

# SUSTAINABILITY STATEMENT

**At Carimin Group of Companies ("Carimin" or "the Group"), our sustainability strategy is to create shared meaningful social and economic values for our various stakeholders. We believe that we can achieve operational efficiency and produce long-term growth by embedding sustainability in our business activities, which will benefit both the current and future generations.**

The last few years have been marked by disruption and uncertainty. The world is still reeling from the pandemic's economic impacts. There is also the matter of Russia's conflict with Ukraine, which has set in motion a global energy crisis. Despite these setbacks, we remain resolute in fulfilling our mission to enrich the communities where we operate, nurture our employees, satisfy our customers' needs and manage our supply chain. As we and our stakeholders embark on the journey back to normalcy, our main agenda is strong economic recovery.

## OUR SUSTAINABILITY FOCUS



### 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 a 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.

## FY2022 HIGHLIGHTS:

### HSE Highlights

- Fatality Rate: 0
- Lost Time Injury Target ("LTIT") 0.25; Actual: 0
- Lost Time Injury Frequency ("LTIF") Target: 0.25; Actual: 0
- Environmental Spill Target: 0; Actual: 0

### Awards and Recognition

- Awarded HSE champion by Petronas Carigali
- 4 million safe man-hours HSE certificate of recognition
- DOSH Grade A award for Work Site Compliance

### Sustainability Rating

- ESG Rating by FTSE RUSELL improved from 1.7 last FY to 2.7 in FY2022.

### Anti-Corruption

- Performed Corruption Risk Assessment

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

This Sustainability Statement conveys the initiatives that we have undertaken to demonstrate our commitment to apply the best sustainability practices. Each section describes our progress in implementing these actions. This report also provides an overall picture of how we plan to create sustainable values for our stakeholders now and in the future.

### Scope and Boundary:

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

### Reporting Period and Cycle:

The reporting period spans from 1 July 2021 to 30 June 2022. 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:

- Principal Guideline: Bursa Malaysia Sustainability Reporting Guide (2nd Edition)
- Malaysian Code of Corporate Governance (MCCG)
- Reference Guideline: Global Reporting Initiative (GRI) Standards (Core option)

### Feedback:

We welcome your feedback: biz@carimin.com

## MATERIALITY MATTERS

We regularly perform materiality assessments to verify that we are focused on sustainability issues that reflect the current status of our business and stakeholders and to ensure that we are always embracing emerging best practices. To create a meaningful report, we have included financial, environmental and social capital where these matters are material to our operations.

### Materiality Assessment and Review

Our Senior Management Team and Heads of Department ("HODs") worked together to review our sustainability themes through the following process:

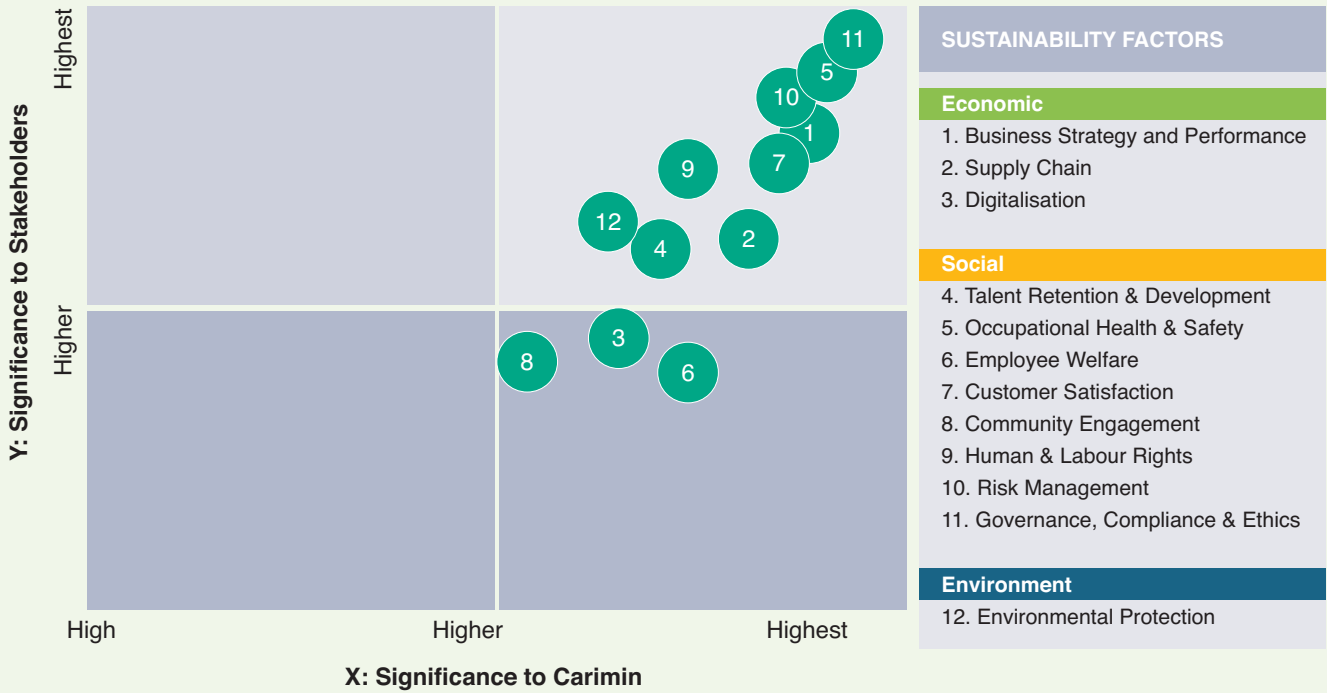


This report focuses on the issues considered most important by both the Group and our stakeholders for the current financial year. We make sure that materiality assessments are conducted annually so that any changes in our business and the external environment are accurately reflected.

To proceed with the assessment, our key stakeholders and their most pressing sustainability issues were identified. Then, the stakeholders were requested to score them based on their perceived importance. The results were plotted on a matrix to display a more easily understandable graphical representation. The result was relayed to the Sustainability Committee for their feedback, confirmation and validation and then submitted to the Board for approval.

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## Materiality Matrix 2022



The diagram above 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 twelve (12) material EES issues, of which two emerging priorities were added: (1) human and labour rights an emerging national and international concern; (2) The risk management was added because we have developed a comprehensive risk management policy and framework to support our sustainability.

The top four (4) priority aspects are Governance, Compliance and Ethics, Occupational Health and Safety, Risk Management, and Business Strategy and Performance, which are closely linked to the core nature of our business. We have removed Automation being in the midstream O&G sector, automation is less important while Digitalisation was retained as it is gaining more relevance.

Our activities do not significantly impact the community as we do not operate in highly populated areas and do not produce much industrial waste or pollution.

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## STAKEHOLDER MATTERS

Our different stakeholder groups influence our operations in different ways. Some of our stakeholders are critical to our business strategy and are, therefore, fundamental in formulating our growth and sustainability efforts. We tailor our communication channels depending on the type of stakeholder group and the messages being delivered. We maintain dialogue throughout the year so that we can immediately respond to any valid and reasonable concerns.

In addition, we have our whistleblowing channels which stakeholders can use to complain or highlight any issues or concerns. The table below shows our stakeholder groups, their concerns, our responses and the engagement channels we utilise.

Stakeholder Group	Concerns	Response	Engagement Channels
Shareholders/ Investors	<ul style="list-style-type: none"> <li>● Fiduciary Duties</li> <li>● Ethics &amp; Transparency</li> <li>● Timely Information Disclosure</li> <li>● Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>● Good Governance Best Practices</li> <li>● Bursa Malaysia Compliance</li> <li>● Business Strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Website</li> <li>- AGM/EGM meetings</li> <li>- Written letters and e-mail communications</li> <li>- Investor briefings</li> </ul>
Bankers	<ul style="list-style-type: none"> <li>● Business Strategy</li> <li>● Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>● Strategic Capital Management</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Annual reviews</li> </ul>
Employees	<ul style="list-style-type: none"> <li>● Health &amp; Safety (H &amp; S)</li> <li>● Career Development</li> <li>● Job Security</li> </ul>	<ul style="list-style-type: none"> <li>● OSHA Compliance</li> <li>● HSE Risk Management</li> <li>● Education &amp; Training</li> <li>● Succession Planning</li> </ul>	<ul style="list-style-type: none"> <li>- HSE meeting &amp; conference</li> <li>- Career management</li> <li>- Performance reviews</li> <li>- Awards and recognitions</li> </ul>
Customers	<ul style="list-style-type: none"> <li>● Service Quality</li> <li>● Health, Safety &amp; Environmental ("HSE") Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● ISO 9001 Certification</li> <li>● HSE Performance Goals</li> <li>● Quality Certification</li> </ul>	<ul style="list-style-type: none"> <li>- HSE meetings,</li> <li>- Attend conferences &amp; mentorships</li> <li>- Customer service interactions</li> </ul>
Community	<ul style="list-style-type: none"> <li>● Community Welfare &amp; Engagement</li> </ul>	<ul style="list-style-type: none"> <li>● Local Hiring and Sourcing</li> <li>● Community Outreach Activities</li> </ul>	<ul style="list-style-type: none"> <li>- Local recruiting &amp; hiring</li> <li>- CSR activities</li> <li>- Sports activities</li> </ul>
Government	<ul style="list-style-type: none"> <li>● Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Regulatory Compliance</li> <li>● Seminars &amp; Conferences</li> </ul>	<ul style="list-style-type: none"> <li>- Regulatory seminars</li> <li>- Updating of permits &amp; licenses</li> </ul>
Suppliers/ Contractors	<ul style="list-style-type: none"> <li>● Health and Safety</li> <li>● Ethics and Transparency</li> </ul>	<ul style="list-style-type: none"> <li>● OSHA Compliance</li> <li>● Anti Bribery and Corruption Policy (ABC)</li> <li>● Code of Conduct &amp; Business Ethics (COBE)</li> </ul>	<ul style="list-style-type: none"> <li>- H &amp; S awareness training &amp; discussion</li> <li>- ABC policy awareness</li> <li>- COBE awareness</li> </ul>

# SUSTAINABILITY STATEMENT

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("SDGs")



Endorsed by all 193 United Nations Member States in 2015, the 2030 Agenda focuses 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 by 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.

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

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

Integrating sustainability requires a sound governance structure that will spearhead the sustainability direction of the entire organisation and ensure that such culture is embedded in all our business activities. Tasked with this responsibility is our Sustainability Committee.



### Board Committees

Sustainability Committee

COO

Risk Management Committee

Management Committee

CSO

Departments/functions

**THE BOARD:** The Board of Directors ("Board") oversees the Group's sustainability matters in the organisation. The Board has the following responsibilities:

- Ensure business strategy considers sustainability
- Approve and review the sustainability targets and performance
- Be Informed of all sustainability issues relevant to the Company, particularly the risks and opportunities, so that they can make sound decisions

**THE SUSTAINABILITY COMMITTEE:** The Committee is headed by the Chief Operating Officer ("COO"), who is assisted by the Chief Sustainability Officer ("CSO") with the following responsibilities:

- Aligns the Group's sustainability strategy with long-term business growth and goals.
- Sets sustainability targets and monitors its performance
- Executes sustainability matters in line with strategies approved by the Board.
- Appraises and evaluates sustainability performance.
- Identify issues that may require intervention
- Reports to the Board as regards the sustainability outcome

The fourth tier of our sustainability governance comprises the CSO, Heads of Departments and special function departments. The CSO coordinates with various departments and functions and works closely with the COO, Risk Management Committee and the Management Committee. Their responsibilities include:

- Supporting strategy decisions, in charge of developing, implementing, monitoring and improving sustainability initiatives.
- Making sure that sustainability is integrated into every part of the organisation.
- Reviewing the progress of the sustainability measures against the set targets set by the Sustainability Committee
- Reporting findings to the Sustainability Committee

We are pleased to report that there has been a major improvement in our ESG ratings. The Group's ESG rating assessed by FTSE Russell has improved from 1.7 last year to 2.7 in June 2022. The Company's position has been elevated from 1-Star Band to 3-Star Band rating (4-Star band being the best). The FTSE Russell ESG ratings form the basis for the FTSE4Good Indices and PLCs in the FBM EMAS index which attain ratings of 2.9 or more would be included in FTSE4Good Bursa Malaysia Index. We are putting in additional effort to further improve our ESG ratings with the objective of being included in the Index in the near future.

# SUSTAINABILITY STATEMENT

## BUSINESS ETHICS AND ANTI-CORRUPTION

We maintain only the highest ethical standards as espoused by our core values of respect, responsibility, integrity and trust. All of our employees and partners are expected to abide by all applicable laws, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. All of our business transactions are conducted in accordance with the Group's COBE and Anti-Bribery and Corruption Policy ("ABC Policy"). Moreover, we make it a point to always be up-to-date with emerging changes in sustainability best practices, and we can readily adopt or update our policies as appropriate.

### Management and Monitoring:

We have established rigorous procedures to enforce strict compliance with our policies. Specifically, all newly hired employees undergo induction sessions, and all accredited business partners in our supply chain are duly informed about our policies. All parties must affirm their understanding and acceptance of the COBE and ABC policies through signed confirmation. In addition, check and balance controls are implemented in all relevant operations to prevent incidents of corruption and bribery. To strengthen this aspect further, the Head of Corporate Compliance and Control has conducted training programmes on ABC/COBE during the financial year.

A Corruption Risk Assessment was performed during this FY and as a result a Corruption Risk Register was created. This exercise gave us more insight into corruption risks within our business and operations.

### Grievance Channel:

The Whistleblowing Policy provides a platform where all stakeholders can report grievances and actual or suspected incidents of misconduct. In addition, we have implemented a procedure to manage WB cases. The steps in making a confidential report are detailed in the policy and each case will be managed according to the procedure. Both the policy and the procedure are on our corporate website.

## SUSTAINABILITY RISK MANAGEMENT

The Board and the Management Team have instituted the Risk Management ("RM") Policy and Framework, which covers various aspects of managing risks throughout the Group.

Our RM follows international standards and guidelines, including ISO 31000, and the Committee of Sponsoring Organisations of the Treadway Commission (COSO). This Policy guides our application of risk management to environmental, social and governance-related risks.

We perform Project and Environmental, Health and Safety ("EHS") risk assessments for both current and potential projects to identify possible physical, chemical, biological and environmental hazards. These reviews can minimise or even eliminate hazards before a job is commenced and before those hazards could cause an accident. For more information, please visit <http://www.carimin.com/images/gallery/Risk%20Management%20Policy%20&%20Framework.pdf>

# SUSTAINABILITY STATEMENT

## ECONOMY

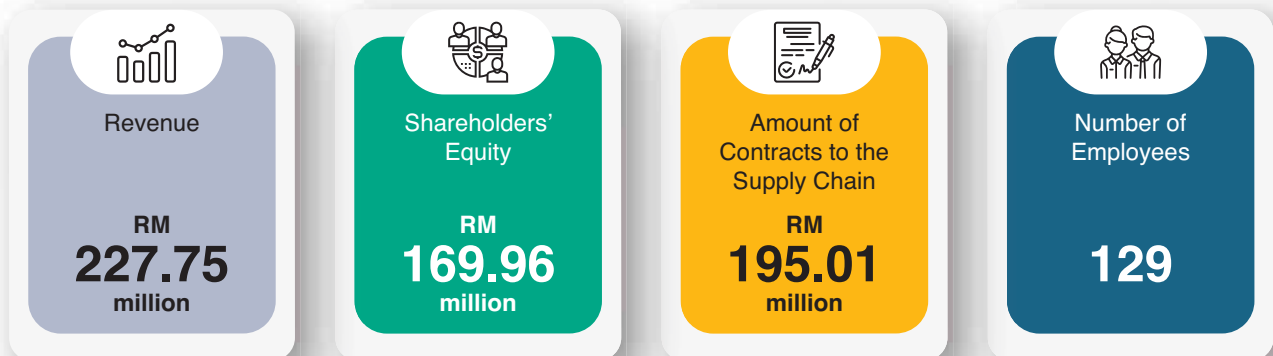
Energy demand is intertwined with economic growth. As economies throughout the world progressed, so did their needs for more energy. Therefore, energy infrastructure and its components must continually develop and evolve to adapt to the changing energy demands and drive job creation, growth and competitiveness locally and globally.

The O&G industry is a prominent part of the Malaysian economy and has many times been considered essential in the country's national economic development programmes. Within this ecosystem, Carimin has established a niche of services that support the driving forces of the O&G industry. For this reason, business strategy and performance are a high priority in our materiality themes, so is digitalisation.

Sustainable business strategies are not only useful for realising profitability and expanding our business but they also enable us to effectively compete with our peers and distribute shared economic value to all our stakeholders. Despite the constantly shifting economic global climate, we remain a steadfast part of the O&G industry in contributing to a sustainable economy.

We are aware of global reckoning on climate change and greenhouse gases (GHG), which has led to an accelerating shift towards renewable energy and reducing GHG emissions. Given that our sector supports the energy industry, our transition to digitalisation will lead to reduced energy consumption in our operations.

### FY2022 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)

### Contracts Secured

- Provision of One-Off MCM Services for Resak and Tangga Barat Cluster Turnaround; Received a 15-months contract extension for MCM main services for Oil Cluster;
- Provision of one AHTS (the Carimin Airis) for the 2022 SEA Hibiscus Integrated Campaign for 147 + 42 days;
- Provision of one AWB (the Carimin Acacia) for PETRONAS Kinabalu A&D for 90+120 days.

### Capital Investments

- Construction of a 5-acre fabrication yard which comprise an office building, warehouses and workshops for open fabrication, equipment storage, blasting and painting at Kemaman, Terengganu



# SUSTAINABILITY STATEMENT

## Direct Economic Impact

The Group's direct economic contributions are reflected in our generated income, contracts awarded to the Group, service contracts awarded to our supply chain, employment creation, and generated taxes. Our investments into the improvement of our services also contribute to economic growth.

## Indirect Economic Impact

Our indirect impacts can be traced in the value added to the Malaysian local and national economy. The midstream investment and expenditures of the O&G support operation sector have had a significant and beneficial economic impact over the decades.

The local communities and supporting industries have received benefits throughout the supply chain. We have produced long-lasting indirect impacts through the many skilled jobs that we have created and our spending across the supply chain. Our business partnerships have contributed to the increased number of local workers who are given training opportunities for relevant job scopes. The capital investment and purchase of intermediate input of goods from direct and indirect suppliers supports a number of industries outside the O&G sector.

## HEALTH SAFETY AND ENVIRONMENT ("HSE")



### Our Telok Kalong Yard ("TKY") was awarded Grade A by DOSH for Work Site Compliance

At Carimin, we embody sustainable excellence in all activities and services. We strive to achieve beyond the minimum regulatory requirements in every aspect of our business and operations. We will always keep our personnel's safety and care for their wellbeing uppermost, while at the same time conserving and preserving the environment. The Group adopts an integrated HSE management system and processes in one complete framework. The unified approach entails developing systematic practices for HSE compliance, including waste management, removal or reduction of dangerous pollutants and activities that reduce the risk of injuries for all employees, contractors, vendors and stakeholders. We have implemented group wide a HSE Management System Manual which covers all our activities.

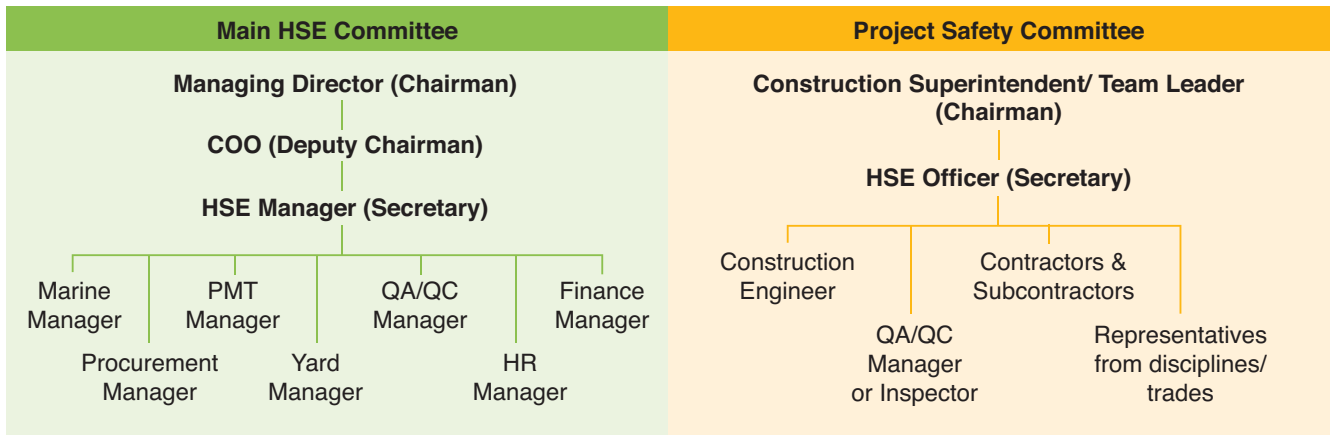
## HSE COMMITTEE



Main HSE Committee is part of the sustainability working group, it was established as the central body responsible for all employees and environmental protection and operational health and safety. The committee comprises heads of departments, 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. Necessary measures are taken to prevent accidents, create a safe working surrounding and protect the environment.

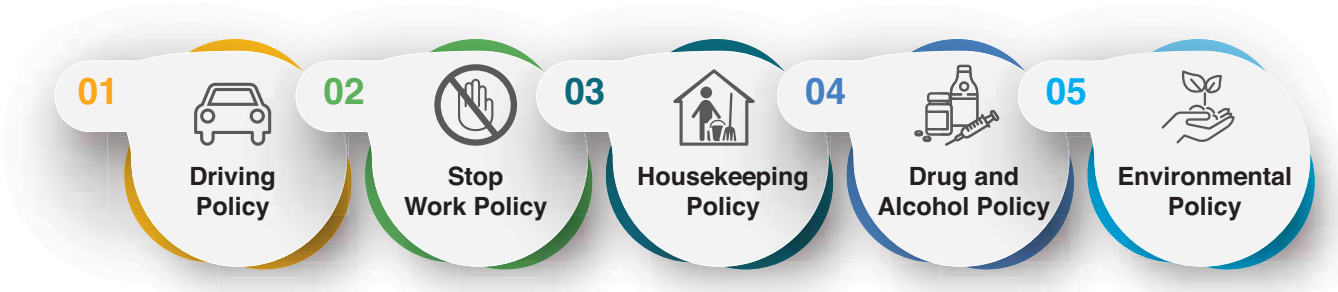
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A Project Safety Committee is present in all Carimin operations, and the committee meets weekly to discuss HSE programmes, incidents, legislation and training, among other issues. The Project Safety Committee consists of our business partners and employees; the committee reports the monthly, quarterly and annual performance to the Main HSE committee, which in turn conveys the status of the Group's HSE to the Sustainability Committee.



## HSE POLICIES

It is the Group's policy to conduct our business only after considering the Health and Safety of our stakeholders, including the potential impact on the environment.



The Group HSE policy applies to all employees and business partners. We have also created supplemental policies to address our sector's safety and health issues. These policies target health and work issues that specifically affect our daily operations. Please follow this link for HSE policies <http://www.carimin.com/hse.html>

## HSE PROMOTION PROGRAMMES

Constant HSE communication and programs are essential practices that provide employees with the information and skills to carry out their jobs safely.

### Rewarding Positive Behaviour:

Recognition highlights management's emphasis on this aspect of the business operations. It also motivates and engages employees to identify hazards, intervene, and report unsafe acts and conditions.

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## HSE Incentives



- BEST Unsafe Condition Unsafe Act ("UCUA")



- MOST UCUA



- HSE Best Personnel Performance



- HSE Sharing

### Incident Reporting and Communication:

All cases, injuries, accidents, fatalities and other incidents are promptly investigated to determine the potential severity and probability of recurrence. All incidents, actions are taken, and new HSE regulations are tabled at the HSE meetings. HSE breaches are taken seriously, and appropriate measures are taken, including employee or contractor dismissal who has frequently been errant or has committed a serious offence.

### U-SEE U-ACT:

It 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 workplace for reference.

### Job Hazard Analysis ("JHA"):

The JHA is used to examine all the possible hazards and risks that can arise from current or potential projects and 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 plan aims 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 also ensures that sufficient resources are maintained in the state of readiness to respond adequately to control emergencies.

### 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.

In addition, clients and government agencies such as DOSH and DOE also conduct audits and inspections.

# SUSTAINABILITY STATEMENT

## HSE COMPETENCY AND TRAINING

To implement effective and efficient HSE management, the Group has created customised training programmes for employees and contractors based on their work scope and responsibility. This training is 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* highlights the worksite environment and HSE training.
- *Refresher courses* are organised at required intervals.

We have conducted various HSE training for FY2022. The training is conducted utilising the government and third-party organisations of Offshore Petroleum Industry Training Organisation (OPITO), the global industry standard in oil and gas safety, skills, and competence.

Besides the standard OPITO and Basic Offshore Safety Induction and Emergency Training (BOSIET), we have conducted additional training and awareness campaigns at our worksites. These are as shown in the tabulation below.

PERIOD	HSE TRAINING & ACTIVITIES
1 <sup>st</sup> Quarter	<ul style="list-style-type: none"> <li>• Best UCUA, Most UCUA, HSE Best Personnel Performance</li> <li>• Kumang-E Redev Project: Pre-Rig Up Campaign</li> <li>• Hand &amp; Finger Injury Campaign</li> <li>• Respect &amp; Care Program</li> <li>• PAUSE (Pause, Assess, Understand, Share &amp; Execute) &amp; Good Catch Program</li> <li>• Hot Work Campaign</li> </ul>
2 <sup>nd</sup> Quarter	<ul style="list-style-type: none"> <li>• Best UCUA, Most UCUA, HSE Best Personnel Performance</li> <li>• Monsoon ZIZA (Zero Incident, Zero Accident) Campaign – Offshore B11 Compressor Project</li> <li>• Hand &amp; Finger Injury Mini Campaign – Labuan Yard</li> <li>• Leadership Enhancement and Development (LeAD) Audit Program – Labuan Yard</li> <li>• Project Lesson Learnt – B11 Compressor Project</li> </ul>
3 <sup>rd</sup> Quarter	<ul style="list-style-type: none"> <li>• Best UCUA, Most UCUA, HSE Best Personnel Performance</li> <li>• Audit &amp; Site Visit by Client – Labuan Yard</li> <li>• HSE Hand &amp; Finger Injury Campaign – Labuan Yard</li> <li>• Respect &amp; Care Program – Labuan Yard</li> </ul>
4 <sup>th</sup> Quarter	<ul style="list-style-type: none"> <li>• Best UCUA, Most UCUA, HSE Best Personnel Performance</li> <li>• HSE Road Safety Campaign – Telok Kalong Yard</li> <li>• Line of Fire HSE Awareness Campaign – Angsi Platform</li> <li>• Best in Class Verification Assurance – Labuan Yard</li> <li>• LeAD Verification Audit – Labuan Yard</li> <li>• HSE Management Site Visit – Telok Kalong Yard</li> <li>• Occupational Safety and Health Workplace Assessment (OSHWA) Audit, Noise Exposure Audit &amp; Use and Standard of Exposure Chemical Hazardous to Health (USECHH) Audit by DOSH</li> <li>• Working at Height Awareness Campaign – Angsi Bravo Platform</li> <li>• Hearing Conservation Program – Labuan Yard</li> <li>• Dropped Object Awareness Campaign – Angsi Bravo Platform</li> </ul>

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## ENVIRONMENT

Carimin's business activities are mainly in the Upstream sector of the O & G industry, where we provide technical and engineering support services. We have established an environmental policy that is specific to our business operations and extends to our supply chain and business partners. Looking forward to the next financial years we will adapt our policy to reflect emerging environmental issues.



## Climate Change

Our Group recognise the impact of climate change and we are one with other organisations and Malaysian international agenda to avoid the negative impacts that can exacerbate climate change.

We address the issue of climate change by reducing or avoiding our impact through operational efficiency. Digitalisation is one of our material issues and we see this as an opportunity to decrease our electricity usage and waste. Digitalising will enable greater connectivity and control, optimisation and analytics which in turn enable our systems to run efficiently. It also allows us to track emerging trends including actively managing our energy consumption and purchased materials. This can also translate to reduced printing, with information at our fingertips we can easily facilitate more online meetings and thus, eliminating unnecessary travelling.

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## Waste Management

Consistent with our environmental policy to prevent any pollution and manage waste properly, we have put in place procedures based on the requirements by the Department of Environment ("DOE"). Waste generated from our operations is handled, stored and later 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.

## Biodiversity

As stated in our environmental policy "allocate resources and persons responsible for protecting the land, water". Any potential hazard to is biodiversity in land and water are included in our sustainability risk assessment. The assessment will provide a method to identify and address the impacts of our operations on biodiversity at all operational sites and future operations.

## Compliance and Performance



In the year under review, we are proud to report that the Group has maintained an excellent record regarding the HSE aspects of our business operations. As a testimony of our HSE performance, in the year under review, our client, Petronas Carigali awarded Carimin with HSE Leadership Enhancement and Development (LeAD) champion for IRSO (Integrated Regional Satellite Office) project and HSE certificate of recognition for 4 million safe man-hours.

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

# SUSTAINABILITY STATEMENT

## HSE INDICATORS

The table below shows our HSE performance and indicators.

PERIOD	Fatality	Total Man Hours Worked	Total Man Hours Worked / Since 2009	Total Safe Man-hours worked	Total Safe Man Hours Worked/ since 2009
FY2022	0	802,598	21,396,084	802,598	21,091,291
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

PERIOD	*LTI Target	LTI Performance	**LTIF Target	LTIF Performance	Work Related Fatalities	Environmental Spill
FY2022	0.25	0	0.15	0	0	0
FY2021	0.25	0	0.15	0	0	0
FY2020	0.25	0	0.15	0	0	0

\* LTI (Lost Time Injury): on-the-job accident that resulted in an employee being absent from the workplace for a minimum of one shift or full work day

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

GROUP ENERGY CONSUMPTION					
PERIOD / FY	Vessels		Electricity /kWh	Diesel/Litres	Petrol/Litres
	Marine Gas Oil / Litres				
2022	5,259,177		346,626	3,925	946
2021	3,470,245		352,773	2,784	1,145
2020	3,248,655		419,924	6,118	4,811

GROUP WASTE GENERATION (MT)				
PERIOD / FY	Recycled Waste /MT	General Waste /MT	Scheduled Waste /MT	Oil Spill /Litres
2022	0	54.0	7.5	0
2021	2.5	51.7	44.1	0
2020	22.8	157.8	63.7	0

# SUSTAINABILITY STATEMENT

## EMPLOYEE

### Company Philosophy on Human Resources:

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

### TALENT RETENTION AND DEVELOPMENT

Consistent with our philosophy, our employees undergo various development programmes that are meticulously designed to harness their potential throughout their tenure. We promote excellence and efficiency by expanding the scope beyond training skills they need for their current job and ensuring that they gain competence for career advancement. We realise our Vision by exposing our team to numerous learning opportunities and enriching their work experiences.

#### 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 government agencies.

Over the course of the pandemic, our in-person learning programme was transitioned to an online mode. The pandemic recovery stage is our opportunity to create a fresh path that empowers our employees to face the future confidently.

### TRAINING SOP



The training needs are identified according to standard operating procedures (SOPs). 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. By contrast, Training Needs Analysis (TNA) is a process by which skills, proficiency, knowledge and attitude can be upgraded. The HODs determine what training is necessary 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 sessions attended by the employees are evaluated for their effectiveness to ensure optimal results.



# SUSTAINABILITY STATEMENT

The table below shows the list of training completed in FY2022. The external health and safety training sessions are certified career-enhancement programmes that will prepare employees for careers dedicated to the O&G industry.

TRAINING AND DEVELOPMENT		
Topic: Description	Training Hours	Number of Attendees
Pelan Anti Rasuah (Anti-Corruption Plan)	80	10
Electrical Installation	32	2
Procurement Management	16	1
Implementation of KPI	584	73
Designated Person Ashore	24	1
Risk Management - Basics	78	52
Basic first Aid	8	2
WB Case Management Procedure and Risk Management Policy & Framework (HODs / Managers)	12	12
Risk Management - Projects	59	39
Corruption, Code of Conduct & Business Ethics	96	64
Sustainability Reporting Workshop	8	1
<b>Total</b>	<b>997</b>	<b>257</b>

**Training Hours:** No of Attendees x training session time.

## WORKFORCE DIVERSITY

*Value and respect each other*

We uphold equal opportunity where all our employees are treated similarly, unhampered by artificial barriers, prejudices, or preferences because we recognise that our continued success is due to the unified strength of our people. 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.

Promoting diversity goes hand in hand with our Mission of creating optimal stakeholder value. We believe that the diverse backgrounds of our employees positively contribute to our creativity, innovation and decision-making. Our support for diversity and inclusivity also strengthens our reputation amongst our peers and makes for an attractive quality in hiring good talent. We are exerting efforts to promote gender equality. Given the nature of the work associated with the O&G industry, males comprise most of our employees. The Company takes cognisance of the best practices recommended under the Malaysian Code of Corporate Governance to have at least 30% female directors and is actively looking into increasing the number of our female directors and managers.

# SUSTAINABILITY STATEMENT

	FY2022	FY2021	FY2020
<b>Age Composition</b>			
20-30 yrs. old	31 (24.03%)	38 (27.33%)	46 (33.82%)
31-45	75 (58.14%)	76 (54.67%)	69 (50.73%)
46-60	21 (16.28%)	25 (17.98%)	21 (15.44%)
Above 60	2 (1.55%)	0	0
Total	129	139	136
<b>Gender Distribution</b>			
Male	91 (70.54%)	104 (74.82%)	95 (69.85%)
Female	38 (29.46%)	35 (25.17%)	41 (30.14%)
<b>Ethnic /Nationality Distribution</b>			
Malaysian	128	138	135
Non-Malaysian	1	1	1
<b>New Employee Hires</b>			
Male	16	5	29
Female	8	4	3
<b>Employee Turnover</b>			
Male	26	7	12
Female	5	8	3

<b>Employee Retention by Gender</b>						
PERIOD	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Turnover	26	5	7	8	12	3
Newly Hired	16	8	5	4	29	3

<b>Employment Contracts FYE2022</b>		
	Number	Percentage
Permanent Employees	46	35.7 %
Fixed-term Contract Employees (as at FYE2022)	83	64.3 %
<b>TOTAL</b>	129	100%

<b>Workforce by Employment Level and Gender Distribution</b>						
PERIOD	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Gender						
Executive Directors	3	0	3	0	3	0
Management	17	1	20	1	16	1
Executive	23	18	18	16	9	16
O&G Professionals	30	3	50	2	55	1
Non-Professionals	18	16	13	16	17	18
Sub Total	91	38	104	35	100	36
<b>Total</b>	129		139		136	

# SUSTAINABILITY STATEMENT

## COMMUNITY

Carimin is privileged to belong in the O & G sector. Aside from our role as a business institution, we also take pride in being part of the communities where we operate and the role we play in enriching them. We are dedicated to have an active and long-lasting positive impact on the community and therefore have listed down our community commitments as follows:

### 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 the environment;**
- **Protecting the health and safety of all individuals affected by our activities by providing a safe and healthy working environment; and**
- **Actively managing the environmental impact in all our operations and activities.**

### ENHANCING THE LOCAL ECONOMY

**Our business strategies are integrated with** investments that are designed to support the development of the communities where we operate and the nation through the positive impacts of our operations. 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 enhancing their skills and capabilities. There is only one non-Malaysian amongst our workforce. Our Labuan and Kemaman yards employ a yearly average of 83 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 engage local partners within or near the area where we operate who share our values and standards on safety, diversity and environmental protection.

# SUSTAINABILITY STATEMENT

## OUTREACH INITIATIVES



Carimin collaborates with various Non-Governmental Organisations and community groups such as Pusat Pungutan Zakat ("PPZ, MAIWP") to build harmonious and lasting relationships with the communities. In 2022, our community welfare initiatives were focused on the lower income household category ("B40").

We advocate the spirit of volunteerism to improve employee engagement and deepen company ties to the communities. Four of our employees volunteered in the food distribution during the month of Syawal and Ramadan.



Food distribution during the month of Ramadan

Philanthropic Donations		
PROGRAMME OBJECTIVES	NGO Collaboration	BENEFICIARIES
Provision of food for B40 recipients in Cheras, Kuala Lumpur	PPZ MAIWP	200 B40 individuals
Monetary contribution to flood victims of Rumah Perlindungan Darul Ukhwah (HIV patients)	Rumah Perlindungan Darul Ukhwah	Flood damage repair works
Monetary contribution to our staff whose houses were hit by floods in Dec 2021. Each received RM3,000 in Jan 2022.		2 Carimin Engineering Services Sdn Bhd personnel
Provision of food and monetary donations to 80 homeless individuals in Kuala Lumpur to celebrate Ramadan	PPZ MAIWP	80 homeless individuals
Food and monetary donations for B40 recipients in Kepong, Kuala Lumpur to celebrate the religious month of Syawal	PPZ MAIWP	100 B40 individuals

## HUMAN RIGHTS

We strongly uphold the human rights and ethical treatment of our employees, business partners and the community.

The Group condemns child and slave labour. We adhere to the Children and Young Persons (Employment) Act 1996. This commitment extends to all our business partners. 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. We comply with the freedom of association and collective bargaining per the Labour Laws of Malaysia.

# SUSTAINABILITY STATEMENT

## PROFESSIONAL MEMBERSHIPS AND ASSOCIATION



▲  
*Malaysian  
Oil & Gas Services Council*



▲  
*Malaysian  
Ship Owners Association*



▲  
*Malaysian  
Petroleum Resources Corporation*

Carimin's collaboration with professional memberships and associations has provided a forum for consultation and discussion amongst co-members on matters of common interest. These partnerships have resulted in the adoption of sound principles and practices on health and safety, human rights, human resources, industrial skills training, research and information, and other activities.

## SUPPLY CHAIN

We have further strengthened our supply chain by integrating them into our risk management policy and framework. Supply chain HSE risks are entered on a risk register and tracked on an ongoing basis. Our suppliers must abide by all pertinent laws and regulations relating to minimum wage, occupational health and safety and prevention of child and forced labour. They must also adhere to our ABC and COBE.

The efficient delivery of our services is also affected by the sustainability practices of our suppliers, vendors and contractors. We consistently evaluate not only our own practices but also the performance of our vendors to identify areas for improvement and conformity that can be addressed in subsequent plans.

### SUPPLY CHAIN HSE

Our partners are integral in the continual improvement of our HSE system. Thus, our supply chain must strictly adhere to our Environmental Policy and our Health and Safety Policy.

All vendors and contractors are furnished with copies of our HSE manual. It contains the company policies and necessary measures addressing HSE hazards, obligations, regulations and standards. The manual also states the SOP and disciplinary measures to ensure that all suppliers and vendors comply with the various HSE regulations, such as preventing water, air and land pollution; reducing waste; conserving resources; and cultivating a culture of safety and health. HSE training is provided to all suppliers and additional intensive training to high-risk ones. Monitoring is conducted through supplier conformance reports.

# SUSTAINABILITY STATEMENT

## HSE Performance

Performance evaluation is an opportunity to drive supplier improvement, particularly in 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 recurrence. 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. For minor offences, a warning letter will be sent to the supplier. For major offences, meetings will be set up to highlight issues, discuss the problem and collectively agree on a solution or corrective action to address the non-conformity. In the year under review, there had been no incidence of child and slave labour in our supply chain.

## Supplier Transparency and Ethics

The Group's Code and Whistleblowing policy are extended to the supply chain. These guidelines reinforce our Vision and Mission statement amongst our business partners as we collaborate towards mutual growth and success. Accredited suppliers and contractors are provided copies of our policies as part of our process. They are duly advised of the procedures relevant to their roles and responsibilities.

Our Code is instilled into our purchasing personnel through training and awareness programmes. They are expected to display only the best practices and the highest standards of behaviour when conducting business. Any supplier wishing to raise concerns or disclose improper conduct may use the whistleblowing platform.