

SUSTAINABILITY STATEMENT

At Carimin Group of Companies (“Carimin” or “the Group”), we view sustainability as a strategic approach and an opportunity to add value to our business through the way we operate. The integration of sustainable practices into our operations has and would continue to be an integral part of our business agenda. We believe that espousing sustainability across the organisation will result in operational efficiency, long-term growth and create positive value for all our stakeholders. Our commitment is to initiate actions that will drive the responsible management of Economic, Environmental and Social (“EES”) sustainability.

Over the past two years, the world has experienced unimaginable hardships and losses due to the COVID-19 pandemic. Since the outbreak, our team has demonstrated resiliency, flexibility and dedication. Despite the unprecedented challenges brought about by the pandemic, we have remained resolute in our mission to invest in the communities where we operate, nurture our employees, fulfil our customers’ needs and manage our supply chain.



ECONOMY:

To boost our national and local economy and sustain market leadership in providing technical, engineering and support services within the oil and gas (“O & G”) industry



ENVIRONMENT:

To adhere to all pertinent environmental regulations and promote environmental protection



SOCIETY:

To foster long-term and meaningful relationships with our stakeholders, provide a healthy and safe workplace, grow with our business partners, contribute to the welfare of our community and serve our clients to the best of our ability



GOVERNANCE:

To demonstrate leadership and maintain trust through strong governance practices

Core Values

We believe that putting our values into practice will create long-term benefits for both shareholders and stakeholders.

- To take responsibility, accountability, ownership for work quality and accomplishments.
- To deliver customer satisfaction and identify improvements in our operations.
- To act with integrity, honest, transparent and confidentiality entrusted.
- To value and respect each other.

ABOUT THIS STATEMENT

This Sustainability Statement conveys the initiatives that have been undertaken by the Group, as well as our progress in implementing these actions, to demonstrate our commitment for adopting the best practices in sustainability.

Scope and Boundary:

This statement covers the entire operations of the Group as well as the entities where the Group holds a controlling interest or management control.

Reporting Period:

The reporting period spans from 1 July 2020 to 30 June 2021. Historical information collected from previous years is included to illustrate comparative data and trends.

Report Cycle:

One (1) year, coinciding with our Annual Report

Reporting Standards:

- o Principal Guideline: Bursa Malaysia Sustainability Reporting Guide (2nd Edition)
- o Reference Guideline: Global Reporting Initiative (“GRI”) Standards (Core option)

Feedback:

We welcome your feedback: biz@carimin.com

SUSTAINABILITY STATEMENT

(Cont'd)

MATERIALITY MATTERS

We perform materiality assessments to determine the Group's key sustainability focus areas and to ensure that the identified sustainability issues reflect the current status of our business.

Materiality Assessment and Review

In a meeting attended by the senior management and Heads of Department ("HODs"), we reassessed our sustainability matters based on the following process:



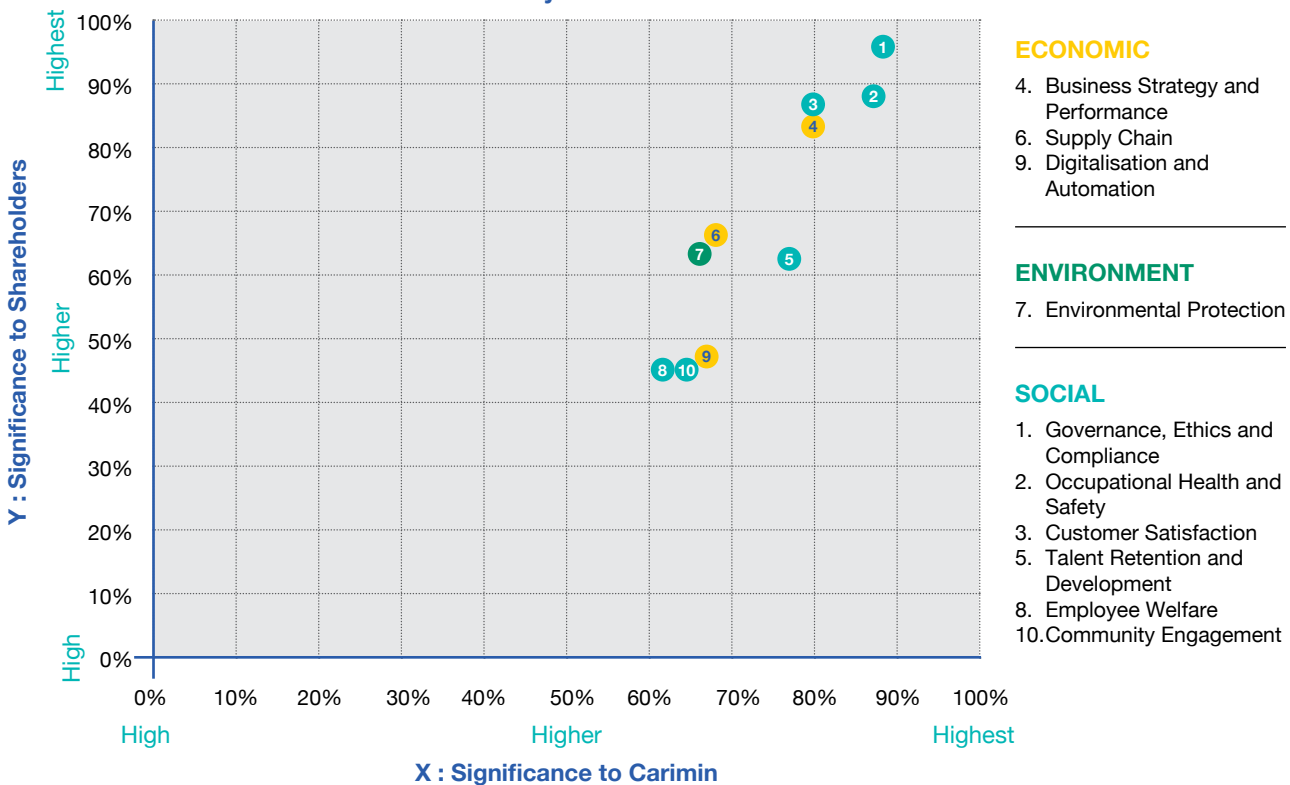
The most notable stakeholders were identified, and the material EES sustainability themes were ranked according to their significance. At the same time, our stakeholders were requested to score the themes according to their perceived importance to ensure that their views are taken into account. The results were plotted on a matrix to display their relative importance. The result was passed on to the Sustainability Committee ("SC") for feedback, confirmation and validation.

This report focuses on the issues that are presently deemed most significant by our stakeholders. We conduct a materiality assessment every year to make sure that any changes in our business and the external environment are reflected accurately.

Materiality Matrix

The diagram below depicts the results of our materiality assessment. The issues ranked in the upper right-hand quadrant are those that are considered most significant by both the Group and the stakeholders. Our materiality assessment identified ten (10) material EES issues. The top four (4) priority aspects are Governance, Ethics and Compliance; Occupational Health and Safety; Customer Satisfaction; and Business Strategy and Performance, which are closely linked to the core nature of our business. We have replaced Cybersecurity with Digitalisation and Automation, and Employee Diversity with Employee Welfare, as these issues are gaining more relevance particularly because of the pandemic. Our activities do not significantly impact the community as we do not operate in highly populated areas.

Materiality Matrix 2021



SUSTAINABILITY STATEMENT

(Cont'd)

STAKEHOLDER MATTERS

Each stakeholder group exerts a different level of influence and impact on our operations. Some stakeholders are critical to our business strategy and are part of our growth and sustainability efforts. Nevertheless, we maintain dialogue and engage with all of our stakeholders in various ways throughout the year to understand and attempt to meet valid and reasonable expectations promptly.

The table below shows the stakeholders that we engage with, their concerns, our responses and the mode and channels of engagements.

Stakeholder Groups	Concerns	Response	Engagement Channels
Shareholders/ Investors	<ul style="list-style-type: none"> - Fiduciary Duties - Ethics & Transparency - Timely Information Disclosure - Economic Performance 	<ul style="list-style-type: none"> - Good Governance Best Practices - Bursa Compliance - Business Strategy 	<ul style="list-style-type: none"> - Website information update - Annual General Meetings (“AGM”) and Extraordinary General Meetings (“EGM”) - Financial updates
Bankers	<ul style="list-style-type: none"> - Business Strategy & Economic Performance 	<ul style="list-style-type: none"> - Strategic Capital Management & Financial Management 	<ul style="list-style-type: none"> - Meetings - Annual reviews
Employees	<ul style="list-style-type: none"> - Health & Safety - Career Development - Job Security - Remuneration & Benefits 	<ul style="list-style-type: none"> - Occupational Safety and Health Act (“OSHA”) 1994 Compliance - Education & Training - Succession Planning - Pandemic Standard Operating Procedures (“SOP”) 	<ul style="list-style-type: none"> - HSE meetings & conferences - Career management - Performance reviews
Customers	<ul style="list-style-type: none"> - Service Quality - Health, Safety & Environmental (“HSE”) Compliance 	<ul style="list-style-type: none"> - ISO Certification - HSE Performance Goals - Pandemic SOP 	<ul style="list-style-type: none"> - Project planning & Coordination - HSE meetings, conferences & mentorships
Community	<ul style="list-style-type: none"> - Community Welfare & Engagement 	<ul style="list-style-type: none"> - Local Hiring and Sourcing - Community Outreach Activities 	<ul style="list-style-type: none"> - Local recruiting and hiring - Corporate Social Responsibility (“CSR”) Activities
Government	<ul style="list-style-type: none"> - Compliance 	<ul style="list-style-type: none"> - Regulatory Compliance - Maintain Legal Register - Compliance Training 	<ul style="list-style-type: none"> - Regulatory seminars - Updating of permits & licenses
Suppliers/ Contractors	<ul style="list-style-type: none"> - Health & Safety - Ethics & Transparency - Lockdown Impacts 	<ul style="list-style-type: none"> - Fair accreditation - OSHA Compliance - Anti-Corruption and Bribery (“ABC”) Policy - Introduction of remote work and digital sharing of documents 	<ul style="list-style-type: none"> - Accreditation procedures - Safety & Health awareness training & discussions - ABC policy awareness - Video conferencing & chat messages

SUSTAINABILITY STATEMENT

(Cont'd)

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“SDGs”)



Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda aims to focus global efforts and attention on 17 pressing issues. While the overall responsibility lies with national governments, the SDGs cannot be achieved without a concerted effort from businesses and other organisations.

Our main contribution to SDGs is by providing services that support O & G sustainable development. The mapping below identifies the areas of our business and operational activities that demonstrate our commitment to achieving SDGs.

UNSDGs	The Group Contribution
	<p>Goal 3. Ensure healthy lives and promote well-being for all at all ages.</p> <ul style="list-style-type: none"> > The Group does not tolerate any form of harassment in the workplace. > Provide employee health benefits, sports and recreational activities, compassionate leaves, maternal and paternal leaves > Reduce Occupational risks
	<p>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <ul style="list-style-type: none"> > Invest in workforce education, training, and technical programmes
	<p>Goal 5. Achieve gender equality and empower all women and girls</p> <ul style="list-style-type: none"> > Uphold the practice of equal opportunity to its employees, customers, suppliers and other stakeholders
	<p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <ul style="list-style-type: none"> > Conduct skills assessment and communicate reasonable expectations > Foster productive local employment and workforce development > Encourage local procurement and supplier development > Received ISO 9001 Certification
	<p>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <ul style="list-style-type: none"> > Upgrade infrastructure and technology as well as enhance technological capabilities
	<p>Goal 12. Ensure sustainable consumption and production patterns</p> <ul style="list-style-type: none"> > Practice environmentally sound waste management and recycling activities
	<p>Goal 14. Conserve and sustainably use oceans, sea and marine resources for sustainable development</p> <ul style="list-style-type: none"> > Incorporate environmental assessments into management plans > Implement accident prevention, preparedness and response
	<p>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> <ul style="list-style-type: none"> > The Group Policies address Courtesies, Conflicts of Interest, Related Party Transactions, as well as Bribery, Corruption and Business Ethics. > Conduct stakeholder engagement between the public and private sectors.

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY GOVERNANCE

We recognise that effectively embedding sustainability into our business operations requires a sound governance structure that inculcates a culture of sustainability within the Group.

SUSTAINABILITY COMMITTEE ("SC")

Our sustainability governance structure consists of two tiers: the Board and the Sustainability Committee.



The Board of Directors ("Board") oversees the Group's sustainability strategies and empowers the SC to carry out their duties. The SC reports to the Board as to the status and sustainability performance of Carimin.

Headed by the COO, the SC assists the Board in performing their oversight responsibilities over the Group's sustainability policies and practices. The SC is composed of Managers and HODs. They implement, monitor and improve on the implemented sustainability initiatives to enhance the Group's sustainability performance. The SC also assesses the progress of the sustainability measures and reports their findings to the Board.



BUSINESS ETHICS AND ANTI-CORRUPTION

Exemplary ethical standards form the basis of our core values of respect, responsibility, integrity and trust. We expect all of our employees and partners to abide by all applicable laws, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. All business transactions of the Group are performed in accordance with the Group's Code of Conduct and Business Ethics ("our Code") and Anti-Bribery and Corruption Policy ("ABC Policy"). Moreover, we are constantly keeping pace with the changes in sustainability best practices and are ready to adopt or update our policies as appropriate.

Management and Monitoring:

We have established a rigorous set of implementation procedures to ensure compliance with our policies. All employees upon hiring are subject to an induction session, and all business partners upon accreditation as part of our supply chain are duly informed about the Group's policies. They are required to affirm their understanding and acceptance to the Group's Code and ABC policies with signed confirmation. In addition, all relevant operations are monitored regularly to ensure check and balance controls are in place and continue to be effective against incidents of corruption and bribery. To strengthen this aspect, the Group has engaged a Head of Corporate Compliance and Control to be on the Management team during the financial year.

Grievance Channel:

The Whistleblowing Policy provides a platform where all stakeholders can report grievances and actual or suspected incidents of misconduct. The process of making a confidential report is detailed in the policy guidelines and published on our corporate website.

SUSTAINABILITY RISK MANAGEMENT

The Board considers ESG risks as part of their fiduciary duties and that long-term financial returns are best achieved by operating sustainably. The Group formed a Risk Management Committee as a Board Committee. The Committee primarily oversees the enterprise risk management practices within the Group. They ensure that a robust and sound risk management framework is in place, so that the best practices in risk management can be implemented. The Company also conducts corruption risk assessments to identify bribery and corruption risks, set anti-bribery and corruption objectives and assess the effectiveness of existing strategies for achieving those objectives.

SUSTAINABILITY STATEMENT

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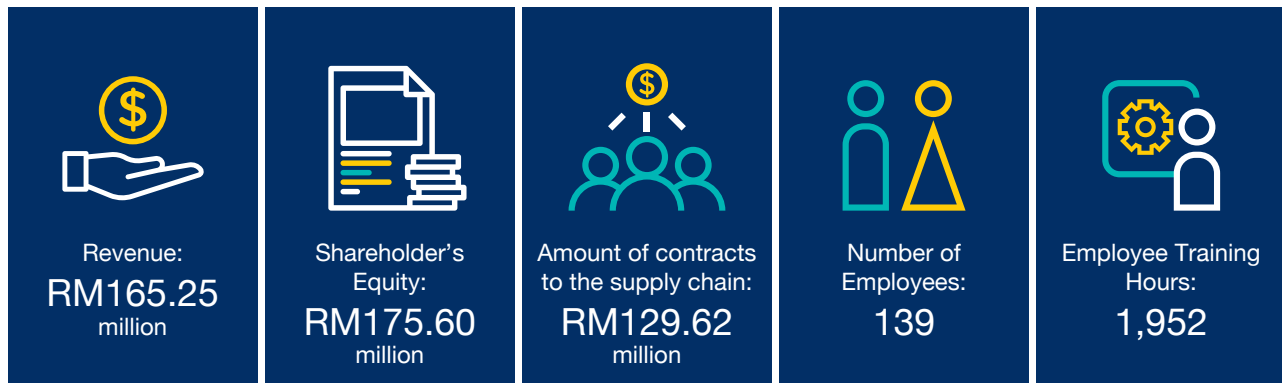
ECONOMY

The economic aspect is an essential component of Carimin's long-term growth and is thus rated as a high priority in our material matters. Although the O & G industry has to contend with the constantly shifting economic global climate, we remain steadfast in implementing business strategies to contribute to the sustainable economy.

The O & G industry has, in many ways, been identified as an essential sector under our national economic development programmes. Within this ecosystem, Carimin has established a niche of services in supporting the driving forces of the O & G industry. The Group has identified Business Strategy & Economic Performance as our economic indicator. We apply sustainable business strategies to realise profitability, expand our business, compete with peers, and strive to ensure compliance.

As concerns about climate change and greenhouse gases (GHG) are growing, there is an accelerating shift towards renewable energy and reducing GHG emission. In view of this, Carimin's business strategies and operations are constantly reviewed and realigned to remain relevant.

FY2021 Economic Impacts:



Ongoing Projects:

- Provision of Maintenance, Construction and Modification (Package C - Offshore) Peninsular Malaysia Oil ("MCM");
- Provision of Integrated Hook-Up and Commissioning ("iHUC") Services (Package C- SKG);
- Provision of Mechanical and Piping Maintenance Services for Labuan Crude Oil Terminal ("LCOT")

Contracts Secured:

- Provision of one (1) Self-Propelled Accommodation Work Boat (AWB3 - 150 PAX) for September 2020 Sarawak (SK) Turnaround (TA);
- Provision of Anchor Handling Tug Supply Boat for Petronas Carigali Sdn. Bhd. (AHTSB1032);
- Provision of Accommodation Work Boat (AWB) for Petronas Carigali Sdn. Bhd. (AWBOAT1019);
- Extension for the Provision of Mechanical and Piping Maintenance Services for Labuan Crude Oil Terminal ("LCOT")

Direct Economic Impact

The Group's direct economic contribution is measured in terms of income generation, contracts awarded to the Group, service contracts awarded to our supply chain, employment creation, and taxes generated. The investment we inject to grow and improve our business and services also contributes to economic growth.

Indirect Economic Impact

Our indirect impact is the value added to the Malaysian local and national economy. The effect of midstream investment and expenditures of the O & G support operation sector has a significant and beneficial economic impact over the decades. The number of skilled jobs created and spending through the supply chain is long term. Our partnership with stakeholders contributed to the increased number of local workers who are given training opportunities for relevant job scopes. We have contributed to the local supporting industries and communities in the locations where we have performed our contract and works over the years.

SUSTAINABILITY STATEMENT

(Cont'd)

HEALTH SAFETY AND ENVIRONMENT (“HSE”)

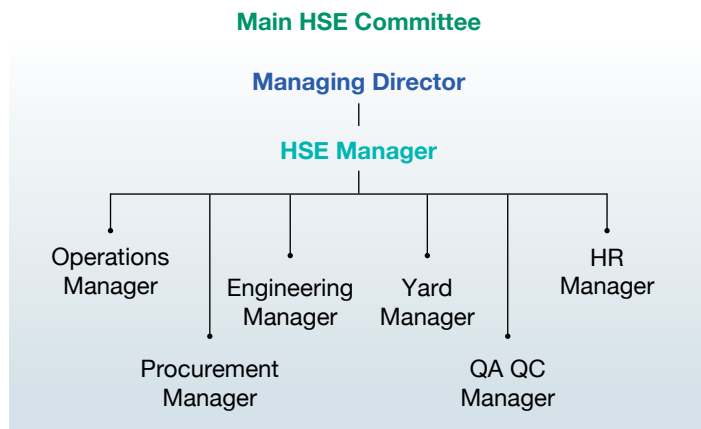
At Carimin, we embody sustainable excellence in all activities and services. In every aspect of our business and operations, we strive to achieve beyond the minimum regulatory requirements, at all times keep our personnel’s safety and wellbeing and to conserve and preserve the environment.

The Group adopts an integrated HSE management system and processes in one complete framework. The unified approach entails developing systematic practices to HSE compliance, including waste management, removal or reduction of dangerous pollutants and activities that reduce the risk of injuries for all employees.

HSE COMMITTEE

Main HSE Committee

The Main HSE Committee was established as the central body responsible for all employees and environmental protection, and operational health and safety. The committee comprises heads of department, headed by the HSE manager and chaired by the managing director, who is also a member of the Board. The committee review protocols, develop strategies, make recommendations, and monitor operational activities to ensure that all legislation is complied with and necessary measures are taken to prevent accidents, create a safe working surrounding and protect the environment. The HSE committee reports the status of the Group’s HSE to the SC.



Project Safety Committee

A project safety committee is present in all Carimin operations, and the committee consists of the chairman, officers, and members, including contractors and subcontractors. The committee meets weekly, and the chairman submits to the HSE general manager monthly, quarterly and annual HSE performance.

HSE POLICIES

The Group HSE policy applies to all employees and business partners. We have also created supplemental policies to address all safety and health issues associated with our sector. These policies target health and work issues that specifically affect our daily operations. Please refer to our website for HSE policies.

1



Driving Policy

2



Statement Stop Work Policy

3



Housekeeping Policy

4



Drug and Alcohol Policy

SUSTAINABILITY STATEMENT

(Cont'd)

HSE PROMOTION PROGRAMMES

Rewarding Positive Behaviour:

To highlight the emphasis placed by management on this aspect of the business operations, incentive programmes have been introduced to motivate employees. This encourages employees to identify hazards, intervene and report any unsafe act and unsafe conditions.

HSE Incentive

- BEST Unsafe Condition Unsafe Act (“UCUA”)
- MOST UCUA
- HSE Best Personnel Performance



Presentation of token of appreciation; Best Workers, Best Safety and two (2) UCUA

Incident Reporting and Communication:

All injuries are reported promptly as prescribed within the reporting structure of the Company. The reported incidents are investigated to determine the potential severity and probability of occurrence. HSE breaches are taken seriously, and appropriate actions are taken, including employee or contractor dismissal who has frequently been errant or has committed a serious offence.

U-SEE U-ACT is a programme that allows us to mitigate human errors in our accident/incident prevention efforts before these errors could result in accidents. Observers can take immediate corrective actions and make suggestions. The process is not punitive in nature, and no names are mentioned in the reports submitted by observers. Additionally, standardised safety signs are placed to warn employees about potential dangers and the need for precautionary measures. All safety signs are displayed prominently at the entrances and/or workplace for reference.

Job Hazard Analysis (“JHA”):

The JHA is used to examine all the possible hazards and risks that can arise from a specific current or future event and/or operations. The analysis identifies methods for eliminating or mitigating those risks. Prioritised for assessment are jobs that historically incur more accidents, produce higher rates of injury, and pose more significant risks. Evaluations are conducted by the supervisor in charge and are then reviewed and endorsed by the HOD or Project Manager.

Emergency Response Plan (“ERP”) and Emergency Response Team (“ERT”):

The ERP specifies the general responsibilities and duties of the ERT during an emergency and potential emergency. The purpose of the plan is to ensure that a system is available to summon and direct emergency services and personnel to minimise the risks to people on-site, the local community, the environment and asset preservation in the event of an emergency. It is also to ensure that sufficient resources are maintained in the state of readiness to give adequate response for the control of emergencies.

SUSTAINABILITY STATEMENT

(Cont'd)

COMPETENCY AND TRAINING

To implement an effective and efficient HSE management, the Group has created customised training programmes for employees and contractors based on their work scope and responsibility. These training are updated as necessary.

- *Internal Training* is a structured working practice for raising awareness and a better understanding of the work environment to ensure that employees are well trained in executing their respective job responsibilities in projects.
- *External Training* focuses on teaching the basic knowledge of lifesaving appliances and survival techniques. This training is required for employees and subcontractors working onshore and offshore.
- *Manager/Supervisor Training* is conducted to highlight the worksite environment and HSE training.
- *Refresher courses* are organised at required intervals.

For FY2021, we have conducted 1,328 hours of external HSE training certifications and special courses for 206 contractors, vendors, and employees. The training is conducted utilising Offshore Petroleum Industry Training Organisation (OPITO), the global industry standard in oil and gas safety, skills, and competence, the government and third-party organisations.

ENVIRONMENT

Carimin's business activities are mainly at the Upstream sector of the O & G industry, where we are involved in the provision of technical and engineering support services. Hence, our waste generation is deemed low while energy and water consumption are also minimal. Given the nature of our business, risk or loss of biodiversity is not within our domain to address. In terms of climate change, our impact is limited to energy use which is not extensive. Nevertheless, we have incorporated in our Code and established an environmental policy that extends to our supply chain and partners committing to:

- Environmental communication and continuous education of our employees and partners
- Compliance with environmental laws, codes, standards and contractual requirements
- Allocate resources and persons responsible for protecting land, water and air
- Prevent any pollution and production of waste
- Conserve our resources and properly dispose of all hazardous and waste products
- Efficient use of all forms of energy consumption

Waste Management

Consistent with our environmental policy to prevent any pollution and production of waste, we have put in place procedures to manage our waste based on the requirements by the Department of Environment ("DOE"). Waste generated from our operations is handled and disposed by licensed contractors covering activities for transportation of waste from our premises to proper treatment until discharge notification is received.

Scheduled or Hazardous Waste:

All hazardous wastes are labelled with their contents, hazard warning and safe handling. All containers for storing hazardous chemicals are marked with standard warning signs following internationally accepted standards. Controlled materials have Safety Data Sheets ("SDS"), which serve as a guide for its safe use. It provides valuable information, such as the warning levels, the hazards of exposure to these chemicals, and information on handling, storage, preventive and emergency measures.

General Waste:

The non-scheduled waste that we generate is industrial, domestic and office waste. The industrial waste, which consists of ferrous metals from construction and fabrication projects, would be segregated for disposal or to be recycled by registered metal recycling companies.

HSE Audit and Inspection:

The effectiveness of our HSE initiatives is measured through an HSE audit and inspection. This process identifies programmes that require corrective action and those that deserve commendations. An annual audit is conducted, whereas quarterly inspections are carried out by the respective line supervisors. Daily checks are also performed prior to work commencement, where each worker is responsible for inspecting the tool, equipment or machinery they operate.

HSE COMPLIANCE AND PERFORMANCE



SUSTAINABILITY STATEMENT

(Cont'd)

HSE COMPLIANCE AND PERFORMANCE (CONT'D)

The following HSE main regulations govern our operations.

Employment Act 1955 & Regulations	Occupational Safety & Health Act 1994 & Regulations
Petroleum (Safety Measures) Act 1984	Atomic Energy Licensing Act, 1984
Factories & Machinery Act 1967 and Associated Regulations	Environmental Quality Act 1974 & Associated Regulations
International Safety Management (“ISM”) Code for the Safe Operation of Ships and for Pollution Prevention	DOE Guideline for decommissioning of Oil & Gas Facilities in Malaysia
Local municipal and enforcement authorities	HSE Rules/Guidelines – According to Customer Requirements

HSE Indicators

The table below shows our HSE performance and indicators. The waste generation and energy consumption period follow the calendar year, 1 January to 31 December. In comparison, the HSE statistics are according to the Group’s annual year-end reporting, including the employees and contractors.

PERIOD	Fatality	Total Man Hours Worked	Total Man Hours Worked/ Since 2009	Total Safe Man Hours Worked	Total Safe Man Hours Worked/ since 2009
FY2021	0	1,872,491	19,594,566	1,872,491	18,059,273
FY2020	0	1,996,291	17,722,123	1,996,291	16,186,830
FY2019	0	2,732,285	15,725,832	2,732,285	14,190,539

PERIOD	*LTI Target	LTI Performance	**LTIF Target	LTIF Performance	Work Related Fatalities	Environmental Spill
FY2021	0.25	0	0.15	0	0	0
FY2020	0.25	0	0.15	0	0	0
FY2019	0.25	0	0.15	0	0	0

*LTI: on-the-job accident that resulted from an employee being absent from the workplace for a minimum of one full day work day

** (LTIF) Lost Time Injury Frequency: Total LTI Case X 1,000,000/Total man hours exposed

WASTE GENERATION (Tons)

PERIOD (Jan – Dec)	Telok Kalong Yard (TKY)			Vessels			
	Recycled Metal	General Waste	Scheduled Waste	Recycled Metal	General Waste	Scheduled Waste	Oil Spill
2021	5	100	0	0.2	6.7	7	NIL
2020	20	130	31	2.8	27.8	32.7	NIL
2019	10	150	3	1.4	69	97.3	NIL

ENERGY CONSUMPTION

PERIOD	Vessels Marine Gas Oil/ Litres	Electricity at TKY/ kWh	Fuel at TKY/ Litres		Electricity at Kuala Lumpur Office (KLO)/ kWh	Travel (company car petrol consumption)/ Litres
			Diesel	Petrol		
FY2021	1,401,963	82,949	2,011	364	11,4920	1,771
FY2020	3,248,655	183,658	6,118	719	236,266	4,092
FY2019	5,929,027	222,501	11,417	2,143	184,824	10,277

SUSTAINABILITY STATEMENT

(Cont'd)

EMPLOYEES

Company Philosophy on Human Resources

The management of Human Resource of the Company is based on promoting excellence and efficiency. We believe that human capital is the most valued and important resources and that every employee's potential, creativity, integrity and skill shall be treated with appropriate empathy, dignity, respect and reward.

TALENT RETENTION AND DEVELOPMENT

We realise our Vision by exposing our team to numerous learning opportunities and enriching their work experiences. We design different development programmes that are implemented throughout the employee tenure. The scope of these training is not limited to the skills that they need for their current job but also for gaining competence for career advancement.



Training Programmes:

Our training programmes consist of external and internal training. Supervisors and managers conduct internal training for new hires, new contractors/vendors and current employees who are assigned to new roles or responsibilities. By contrast, external training is carried out by a third-party service provider and also Government Agencies.

The Group has established training standard operating procedures ("SOPs") to identify appropriate training needs.

The Employee Needs Analysis ("ENA") is a process that assists an employee in identifying the areas where they can improve their performance and address any weaknesses. In contrast, the Training Needs Analysis ("TNA") is a process by which skills, proficiency, knowledge and attitude can be upgraded. The HODs determine these training during the recruitment process and annual appraisals. They also make the necessary adjustments based on the business plan, changes in customer specifications and regulatory policies.

The HODs submit yearly training plans and budget proposals, and all training attended by the employees are evaluated for their effectiveness to ensure optimal results. The COVID-19 pandemic persisted during the financial year under review. Given that the lack of essential skills is a potential threat to our organisation's growth, we transitioned from in-person to online training.

The table below shows the list of training completed in FY2021. The external health and safety training are certified career-enhancement programmes that will prepare employees for careers dedicated to the O & G industry.

TRAINING AND DEVELOPMENT		
Topic: Description	Number of Hours	Number of Attendees
Basic, Certification and Special Courses Training: Offshore Petroleum Industry Training Organisation (OPITO) / Basic Offshore Safety Induction and Emergency Training (BOSIET)	792	32
Safety & Health Assessment Implementation	32	2
Safety and Health Assessment System in Construction (SHASSIC)	32	2
Compliance Briefing: Code of Conduct and Business Ethics	552	138
Scheduled / Hazardous Waste Compliance	32	8
Effective Contract Preparation	64	4
Supply Base Customs Operation Seminar	8	1
PERMIT TO Work (Level2 Training)	408	17
Assistant Medical Review Officer (AMRO)	32	2
Total	1,952	206

SUSTAINABILITY STATEMENT

(Cont'd)

TALENT RETENTION AND DEVELOPMENT (CONT'D)

Remuneration and Benefits

Our policies on fair remuneration, employee benefits, working days and hours are all in accordance with the living wage standard. Carimin complies with the Employment Act 1955 and provides the proper compensation and benefits mandated by Malaysian labour laws. Our employee salary exceeds the national minimum wage standard. The Group offers competitive packages, incentives, bonuses and salary increments based on performance. Employees can also avail of the Group Personal Accident ("GPA") and Group Hospitalization & Surgical (GHS) Insurance, dental and medical compensation, and outpatient medical allowance for the employees' family members.

For any overtime work carried out on top of normal working hours, an employee is remunerated according to the Employment Act 1955. Additional compensation and benefits are awarded for offshore workers, business trips and other out-of-the-office assignments. Employees are entitled to paid sick, annual, compassionate and parental leaves.

EMPLOYEE WELFARE AND WELLBEING

Working Hours:

The working hours of employees follow the national and O & G standards as well as the Employment Act 1955. At the headquarters, the working hours follow the national standard. Meanwhile, at the yards in Telok Kalong, Kemaman, days off are set on Fridays and Saturdays as it is located in the state of Terengganu where the work days are Sunday to Thursday. Working hours in offshore and onshore worksites are based on the operations with a maximum ceiling hour worked per day. An employee who performs his duty offshore for four (4) consecutive days is entitled to a one-day leave for rest and recreation or to disconnect from work.

Gatherings and Celebrations:

The Group has implemented a peer support initiative, which encourages work-life balance through recreational, sports and social activities such as celebrations of seasonal holidays and rental of badminton & futsal court fully subsidised by the Company. However, these activities were temporarily suspended during the year under review to curb the spread of COVID-19.

Malaysia is composed of multicultural and multi-religious demographics, and we are proud to be part of the celebration of many traditional and cultural holidays that honour religious, racial and ethnic diversity. Given that employees who are celebrating such holidays usually must return to their hometowns, they are permitted to take extended leaves where applicable. Their colleagues take over their tasks during their absence. To restrict the spread of COVID-19, gatherings and office parties were suspended during the pandemic period.

Workplace Health and Safety:

The Group strives to provide a safe and healthy workplace. We condemn all forms of sexual harassment, bullying and abuse of power. The Group has provided an avenue where all employees can raise concerns. The employee induction course includes a compliance briefing on the Code of Conduct, Business Ethics, Anti-Corruption and Bribery, Whistleblowing and other policies, rules and regulations. The Company maintains an Employee Handbook that is accessible to all employees for them to refer as well as a dedicated Human Resource Department to support employees if they wish to seek clarification or advice.

COVID-19 Measures

In response to the potential impacts of the COVID-19 pandemic on our business, we had immediately implemented emergency actions and facilitated the necessary changes in our work practices and organisational arrangements as per our SOP and Preparedness Plan for COVID-19. We adopted safety protocols and measures under the advisement of the Ministry of Health ("MOH") and the Ministry of International Trade and Industry ("MITI") for the safety of our employees.



Employees are mandated to wear masks, sanitise their hands, and have their temperature checked prior to entering the work premises. PCR tests, quarantine and disinfection of offices are carried out to prevent the spread of COVID-19. Carimin supports the use of the MySejahtera App to assist in monitoring the COVID-19 outbreak in the country. The app collects useful data that would aid the Group and the Government to plan timely and effective countermeasures.

SUSTAINABILITY STATEMENT

(Cont'd)

WORKFORCE DIVERSITY

To value and respect, each other

We uphold equal opportunity for all employees and recognise that our continued success is due to the unified strengths of our employees. Our Code of Conduct and Business Ethics espouse equal employment opportunity and non-discrimination in relation to gender, ethnicity or race, age and nationality at the workplace.

Advocating for diversity is consistent with our Mission to 'increase our stakeholder value'. We believe that by having employees from diverse backgrounds, we are able to improve our creativity, innovation and decision making. Our support for diversity and inclusivity also strengthens our reputation amongst our peers and is a quality that attracts good talent. We are exerting efforts to promote gender equality. Nonetheless, given the nature of the work associated with the O & G industry, males comprise the majority of our employees.

	FY2021	FY2020	FY2019
Age Composition			
20-30 yrs. old	38 (27.33%)	46 (33.82%)	56 (42.8%)
31-45	76 (54.67%)	69 (50.73%)	57 (43.5%)
46-60	25 (17.98%)	21 (15.44%)	18 (13.7%)
Total	139	136	131
Gender Distribution			
Male	104 (74.8%)	95 (69.85%)	86 (65.6%)
Female	35 (25.17%)	41 (30.14%)	45 (34.4%)
Ethnic/Nationality Distribution			
Malays	135	131	126
Other Ethnic Minorities	3	4	4
Non-Malaysian	1	1	1
New Employee Hires 2021			
Male	5	29	18
Female	4	3	10
Employee Turnover 2021			
Male	7	12	9
Female	8	3	4

Employee Retention by Gender					
PERIOD	2021		2020		2019
Gender	Male	Female	Male	Female	Male
Turnover	7	8	12	3	9
Newly Hired	5	4	29	3	18

Employment Contracts FYE2021		
	Number	Percentage
Permanent Employees	43	30.9%
Fixed-term Contract Employees (as at FYE2021)	96	69.1%
TOTAL	139	100%



Workforce by Employment Level and Gender Distribution						
PERIOD	2021		2020		2019	
Gender	Male	Female	Male	Female	Male	Female
Executive Directors	3	0	3	0	3	0
Management	20	1	16	1	17	1
Executive	18	16	9	16	11	21
O & G Professionals	50	2	55	1	40	2
Non-Professionals	13	16	17	18	19	17
Sub Total	104	35	100	36	90	41
Total	139		136		131	

SUSTAINABILITY STATEMENT

(Cont'd)

CUSTOMER

Our customers rank high in priority amongst our stakeholders. Our commitment is to give them satisfaction and exceed beyond their expectations at all times.

QUALITY

To ensure that our customers receive good quality, we have established a Quality Policy and have obtained the Quality Management System (“QMS”) ISO 9001:2015 certification, indicating that our products and services are at par with international quality standards. This certification attests that we have undertaken consistent actions in satisfying our customers’ quality requirements, abiding by regulatory conditions, enhancing our competencies and investing in systems that will improve efficiency. These strategies have enabled us to deliver reliability towards sustainable growth.

The QMS organisational structure displays the leadership hierarchy and those commitments that must be fulfilled at every level. This structure defines the specific departments, positions, responsibilities, authority and interrelation of the personnel who will manage and verify the quality of our service.

CUSTOMER SATISFACTION

We monitor the customers’ perception through the Customer Satisfaction Survey (“CSS”), which is the platform where customers can file complaints and provide feedback. The CSS is accomplished by interviewing a representative sample of our customers about the products or services that we have delivered. All complaints and feedback that are gathered through meetings, emails and verbal communications are recorded, compiled and analysed for corrective measures and further quality improvement.

Digitalisation and Automation

Digitalisation and automation have been one component of our future business strategy, but it was not our top priority. However, COVID-19 has made us realise that we have to bring forward the digitalisation and automation of our business and operations. We have carried out solutions such as remote working, digitally sharing documents, videoconferencing, and chat messages during the pandemic. We plan to automate our operations and make the necessary changes to upgrade our IT infrastructure and train our employees to digitally adapt the way we conduct business, collaborate and engage with our suppliers, vendors and customers.

We abide by the Malaysian Personal Data Protection Act 2010 (“PDPA”), which mandates the protection of the private data of our customers, employees and business partners. We have adopted the best practices in establishing our privacy and security controls. Our data protection practices ensure secure usage in and out of the system, and every user is held accountable for their actions to deter unauthorised user behaviour.

SUPPLY CHAIN

The sustainability of suppliers, vendors and contractors is vital in ensuring the efficient delivery of our services. As such, our supply chain partners are seamlessly integrated into the operations. Our practices are consistently evaluated, and the performance of vendors is closely monitored to identify areas for improvement and conformity that can be addressed in subsequent plans.

POLICIES AND PROCEDURES

The Group’s Code and other policies, including our HSE policies, ABC policy and Whistleblowing policy, are extended to the supply chain. These guidelines will reinforce our Vision and Mission statement amongst our business partners as we collaborate towards mutual growth and success. As part of our process, accredited suppliers and contractors are provided copies of our policies. They are duly advised of the procedures relevant to their roles and responsibilities. We also require our suppliers to sign an integrity declaration and comply with HSE regulations, rules, orders and other associated legislation.

The risk control measures are implemented, and areas for improvement are regularly addressed. All vendors and suppliers are subject to HSE and ethical training and monitoring. Our Code is instilled into our purchasing personnel through training and awareness programmes. Only the best practices and the highest standards of behaviour and integrity are expected of them when conducting business. Any supplier who might wish to raise concerns or disclose any improper conduct may use the whistleblowing platform.

SUSTAINABILITY STATEMENT

(Cont'd)

POLICIES AND PROCEDURES (CONT'D)

Vendor Performance

Measuring and evaluating performance is an opportunity to drive supplier improvement particularly in the area of cost management and efficiency. All non-compliance and HSE incidents are reported to the corresponding supervisor/HOD, who then investigates the case to determine its severity and prevent its reoccurrence. HSE and quality compliance are monitored through vendor performance reports to identify performance gaps and formulate solutions. Review questions vary based on the type of products or services supplied by the vendors, and the ensuing penalty depends on the severity of the non-compliance incident. In some cases, meeting with the vendor to highlight issues, discuss the problem and collectively agree on a solution or corrective action is sufficient to address non-conformity.

To continually improve our supply chain management, moving forward, we will incorporate more social and environmental aspects in the performance assessment of our vendors.

COMMUNITY

Carimin is privileged to belong in the O & G sector, which plays a major role in driving the Malaysian economy forward. We believe that it is our corporate responsibility to provide first-rate products and services and to always improve our performance. We integrate in our business strategies community investments to support the development of the communities where we operate and the nation as a whole through the positive impacts of our operations.

Our community commitments

We integrate CSR activities as part of our organisation by:

- *Developing and participating in community programmes that can enhance the quality of life especially to those related to healthcare, education, sports and environment;*
- *Protecting the health and safety of all individuals affected by our activities by providing safe and healthy working environment; and*
- *Actively managing the environmental impact in all our operations and activities.*

ENHANCING LOCAL CONTENT

Our actions which contribute to the growth of the O & G industry also generate opportunities for smaller companies to develop and for community members to be employed.

Local hiring is one of our major contributions. We sustain the local economy by hiring fellow Malaysians and training them to enhance their skills and capabilities. There is only one foreigner amongst all our employees. Our Labuan and Kemaman yards employ a yearly average of 76 semi-skilled and unskilled workers from the local community.

Local sourcing is prioritised in Carimin. All of our contractors and subcontractors are Malaysian companies that specialise in the O & G sector. Whenever possible, we would engage local partners located within or near the area where we operate who share our values and standards on safety, diversity and environmental protection.

COMMUNITY OUTREACH INITIATIVES

Philanthropic Activities

Carimin collaborates with various Non-Governmental Organisations and community groups to develop harmonious and lasting relationships with the communities where we operate. In 2021, our community welfare initiatives were focused on relief work for underserved groups affected by the pandemic.

The Group collaborated with local community groups such Pusat Pungutan Zakat Wilayah Persekutuan ("PPZWP") and University Malaysia Terengganu. Carimin encourages employees to participate in activities that contribute to society. However, to help curb the spread of COVID-19 only one volunteering activity was conducted.

SUSTAINABILITY STATEMENT

(Cont'd)

COMMUNITY OUTREACH INITIATIVES (CONT'D)

Philanthropic Activities (Cont'd)

PROGRAMME OBJECTIVE	BENEFICIARIES
Provide funds for Surau & Learning Area Extension	Maahad Tahfiz Al-Quran Pengkalan Damar, Kuantan, Pahang
Food donation to families affected by the COVID-19 pandemic	50 x Asnaf people/B40 (lower income bracket), PPR Gombak Setia area
Provide funds to the business owners under B40 category that was badly affected by COVID-19	10 small business owners
Food donation drive	100 Asnaf family/B40 Kemaman Area



Left to right: Contributions to the low-income groups during the pandemic; provision of funds to small businesses affected by the pandemic; Carimin employee volunteers, in collaboration with University Terengganu, Kemaman, distributed Hari Raya goodies

ON THE JOB TRAINING

Our internship programme offers eligible students from local universities the opportunity to acquire direct practical experience. The hands-on programme teaches skills, knowledge, and competencies needed for new graduates or undergraduates; they learn the job while performing it within the actual work environment.

HUMAN RIGHTS

We are committed to upholding the human rights and ethical treatment of our employees, business partners and the community. The Group does not condone child labour and slave labour. This commitment extends to all our business partners. We adhere to the Children and Young Persons (Employment) Act 1996. In the year under review and since our establishment, there had been no incidence of child and slave labour in the Group and our supply chain.