marine environment by sharing best practices in the industry and providing training to the public on ocean and water resource protection.





### **Energy Management & Emission Reduction**



We are conscious of our impact on the environment and the planet, and as a proud member of the North American Marine Environment Protection Association (NAMEPA), we are committed to reducing greenhouse gas emissions, conserving natural resources, and safeguarding our planet.



### **Our Approach**

Protecting the environment and reducing the carbon footprint is top of mind for the long-term sustainability strategy of V-TIC. We notice that energy consumption during our operation is the main source of our carbon emissions, therefore, we continuously explore and adopt different innovations and initiatives to increase our energy efficiency and reduce energy consumption at offices and labs, both technically and behaviourally. We encourage employees to adopt energy-saving practices, such as switching off the lights when leaving the office, taking good control of air-conditioning and changing monitors and printers to eco mode. Additionally, we support our clients on their decarbonisation strategy through our own technology and innovations to advance the marine industry toward a zero-carbon future.









## Solar Energy in Houston Office

We installed solar panels in our Houston office, covering 60%-65% of the total power supply. We are targeting to achieve 100% solar-based power at the Houston office in the future, and we are exploring various supporting options, including battery storage. Renewable energy can be a critical approach to reach our long-term sustainability, and we are planning to apply solar energy to various office locations worldwide.



## **Energy Management & Emission Reduction**





### Sustainable Features of our locations

V-TIC believes in the environmental benefits brought by a sustainable location of the laboratories. We choose to locate our V-TIC Lab in a LEED Gold Certified building in Louisiana, which further demonstrate our commitment to environmental sustainability through the choice of operation locations.



## **Energy Management & Emission Reduction**





## **Our Performance & Highlights**







**~**80%

less energy consumption during night shifts in labs

### Scope 2 Emission: 546.12 tCO<sub>2</sub>e



## **Water Conservation**



## Water Conservation



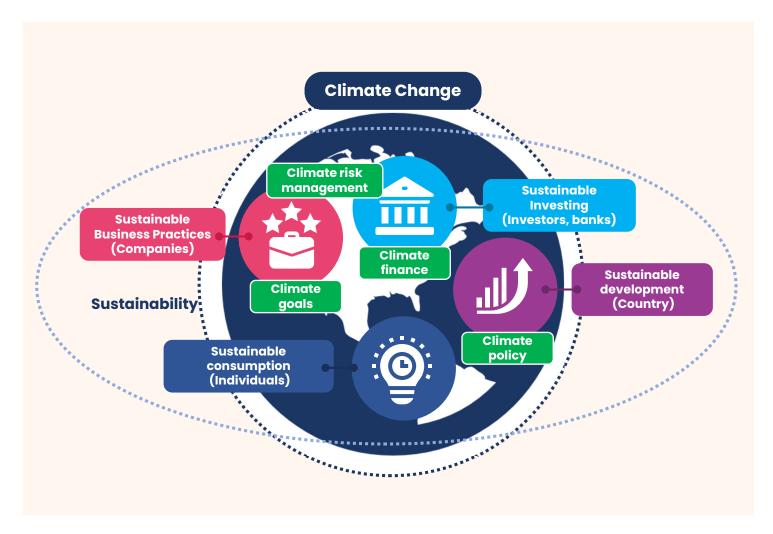




## **Sustainability Overview**



Sustainability is linked to every portion of our business, including operations, management, investment, relationships, and even future development. We noticed the linkage between the organization and society, and we are committed to implementing a more comprehensive sustainability roadmap.



This graphic presents the linkage between sustainability and climate change. There are some overlapping between the impact of climate change and sustainability, which shows that part of climate change can be addressed through a commitment to long-term sustainability goals, such as lower GHG emissions, and higher energy efficiency. Companies such as V-TIC, are mainly responsible for setting corporate climate goals to show their commitment to combating climate change, which would also contribute to countrywide climate policy and sustainability goals. Sustainable development also shows high potential in addressing other environmental issues, such as air and water pollution, deforestation, ocean acidification, lowered biodiversity, etc. V-TIC continues embracing long-term sustainability and supports worldwide sustainable development.



## **Additional Notes & Assumptions**





## **Direct Energy Consumption (GJ)**

Includes diesel and gasoline usage for company-owned vehicles and LPG usage for V-TIC offices and labs worldwide.



## Indirect Energy Consumption (GJ)

Includes purchased electricity and heating for V-TIC offices and labs worldwide



## Scope 1 Direct Emissions and Scope 2 Energy Indirect Emissions

GHG emissions are calculated via default conversion factors for fuel consumption and grid emission conversion factors for electricity consumption.

CO2 equivalent conversion factors (tCO2e) derived from US EPA Emissions & Generation Resource Integrated Database (eGRID), Singapore Energy Market Authority (EMA), Dubai Electricity & Water Authority, IGES Grid Emission Factor and UK Govt – Defra/BEIS.



### **Social Data**

The social data only include employees within the scope of V-TIC. It does not include any data related to third-party contractors.



