

SUSTAINABILITY STATEMENT



The demands and expectations of stakeholders have evolved due to the shifts caused by recent global disruptions in different landscapes, including health and safety, energy security, geopolitical discord, and the ever-growing threat of global warming. Undeterred by these challenges, The Carimin Group of Companies ("Carimin" or "the Group") reaffirms its commitment to create meaningful shared value for our stakeholders.

FINANCIAL YEAR ("FY") 2023 SUSTAINABILITY HIGHLIGHTS :

Highlights

- Fatality Rate: 0
- Total safe manhours worked since 2009: 21,789,467 (as at 30 June 2023).
- Lost Time Injury ("LTI"): 0
- Environmental Spill: 0
- Training: 1,889 hours
- Celebrated achievement of 20 million man-hours without LTI with Employee Get-Together & Health, Safety and Environmental ("HSE") Event
- New policies: Human Rights & Labour Policy and Anti-Money Laundering & Anti-Terrorism Financing Policy
- Revised the Whistleblowing Policy – added direct emails to Managing Director and Audit Committee Chairman; and acceptance of anonymous reports
- Initiated Counterparty Anti-Corruption Due Diligence Risk-Based Program
- Completed first Emissions Assessments for Scope 1, 2 and 3
- Launched conservation programmes for water and electricity usage

Awards and Recognition

- Awarded Zero Incident Award from Hibiscus Oil & Gas Malaysia Limited
- 4 million safe man-hours HSE Focus Recognition from Petronas Carigali Sdn. Bhd. ("Petronas Carigali")
- Champion (IRSO Project) LeAD from Petronas Carigali
- Winner of Petronas PMA Highest Stop Work Implementer
- Department of Occupational Safety and Health ("DOSH") Grade A award for Work Site Compliance

Targets :

- Net Zero Emissions by 2050
- ZERO Incidence of Health, Safety and Environmental Non-Compliance
- LTI : 0
- Lost Time Injury Frequency ("LTIF"): 0

We are awaiting further guidelines from Government agencies and information from PETRONAS regarding emissions reduction. We will then develop our roadmap to pursue our Net Zero to support Malaysia's National Determined Contribution (NDC).

We will continue to maintain ZERO incidence of HSE non-compliance, and our target is to do it consistently every year.

SUSTAINABILITY STATEMENT

+ ABOUT THIS STATEMENT

In the past few years, quantified Environmental, Social and Governance (“ESG”) data has been given significant importance, and new criteria like those for financial data have emerged. In response to these changes, we have made efforts to provide detailed information in this statement. Following the greenhouse gases (“GHG”) protocol, we have included information, such as carbon footprint. Our initial climate-related statement, according to the Task Force on Climate-related Financial Disclosures, serves as our stepping stone towards full disclosure. We closely followed the common indicator requirements of the Bursa Sustainability Reporting Framework 3rd Edition. Our business activities are in the services sector of the oil and gas (“O&G”) industry, where we provide technical and engineering support services, and thus, the specific energy indicator is not applicable to our reporting.

This Sustainability Statement presents the initiatives that we have applied to adhere to good sustainability practices. In each section, we describe the progress of implementing each specific action. This report provides an overall picture of how we integrate sustainability to create meaningful value for our stakeholders.

This statement has not been externally audited. Moving forward to our next disclosure, the relevant ESG indicators will be evaluated by an internal audit.

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 2022 to 30 June 2023. 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 (3rd Edition)
 - Malaysian Code of Corporate Governance ("MCCG")
 - Task Force on Climate-related Financial Disclosures ("TCFD")
 - GHG Protocol
- ◆ Reference Guideline:
 - Global Reporting Initiative ("GRI") Standards
 - United Nations Sustainable Development Goals ("SDGs")

Feedback:

We welcome your feedback: biz@carimin.com

+ OUR SUSTAINABILITY FOCUS

Our focus areas present a strategic path to concentrate our efforts on important matters. In each area, we will implement initiatives to fulfil the following commitments below:



ECONOMY

- Boost the national and the local economy.
- Maintain market leadership in providing technical, engineering and support services in the O&G industry.
- Ensure business continuity, especially during health, economic, and political disruptions.



ENVIRONMENT

- Promote environmental protection and comply with all pertinent environmental laws and regulations.
- Be aligned with the national environmental agenda.



SOCIETY

- Foster long-term and meaningful relationships with our stakeholders.
- Provide a healthy and safe workplace.
- Facilitate growth alongside our business partners.
- Contribute to the welfare of our community and serve our clients to the best of our ability.



GOVERNANCE

- Demonstrate leadership and maintain trust through strong governance practices.
- Generate shareholder value by stimulating sustainable economic growth.

SUSTAINABILITY STATEMENT

+ MATERIALITY MATTERS

We regularly perform materiality assessments to verify that we remain focused on sustainability issues that reflect the current status of our business and the viewpoints of our stakeholders. This also ensures 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

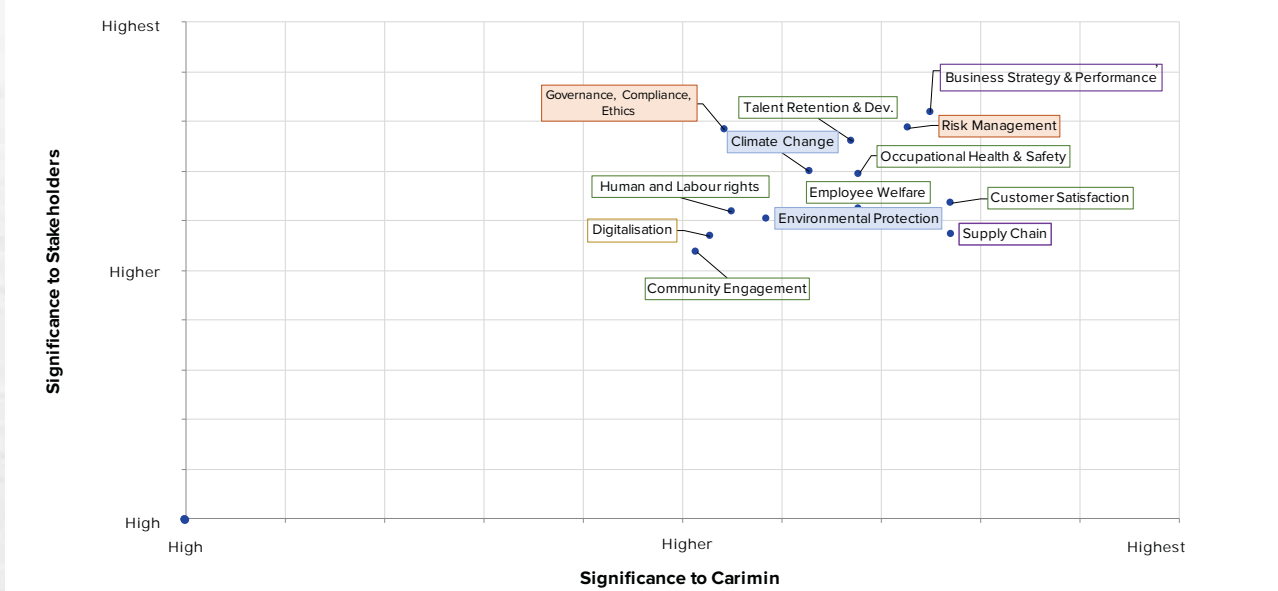
Our sustainability themes were jointly reviewed by the Senior Management Team and the Heads of Department ("HODs") through the following process:



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

To perform 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 ("SC") for their feedback, confirmation and validation.

Materiality Matrix 2023



The diagram 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 reassessment identified thirteen (13) material ESG issues, of which climate change was added because of emerging national and global concerns.

The top four (4) priority aspects are Business Strategy and Performance, Risk Management, Occupational Health and Safety and Talent Retention and Development. The Business strategy and performance, as well as risk management, are of the highest significance because they interlink and impact all the other ESG matters. Meanwhile, Occupational Health and Safety, as well as Talent Retention, also have high importance as they are closely linked to the core nature of our business.

The least significant is community and digitalisation; our activities do not significantly impact the community as we do not operate in highly populated areas. Nonetheless, we have implemented measures that produce positive impacts in these aspects, such as switching to online meetings to reduce emissions generated by business trips and providing direct contributions to the community.

SUSTAINABILITY STATEMENT



UNITED NATIONS SDG

The 2030 Agenda is composed of 17 SDGs which highlight 17 pressing issues. Though the overall responsibility lies with national governments, the SDGs can only be truly achieved through a concerted effort and cumulative impacts from businesses and other organisations.

Our main contribution to the SDGs is providing services that support sustainable development in the O&G industry. The illustration below presents our commitments and contributions to the SDGs that are relevant to our business and operational activities. In the year under review, we have added Goal 13, in step with the national agenda.








UNSDGS	THE GROUP'S CONTRIBUTIONS
	<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 > Reduced 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"> > Upholds the practice of equal opportunity to its employees, clients, 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 > Established Human rights and labour Policy
	<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 > Started the digitalisation programme
	<p>Goal 12. Ensure sustainable consumption and production patterns</p> <ul style="list-style-type: none"> > Practice environmentally sound waste management and recycling activity > Monitor & reduce wastage
	<p>Goal 13: Take urgent action to combat climate change</p> <ul style="list-style-type: none"> > Disclosed GHG emission according to GHG Protocol, and set GHG emission target > In this report we included an initial statement to Task Force on Climate-related financial disclosure.
	<p>Goal 14: Conserve and sustainably use oceans, seas and marine resources for sustainable development</p> <ul style="list-style-type: none"> > Incorporate environmental assessments into management plans > Implement environmental 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 Conflicts of Interest and Related Party Transactions, as well as Bribery, Corruption, Business conduct and ethics. > Conduct stakeholder engagement between the public and private sectors > Enhanced risk management

SUSTAINABILITY STATEMENT

+ STAKEHOLDER MATTERS

Our different stakeholder groups influence our operations in different ways. Understanding our stakeholders is critical to our business strategy and is, 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 to immediately respond to any valid and reasonable concerns.

In addition, we have provided 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"> · Fiduciary Duties · Ethics & Transparency · Timely Information Disclosure · Economic Performance 	<ul style="list-style-type: none"> · Good Governance Best Practices · Bursa Malaysia Compliance · Business Strategy 	<ul style="list-style-type: none"> · Website · Annual General Meeting/Extraordinary General Meeting · Written letters and e-mail communications · Investor briefings
 Financial Institutions	<ul style="list-style-type: none"> · Business Strategy · Economic Performance 	<ul style="list-style-type: none"> · Strategic Capital Management 	<ul style="list-style-type: none"> · Meetings · Annual reviews
 Employees	<ul style="list-style-type: none"> · Health & Safety (H & S) · Career Development · Job Security 	<ul style="list-style-type: none"> · Occupational Safety and Health Administration (“OSHA”) Compliance · HSE Risk Management · Education & Training · Succession Planning 	<ul style="list-style-type: none"> · HSE meeting & conference · Career management · Performance reviews · Awards and recognitions
 Clients	<ul style="list-style-type: none"> · Service Quality · HSE Compliance 	<ul style="list-style-type: none"> · ISO 9001 Certification · HSE Performance Goals · Quality Certification 	<ul style="list-style-type: none"> · HSE meetings, · Attend conferences & mentorships · Client service interactions
 Community	<ul style="list-style-type: none"> · Community Welfare & Engagement · Human Rights 	<ul style="list-style-type: none"> · Local Hiring and Sourcing · Community Outreach Activities · Human Rights Policy 	<ul style="list-style-type: none"> · Local recruiting & hiring · Corporate Social Responsibility (“CSR”) activities · Sports activities · Supply Chain Screening
 Government	<ul style="list-style-type: none"> · Compliance · Climate Change 	<ul style="list-style-type: none"> · Regulatory Compliance · Seminars & Conferences · Course on GHG Protocol 	<ul style="list-style-type: none"> · Regulatory seminars · Updating of permits & licenses · GHG awareness and GHG disclosure
 Suppliers/ Contractors	<ul style="list-style-type: none"> · Health and Safety (“H&S”) · Ethics and Transparency 	<ul style="list-style-type: none"> · OSHA Compliance · Anti-Bribery and Corruption (“ABC”) Policy · Code of Conduct & Business Ethics (“COBE”) 	<ul style="list-style-type: none"> · H & S awareness training & discussion · ABC policy awareness · COBE awareness · Counterparty Due Diligence

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. This responsibility is held by our Sustainability Committee.



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

- Ensure that sustainability is embedded in the overall business strategy
- Approve and review the sustainability targets and performance
- Make sound decisions on sustainability issues based on informed assessment of risks and opportunities
- Establish the proper direction towards effective climate governance

THE SUSTAINABILITY COMMITTEE: The Committee is headed by the Chief Operating Officer (COO), who is assisted by the Chief Sustainability Officer (CSO). The Committee has 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 the outcome of the sustainability initiatives to the Board

The fourth tier of our sustainability governance comprises the CSO, HODs and special function departments. The CSO coordinates with the various departments and works closely with the COO, the Risk Management Committee and the Management Committee. Their responsibilities are as follows:

- Supports strategy decisions by taking charge of developing, implementing, monitoring and improving sustainability initiatives
- Ensures that sustainability is integrated in all organisational activities
- Reviews the progress of the sustainability measures against the targets set by the SC.
- Reports their findings to the SC.

SUSTAINABILITY STATEMENT

SUSTAINABILITY RISK MANAGEMENT

The Board and the Management Team have instituted the Risk Management Policy and Framework, which covers various aspects of managing risks throughout the Group. We manage sustainability risks on an enterprise-wide basis, proactively identifying risks in our operations and in the O&G sector as a whole.

Our Enterprise Risk Management ("ERM") 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.

HSE Risk Management

We perform Project and HSE 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 commences and before those hazards could cause an accident. What we consider as HSE high-risk level is benchmarked against the accepted standard in the O&G industry. In the year under review, the ERM now includes climate change risks in preparation for the full TCFD disclosure. This further strengthens our controls and measures.

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 ABC Policy. Moreover, we make it a point to always be up to date with emerging best sustainable practices so that we can readily adopt or update our policies as necessary.

Risk Assessment: The Group's corruption risk assessment identifies weaknesses in our system which may present opportunities for corruption to occur. The corruption risk is rated according to the level of exposure, such as contacts with counterparties, activities, and transactions. The corruption risk assessment is part of our broader enterprise risk management framework, which informs preventive actions that need to be taken to mitigate the most critical risks. Corruption risk assessment was once again performed in the year under review. The corruption risk registers were enhanced, and our employees who face high and medium risks were required to attend the Program Taklimat Pelaksanaan Anti Rasuah or Anti-Corruption Briefing Programme. We have also initiated a Counterparty Corruption Due Diligence program for high-risk vendors and business partners.

Management and Monitoring: We have established rigorous procedures to enforce strict compliance with our policies. Specifically, all newly hired employees must 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.

Grievance Channel: The Whistleblowing Policy provides a platform where all stakeholders can report grievances and actual or suspected incidents of misconduct. 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 published on our corporate website.

Anti-Corruption Performance Data

Percentage of employees who have received training on anti-corruption (C1a: $C = B/A \times 100$)				
Period	A: Total number of employees*	B: Number of employees who received training	C: % of employees who received training	Confirmed incidents of corruption (C1c)
2023	142	108	76.06%	0
2022	129	67	51.94%	0

* Excluding daily rated workers

SUSTAINABILITY STATEMENT

Corruption Risks Assessment (C1b)			
Period	A: Total number of operations	B: Total number of operations assessed for corruption risk	C: Percentage of operations assessed for corruption-related risks: (C1b)
2023	3	3	100%
2022	3	3	100%
C = A/B X100			

Anti-Corruption Training			
Training Topics	No. of Hours	No. of Attendees	Total Training Hours
Program Taklimat Pelaksanaan Anti Rasuah (SPRM)	3.5	38	133
Presentation and Briefing MACC S17A by legal firm	1.5	69	103.5
Corruption, Code of Conduct and Business Ethics	1.5	28	42
			278.5



ECONOMY

Energy demand is intertwined with economic growth. As economies worldwide progressed, so did their need 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 often 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, as well as digitalisation. To develop the Group's business, we have appointed a Chief Corporate Strategy Officer in May 2023 to map out our corporate strategy to meet future challenges and benefit from sectoral and market opportunities.

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 global economic climate, we remain a steadfast contributor to a sustainable economy in the O&G industry.

We are aware of the global reckoning on climate change and GHG, which has led to an accelerated shift towards renewable energy and reduced GHG emissions.

Direct Economic Impacts

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.

SUSTAINABILITY STATEMENT

Indirect Economic Impacts

Our indirect impacts can be traced in the value added to the local and national economy. The investments and expenditures of the O & G support operation sector have exerted significant and beneficial economic impacts over the past 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 that are relevant to their job scopes. Moreover, other industries outside of the O&G sector also benefit from our capital investment and purchase of intermediate inputs of goods from direct and indirect suppliers.

Economic Impact Indicators

 Revenue RM254.7 Million	 Amount of Contracts to Supply Chain RM200.43 Million
 Shareholder's Equity RM193.83 Million	 Number of Employees 142

Ongoing projects	<ul style="list-style-type: none"> - 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) - Engineering, Procurement, Construction and Commissioning (EPCC) for Lion Lateral Extension and Metering Station for Nine Dragon (ND) Paper (Bougainvillea Project)
Contracts Secured	<ul style="list-style-type: none"> - Provision of one AHTS (the Carimin Airis) for Petronas Carigali Sdn. Bhd. for 184 + 30 days - Provision of one AWB (the Carimin Acacia) for Hibiscus Oil & Gas Malaysia Limited Integrated Asset Program 2023 for 275 days
Capital Investments	<ul style="list-style-type: none"> - Construction of a 5-acre fabrication yard, which comprises an office building, warehouses and workshops for open fabrication, equipment storage, blasting and painting at Kemaman, Terengganu

INDIRECT IMPACT: Proportion of spending on local suppliers (C7a)

Period, FY	A: Total amount of spending on all suppliers, RM	B: Total amount spent on local suppliers, RM	Proportion of spending on local suppliers (B/Ax100)
2023	200,427,349	198,047,396	98.8%
2022	188,440,248	187,491,030	99.5%
2021	122,985,232	121,368,163	98.7%

SUSTAINABILITY STATEMENT

ECONOMIC IMPACTS DATA

DIRECT COMMUNITY INVESTMENTS Community and Society (C2a & C2b)		
Period, FY	Total amount invested in the community where the target beneficiaries are external to the Group	Total number of beneficiaries of the investment in communities (No. of NGO and Community Groups)
2023	RM72,000	7
2022	RM42,000	5
2021	RM59,000	4

+ HEALTH SAFETY AND ENVIRONMENT ("HSE")

'As at 30th June 2023, we have accumulated a total of 21,789,467 safe manhours worked'



Picture: In celebration of the 20 million safe man-hours worked, and mental health campaign

We celebrated the achievement of 20 million man-hours without LTI with a weekend trip (10 – 12 March 2023) to a resort in Kuantan, Pahang, which brought together our employees with team-building events, a Gala Dinner and also talks regarding HSE and mental health. We are also proud to disclose that since 2009, our Teluk Kalong Yard has consistently achieved a Grade A rating from the DOSH for Work-Site Compliance.

At Carimin, we embody sustainable excellence in all activities and services. We strive to comply with regulatory requirements in every aspect of our business and operations. The safety and wellbeing of our personnel, as well as the conservation and preservation of the environment are our utmost priorities. The Group adopts an integrated HSE management system that integrates all our processes into one complete framework. The unified approach enables us to develop systematic practices for HSE compliance, including waste management, removal or reduction of dangerous pollutants, and risk reduction for injuries.

HSE POLICIES

Carimin has established an Environmental Policy and a Health and Safety Policy. The Group considers the health and safety of all stakeholders in all its transactions, as well as the potential environmental impacts of our operations. These policies outline our general approach for minimising hazards, preventing accidents and injuries, and promoting sustainable practices. HSE is vital for safeguarding the health and safety of individuals, protecting the environment, and maintaining sustainable operations across our operations.

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 a full copy of the policies <http://www.carimin.com/hse.html>.

SUSTAINABILITY STATEMENT

Below is an excerpt of our HSE Policies.

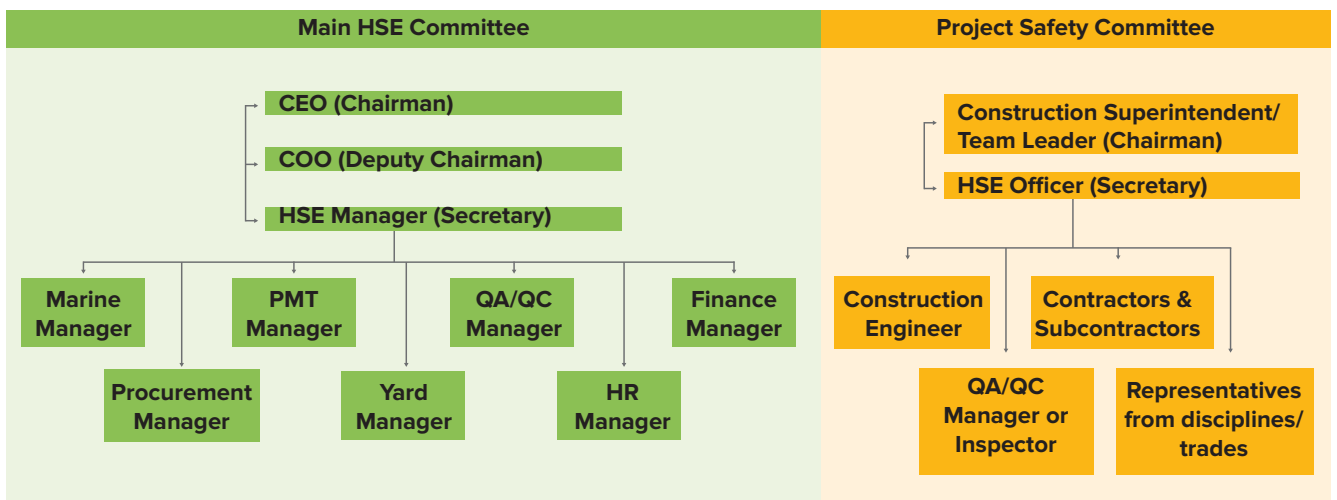
 Environmental Policy	 H & S Policy	 Supplemental Policies
<ul style="list-style-type: none"> • Communication and continuous education • Regulatory and statutory compliance • Allocation of resources • Prevent pollution and waste • Conserve resources • Energy efficiency 	<ul style="list-style-type: none"> • Risk assessment • Risk control measures • Regulatory and statutory compliance • Continuous improvement • Cultivate a healthy culture 	<ul style="list-style-type: none"> • Driving Policy • Stop Work Policy • Housekeeping Policy • Regulatory Policy • Drug and Alcohol Policy

HSE COMMITTEE



The Main HSE Committee is part of the Sustainability Working Group. It was established as the central body responsible for the protection of all employees and the environment as well as the Group's operational health and safety. The committee is composed of the HODs, headed by the HSE manager and chaired by the Managing Director, who is also a member of the Board. The committee is in charge of reviewing protocols, developing strategies, making recommendations, and monitoring that all operational activities comply with the pertinent legislation. The committee is also tasked with formulating measures for preventing accidents, creating a safe working environment and protecting the environment.

A Project Safety Committee is present in all Carimin operations sites. The committee meets weekly to discuss a wide range of issues, including HSE programmes, incidents, legislation and training. The Project Safety Committee consists of our business partners and employees. They submit the monthly, quarterly and annual performance reports to the Main HSE committee, which in turn conveys the status of the Group's HSE to the SC.



SUSTAINABILITY STATEMENT

HSE PROMOTION PROGRAMMES

Robust HSE programmes and round-the-clock communication are essential practices that provide employees with the information and skills that they need to carry out their jobs safely and effectively.

HSE Awards and Incentives

Rewarding Positive Behaviour: Recognition highlights the management's emphasis on HSE of the business operations and, at the same time, improves the company HSE culture. It also motivates employees to be more proactive in identifying hazards, making timely interventions, and reporting unsafe acts and conditions.



Highest submission award for Unsafe Condition Unsafe Act (UCUA), Best UCUA winner, Best HSE Performance of The Month, Best Stop Work submission.

Incident Reporting and Communication: All cases, injuries, accidents, fatalities and other incidents are promptly investigated to determine the potential severity and probability of recurrence. Incident action plans are made, and new HSE regulations are tabled at the HSE meetings. HSE breaches are taken seriously, and appropriate measures can be enforced, including the dismissal of employees or contractors who have frequently been errant or have committed a serious offence.

U-SEE U-ACT: This programme allows us to mitigate human errors in our accident/incident prevention efforts before these errors could result in accidents. Observers can carry out immediate corrective actions and put forth 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"): 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, Group Compliance also conducts HSE reviews from time to time.

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 life-saving appliances and survival techniques. This training is required for employees and subcontractors working onshore and offshore.
- *Manager/Supervisor Training* is concentrated on the worksite environment and HSE training.
- *Refresher courses* are organised at required intervals.

We organised various training programmes in FY2023. They were conducted by government and third-party organisations, such as the Offshore Petroleum Industry Training Organisation (OPITO), the global industry standard in O & G safety, skills, and competence.

The table below shows the HSE training and activities conducted during the Financial Year at various Carimin Sites:-

FY2023 H&S Types of Training	No. of employees who attended training	Total training hours
Working at Heights Awareness Training	88	264
H2S Safety Awareness Training	22	176
Incident Investigation (Tripod Beta) Training	4	64
Basic Defensive Driving	40	180
Mental Health Awareness - Get Together Event	105	210
Total		894



ENVIRONMENT

Carimin's business activities are mainly in the support services segment of the O & G industry, where we provide technical and engineering support services. We do not have flaring and do not impact biodiversity. We have established an environmental policy that is specific to our business operations and extends to our supply chain and business partners. In the coming financial years, we will adapt our approach to reflect emerging environmental issues.

TCFD

The Paris Agreement, which was adopted on 12 December 2015, reinvigorated global climate action as an explicit priority. This has resulted in the shift of capital flows towards climate change mitigation and adaptation.

The effects of climate change can be observed extensively at a global scale, affecting nearly all economic sectors. Though the actual effects of climate change are impossible to predict exactly, it is guaranteed that the choices we make today will affect future generations. The extent of the impacts of climate-related risks can vary by sector, industry, geography, and organisation.

In our case, climate change can exert both direct and indirect impacts, and failure to address these issues could lead to both short- and long-term risks. Given that climate-related issues can influence several important factors of the Group's financial performance and position, we need time to adjust our internal processes before making accurate full disclosures that align with the TCFD guidelines.

SUSTAINABILITY STATEMENT

The narrative below is our initial statement. In accordance with the TCFD, it is structured around the four thematic areas that represent the core elements of how our organisations operate: governance, strategy, risk management, and metrics.

Our climate change governance structure and strategies is included within our Sustainability structure and strategies.

Climate Change Risks	Potential Financial Impacts
<p>Our Transition Risks are listed below:</p> <p>Policy and Legal Risks refer to the enhanced emission reporting guidelines and the updated national and international regulatory requirements for fossil fuels.</p> <p>Technology Risk is the cost of transitioning to lower-emission technologies.</p> <p>Market Risk is the change in behaviour and preference of clients looking for fossil fuel substitutes.</p> <p>Reputational Risk is the increase in stakeholder concern if the company does nothing to tackle climate change.</p> <p>Physical Risks such as typhoons.</p>	<p>There has been a global shift in national and international policy paradigms in recent years, with mitigating climate change becoming a top priority. The 12th Malaysia Plan (2021-2025) highlights the importance and benefits of transitioning to renewable energy which will allow us to reduce our emissions and comply with new regulatory and statutory standards.</p> <p>Malaysia is in a typhoon-free zone; however, climate change could possibly reverse this scenario. The typhoon risk will directly affect safety of our people and operations.</p> <p>Additionally, climate change risks can affect our employees' H & S, leading to financial health obligations, increased insurance health coverage, and decreased manpower resources.</p>
Climate Change Opportunities	Potential Financial Impacts Financial Impacts
<p>Resource Efficiency can be achieved by using more energy-efficient technologies.</p> <p>Energy Sources can come from various renewable energy sources, which can be augmented by the energy policy incentives from the government.</p> <p>Access to New Markets can be gained by strengthening sustainability efforts to compete in international markets. Also, diversifying into the alternative energy service/ product section can be an opportunity to venture into new markets.</p>	<p>Operation costs can be decreased through efficiency gains, and the government incentives for renewable energy policies can also offset the initial solar power installation cost and the payment to public utility companies.</p> <p>Our plan is to initially implement conservation and efficiency programs to reduce emissions and resource wastage.</p> <p>In the longer term, we are exploring transition towards cleaner energy business segments.</p>

Metrics

In the year under review, our employees underwent GHG emissions training to have a better grasp of our carbon dioxide (CO₂) emissions. We are now able to calculate GHG emissions.

GHG Emissions

GHG Emission, metric tons CO ₂ e (C11)			
Period	Scope 1 (C11a)	Scope 2 (C11b)	Scope 3 (C11c)
2023	872,047.55	298,495.62	308.7
GHG Definition			
Scope 1	Fuel consumed by owned vehicle, machinery, equipment, and vessels (marine gas oil)		
Scope 2	Electricity Consumption		
Scope 3	Employee Commuting and Business Travel	Business Travel: 81.7 tons CO ₂ e Employee Commuting: 227 tons CO ₂ e	
GHG Framework: GHG Protocol			
Emission Factor:			
Scope 1: Department for Environment Food and Rural Affairs (Defra) UK			
Scope 2: The Malaysian Green Technology Corporation for the Peninsular Grid			
Scope 3: GHG protocol guidance and Department for Environment Food and Rural Affairs (Defra) UK			

SUSTAINABILITY STATEMENT

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 of 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 wastes that we generate are industrial, domestic and office wastes. The industrial wastes, which consist of ferrous metals from construction and fabrication projects, are segregated for disposal or recycled by registered metal recycling companies.

Biodiversity

Our operations as a contractor and service provider has minimal impact on biodiversity unlike O & G field operators or major industry players. Nonetheless, our environmental policy states, "allocate resources and persons responsible for protecting the land, water". Our sustainability risk assessment includes any potential hazard to biodiversity in land and water that is within our control. The result will identify a method for identifying and addressing the impacts of our operations on biodiversity at all operational sites and future operations as to whether remediation or restoration is necessary. In FY2023, there was no evidence that our business and operations exerted a negative impact on ecological biodiversity.

Compliance and Performance

In the year under review, we proudly report that the Group has maintained 100% compliance with HSE statutory and regulatory requirements. As a testament to our excellent HSE performance, our clients have recognised our achievement with performance achievement awards. Please refer to the highlights page of this sustainability statement.

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 O & G Facilities in Malaysia
Local municipal and enforcement authorities	HSE Rules/Guidelines – According to Client Requirements

SUSTAINABILITY STATEMENT

HSE PERFORMANCE DATA

H & S Data for all employees, contractors and subcontractors					
Period	Fatality	Total number of hours worked in the reporting period	Amount of time lost due to workplace injuries	Lost Time Incident Rate ("LTIR")	Total safe man-hours worked since 2009
FY2023	0	1,911,524	0	0	21,789,467
FY2022	0	1,818,670	0	0	19,877,943
FY2021	0	1,872,491	0	0	18,059,273

Waste (C10a)					Water Usage (C9a)
Period	Total Waste Generated, (Excluding KL Office)			Recycling	Public Utility (Onshore Only)
	Hazardous Waste, MT	General Waste, MT	Total, MT	^{N1} Recycled, MT	Volume, ML
FY2023	10.18	91.5	101.68	0	14.189
FY2022	7.5	54	61.5	0	12.881
FY2021	44.1	51.7	95.8	2.5	15.497

^{N1} Recycled: There is no reported data on recycled materials in FY2022 and FY2023, as the materials used in our projects are supplied by our clients and not owned by us. After project completion, all unused materials and materials for recycling are kept as instructed by our clients or returned to them who will then perform their corresponding recycling schemes.

No water is withdrawn from the surface, subsurface, sea and ocean.

ENERGY CONSUMPTION (C4a)								
Period	Vessels Marine gas Oil		Electricity		Diesel		Petrol	
	Litres	Gigajoules	kWh	Gigajoules	Litres	Gigajoules	Litres	Gigajoules
FY2023	306,200.00	10,563.90	406,614	1,463.81	6,913.18	266.85	917	31.91
FY2022	959,936.84	33,117.82	346,626	1,247.85	3,925	151.51	946	32.92
FY2021	936,666.73	32,315.00	352,773	1,269.98	2,784	107.46	1,145	39.85

Our vessel energy consumption in FY2023 is 31% that of FY2022. This is attributed to the increased charter of our fleet.

SUSTAINABILITY STATEMENT

+ EMPLOYEE

The Group's human resources are managed in a company culture that promotes excellence, efficiency, human rights and labour standards on decent work practices. We believe that human capital is the most valued and important resource and that every employee's potential, creativity, integrity and skill should be treated with appropriate empathy, dignity, respect and reward.

HUMAN RIGHTS AND LABOUR

To reinforce our commitment to our people, we have established Human Rights and Labour Policies in the year under review. The policies reflect our belief to advance rights at work, encourage decent employment opportunities and enhance social protection across our operations, including our supply chain. To this end, we do not condone the following acts:



To-date, there has been zero complaint regarding human rights violations. Ref C6(d).

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, institutional organizations and government agencies.

Training Programmes:

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 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 client 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.

The table below shows the list of training programmes completed in FY2023. The external health and safety training sessions are certified career-enhancement programmes that will prepare employees for careers dedicated to the O & G industry.

SUSTAINABILITY STATEMENT

FY2023 Training	No. of employees who attended training	Total training hours (C6a)
Working at Heights Awareness Training	88	264
H2S Safety Awareness Training	22	176
Incident Investigation (Tripod Beta) Training	4	64
Basic Defensive Driving	40	180
Mental Health Awareness - Get Together Event	105	210
Insider Trading Training	54	243
Anti-Money Laundering / Counter Terrorism Financing (AML/CTF) Training	51	229.5
Presentation and Briefing MACC S17A by Messrs Arief & Iskandar	69	103.5
APAC Risk Management Conference 2023 - Pullman Kuala Lumpur Bangsar	1	16
SPRM - 'Perlaksanaan Inisiatif Anti Rasuah' - Virtual	38	133
SME Sustainability Series 2023 : Charting the Sustainability Path for SMEs - SME Corp, KL Sentral	1	8
Corruption, Code of Conduct & Business Ethics Training	28	42
Human Rights & Labour Policy Training	44	132
SME Sustainability Series 2023 : Charting the Sustainability Path for SMEs - Session #2	2	16
Public Training - Financial Analysis Business	1	16
International Project Management Conference	3	48
Mexpa Seminar on Government Grants	1	8
Total		1,889

FY2023 Summary of Training	No. of employees who attended training	Total training hours
Human Rights & Labor	44	132
Health and Safety	259	894
Environmental Training/Sustainability	3	24
Career Development (with certification)	5	72
Operational (finance, technical, risk mgt. IT others.)	106	488.5
Anti- Corruption Training	108	278.5
Total		1,889

DIVERSITY AND INCLUSION

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 espouses equal employment opportunity and non-discrimination in relation to gender, ethnicity or race, age and nationality at the workplace.

SUSTAINABILITY STATEMENT

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 continuously making 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.

WORKFORCE PERFORMANCE

% of Employee Diversity			
	2023	2022	2021
Gender			
Male	69%	69%	58%
Female	31%	31%	42%
Age			
<30 Years	15%	28%	25%
30-50 Years	73%	63%	65%
>50 Years	12%	9%	10%
Nationality			
Malaysian	99%	99%	99%
Non-Malaysian	1%	1%	1%

Board Diversity						
Number of Directors by Gender				% of Directors by Gender		
	2023	2022	2021	2023	2022	2021
Male	6	6	5	86%	86%	83%
Female	1	1	1	14%	14%	17%
Total	7	7	6			
Number of Directors by Age Group				% of Directors by Age Group		
Age	2023	2022	2021	2023	2022	2021
<30	0	0	0	0%	0%	0%
31-40	0	0	0	0%	0%	0%
41-50	0	1	1	0%	14%	17%
51>	7	6	5	100%	86%	83%
Total	7	7	6			

Number of Employees by Age, Gender and Employee Category										
FYE2023	Gender		Age			Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	9	0	0	3	6	100%	0%	0%	33%	67%
Management	12	1	0	9	4	92%	8%	0%	69%	31%
Executive	60	21	10	67	4	74%	26%	12%	83%	5%
Non-Executive	17	22	12	24	3	44%	56%	31%	62%	7%
Total	98	44	22	103	17	69%	31%	15%	73%	12%
FYE2022										
Senior Management	3	0	0	1	2	100%	0%	0%	33%	67%
Management	17	1	2	13	3	94%	6%	11%	72%	17%
Executive	53	21	32	40	2	72%	28%	43%	54%	3%
Non-Executive	18	16	10	20	4	53%	47%	29%	59%	12%
Total	91	38	44	74	11	71%	29%	34%	57%	9%
FYE2021										
Senior Management	9	0	0	3	6	100%	0%	0%	33%	67%
Management	14	1	0	11	4	93%	7%	0%	73%	27%
Executive	63	14	18	56	3	82%	18%	23%	73%	4%
Non-Executive	15	19	16	17	1	44%	56%	47%	50%	3%
Total	101	34	34	87	14	75%	25%	25%	65%	10%

SUSTAINABILITY STATEMENT

EMPLOYMENT TYPE: % of employees: C6(b)			
	2023	2022	2021
Contractual	69%	65%	61%
Permanent	31%	35%	39%
TOTAL	100%	100%	100%

EMPLOYMENT TYPE: Number of employees C6(b)			
	2023	2022	2021
Contractual	98	84	82
Permanent	44	45	53
TOTAL	142	129	135

Total Number of Employee Turnover C6(c)			
	2023	2022	2021
Senior Management	0	1	1
Management	0	2	0
Executive	20	25	13
Non -Executive	6	3	2

+ CLIENT

Our clients rank high in priority amongst our stakeholders. Our commitment is to always give them satisfaction meeting or exceeding their expectations.

QUALITY

To ensure that our clients 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 clients' 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.

CLIENT SATISFACTION

We monitor the clients' perception through the Client Satisfaction Survey ("CSS"), which is the platform where clients can file complaints and provide feedback. The CSS is accomplished by interviewing a representative sample of our clients 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 key components of our future business strategy but were not our top priorities. However, COVID-19 has made us realise that we have to expedite 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 clients.

CYBER SECURITY

We abide by the Malaysian Personal Data Protection Act 2010 (PDPA), which mandates the protection of the private data of our clients, 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.

During the year under review, we did not receive any non-compliance or complaint related to privacy or data breach. Ref C8a.

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 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 impacts of 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 purchasing and sourcing practices contribute to the growth of the O & G industry and also generate opportunities for smaller companies to develop and for community members to be employed.

Local hiring

This 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

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.

Engagement with Government and Peers

Our Compliance Officer, Mr. Syed Kamil, shared Carimin's sustainability journey during the workshop of the O & G, Services and Equipment (OGSE) entitled "Charting the Sustainability Path for SME Series". The event was organised by SME Corp. Malaysia in partnership with PETRONAS. During the full-day workshop, participants, who are mostly vendors to PETRONAS, learned the importance of ESG practices, the development of ESG strategies, and the measurement and monitoring of ESG performance in line with Malaysia's commitment to the 2030 Agenda.

SUSTAINABILITY STATEMENT

OUTREACH INITIATIVES

Corporate giving allows us to build stronger relationships with the community and to demonstrate that we care. In FY2023, as in previous years, our community welfare initiatives were focused on the lower-income household category ("B40").

PROGRAMME OBJECTIVES	BENEFICIARIES
Education Fund for B40	Kolej Profesional Baitulmal KL
Back To School for Orphans	Pertubuhan Kebajikan Ehsan Ash Shakur
Back To School for Convert Children	Persatuan Cina Muslim
Ramadhan Program for Single Mother B40	Kelab Kasih Perihatin,
Ramadhan & Hari Raya Program ASNAF	Badan Amal Kebajikan Al Meizan (BAKAM), Kemaman

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.

PROFESSIONAL MEMBERSHIPS AND ASSOCIATION



Carimin's collaborations with professional memberships and associations have 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 are required to abide by all pertinent laws and regulations relating to minimum wage, occupational H & S, prevention of child & forced labour as well as 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 review 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.

SUSTAINABILITY STATEMENT

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.

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.

Supplier Transparency and Ethics

The Group's Code, ABC policy 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. Suppliers wishing to raise concerns or disclose improper conduct may use the whistleblowing platform.

SUSTAINABILITY STATEMENT

BURSA INDICATOR INDEX

NO.	COMMON INDICATORS	Code	SUB-INDICATORS	Page No.
1	Anti-corruption	C1 (a)	% of employees who have received training on anti-corruption by employee category	39
		C1 (b)	%of operations assessed for corruption-related risks	40
		C1 (c)	Confirmed incidents of corruption & action taken	39
2	Community/ Society	C2 (a)	Total amount invested in the community	42
		C2 (b)	Total number of beneficiaries	42
3	Diversity	C3 (a)	% of employees by gender and age group for each employee category	51 & 52
		C3 (b)	% of directors by gender and age group	51
4	H & S	C5 (a)	Number of work-related fatalities	48
		C5 (b)	LTIR	48
		C5 (c)	Number of employees trained on health & safety standards (External Training only)	N/A
5	Labour practices & standards	C6 (a)	Total hours of training by employee category (not categorised)	50
		C6 (b)	% of employees that are contractors or temporary staff	52
		C6 (c)	Total number of employee turnover by employee category	52
		C6 (d)	Number of substantiated complaints concerning human rights violations	49
6	Supply chain	C7 (a)	Proportion of spending on local suppliers	41
7	Data privacy / security	C8 (a)	Number of substantiated complaints concerning breaches of client privacy and losses of client data	52
8	Energy Management	C4 (a)	Total energy consumption	48
9	Water	C9 (a)	Total volume of water used	48
10	Waste Management	C10 (a)	Total waste generated and a breakdown of the following:	48
		(i)	total waste diverted from disposal	
		(ii)	total waste directed to disposal	
11	Emissions Management	C11 (a)	Scope 1 emissions in tonnes of CO ₂ e	46
		C11 (b)	Scope 2 emissions in tonnes of CO ₂ e	46
		C11 (c)	Scope 3 emissions in tonnes of CO ₂ e Business travel and employee commuting	46