

Sustainability Statement

Sealink International Berhad (“Sealink” or the “Company”) recognises the importance of sustainability as a critical driver for the long-term business sustainable growth of Sealink and its subsidiaries (“the Group”). As such, the Board of Directors (“Board”) of Sealink is pleased to present our commitment to create long-term sustainable value and business growth to achieve our strategic objectives and enhance shareholders value in the long term. The Group undertake developments that are economically, environmentally and socially conducive for a sustainable long-term future and that are substantial to our business operations. We are delighted to have this opportunity to share our commitments and progress in creating significant value for our stakeholders while operating in an environmentally and socially responsible manner. When read in conjunction with our financial statements and other sections in this Annual Report, this Sustainability Statement provides our stakeholders with a comprehensive picture of how the Group balances financial objectives with Environmental, Social and Governance (“ESG”) initiatives.

This Sustainability Statement is made pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) [“MMLR”] with guidance drawn from Practice Note 9 of MMLR and the Sustainability Reporting Guide (3rd edition) (“SR Guide”) issued by Bursa Malaysia.

The information and data disclosed in this Statement were sourced from our reporting processes, systems, and records of progress, achievements, and challenges encountered on our sustainability journey throughout the financial year ended 31 December 2023 (FYE 2023). Presently, we do not obtain external assurance for this Statement. This will be reviewed as we continuously enhance our reporting processes.

We are also committed to accountability and transparency in our sustainability performance to continually improve the integration of sustainability into our working environment and business processes. Our Sustainability Policy is based upon the following principles:

- to observe and comply with all relevant legislation, regulations and guidelines;
- to consider sustainability issues and integrate these considerations into our business decisions;
- to promote and enable all employees to be aware of, and committed to, implementing sustainability activities taking into consideration the environmental, social and governance factors; and
- to annually report, review and continuously strive to improve our sustainability performance.

The Board had established a Sustainability Committee (“the SC”), which comprises a majority of independent directors, to oversee, consider, deliberate and resolve matters relating to Sustainability Practices. The SC is established to assist the Board in fulfilling its oversight responsibilities in relation to the Sealink’s sustainability strategy and initiatives covering environmental, social and economical aspect as well as embedding sustainability practices into the business. The SC is also responsible for overseeing and monitoring the strategic management of material sustainability matters, risks as well as opportunities driven by Senior Management. It also monitors progress against the achievement of the Groups’ sustainability targets (sustainability key performance indicators). In performing its duties and discharging its responsibilities, the SC is guided by the Terms of Reference. The Terms of Reference of the SC are accessible via the Company’s website at www.asiasealink.com.

As at the date of this Statement, the Sustainability Committee comprises the following:

- Chief Executive Officer Cum Managing Director (Chairman); and
- 2 Independent Non-Executive Directors.

During the FYE 2023, the SC met four times and attended by all the members to discuss on the update on the prescribed common sustainability matters record and data update.

Sustainability Statement (cont'd)

In line with sustainability, the Company ensures that the sustainability efforts are embedded in the strategic direction of the Group by involving all the pertinent working members comprising Senior Management Team, Heads of Department of Sealink and all departments responsible for implementing the initiatives within the Group. The implementation of initiatives and the advancement of sustainability practices are supervised and managed by the Sustainability Sub-Committee, led by Mr. Andes Hii as the Designated Personnel. This Sustainability Sub-Committee meets annually with the Chief Executive Officer to discuss the measurable objectives and its progress towards achieving business sustainability for subsequent endorsement by the Board of Sealink.

MATERIALITY MATTER

We perform materiality assessments at least once a year to verify that we are focused on sustainability issues that reflect on our business and stakeholders best interest. We have included economic, environmental and social factors where these matters are important to our operations.

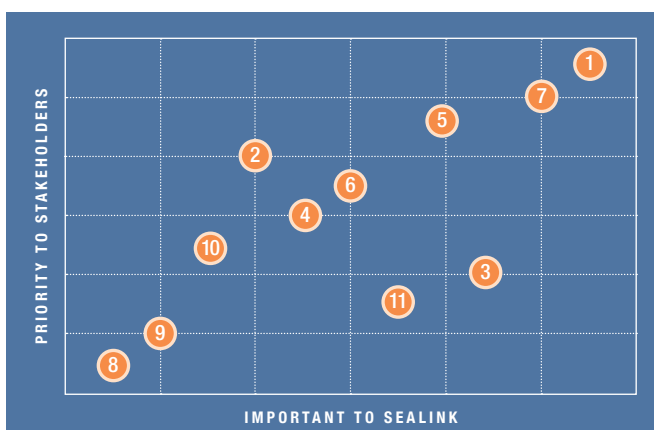
Materiality Assessment and Review

Our Management Team will review our sustainability factors through the following process:



This report focuses on the issues considered most important by both the Group and our stakeholders. The materiality assessment will be reviewed annually so that any changes in our business and the external environment can be addressed.

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



Sustainability Factors

1	Business Profitability
2	Effectiveness of Supply Chain
3	Digitization Process and Functions
4	Talent Retention and Human Capital Development
5	Occupational Health and Safety
6	Employee Welfare
7	Customer Satisfaction
8	Community Engagement
9	Human Right
10	Good Governance, Compliance and Ethics
11	Environmental Protection

The diagram above are the results of our materiality assessment. The factors ranked in the upper right-hand column are those that considered most significant by both the Group and the stakeholders. Our materiality identified eleven (11) Economic, Environment and Social issues.

The top 3 priority aspects are Business Profitability, Customer Satisfaction, and Occupational Health and Safety, which are very closely linked to the core nature of our business.

Sustainability Statement (cont'd)

STAKEHOLDERS' ENGAGEMENT

The group identified key stakeholders as our clients, employees, shareholders, partners and investors, the Government and regulatory bodies, as well as the community and suppliers. The group has continued to adhere to the established list of identified principal stakeholders of the Group and engagement strategy to ensure consistency and streamlining of Group's stakeholder engagement efforts.

Stakeholders	Engagement Methods	Frequency	Initiatives
Shareholders	<ul style="list-style-type: none"> • Annual reports • Annual general meeting • Quarterly reports • Company website 	Annual Annual Quarterly Ongoing	<ul style="list-style-type: none"> • Timely financial reporting and updates • Business management and governance
Government and Regulators	<ul style="list-style-type: none"> • Participate in training programmes organised by Government bodies and Regulators • Inspection / Inquiries by authorities 	As and when required/ invited As and when required	Compliance with regulations, laws and by-laws
Clients (Customers)	<ul style="list-style-type: none"> • Company website • Meetings and discussions • System Audit - HSSE 	Ongoing Ongoing As and when required	<ul style="list-style-type: none"> • Safety and health • Sustaining long-term relationship
Financiers	<ul style="list-style-type: none"> • Institutional briefings, presentations or conference calls • Annual Report • Bursa announcements • Quarterly financial announcement 	As and when required Annual As and when required Quarterly	<ul style="list-style-type: none"> • Business performance and updates • Financial position • Long-term relationship development • Procurement of banking facilities at competitive rates
Employees	<ul style="list-style-type: none"> • Education and training programmes • Employee handbook • Whistleblowing policy • Health and safety notices and updates • Meetings • Annual performance appraisal 	Ongoing Ongoing Ongoing Ongoing Annual	<ul style="list-style-type: none"> • Workplace safety and health • Career development and training opportunities • Remuneration and benefits • Work-life balance • Staff recreation
Community	<ul style="list-style-type: none"> • Annual Report • Company website • Company advertisements 	Annual Ongoing As and when required	<ul style="list-style-type: none"> • Promoting social and environmental well-being • Job opportunities • Industrial trainee engagement

Sustainability Statement (cont'd)

COMMON SUSTAINABILITY MATTERS

We integrate environmental and society considerations along with good governance in that we do. We are committed to identifying, managing and minimising adverse environmental impact of our business operations through our sustainability initiatives that contribute towards a better future for all. As a way forward on our disclosure we do our reporting according to the ("SR Guide").

We are using Sustainability matters recorded in 2023 as our base record and shall do the comparison in subsequent years in our reporting. The following are the common sustainability matters as per ("SR Guide") guidelines on disclosure.

1	Anti-Corruption	Overall 59% of supervisory and above level staff have attended Anti-Bribery and Corruption training. No finding to date from operations corruption related risks. To date, there is no official report recorded on confirmed incidents of corruption.
2	Community/Society	We had organised beach cleaning activity during our Safety Day on 27th October 2023
3	Diversity	Female staff consist of 35% from total staff and male staff at 65% in the group. Whereas, female director placed at 20% in our Board of Director set up and the remaining 80% are male directors.
4	Energy Management	The company consumes about 884,850 Kwh of energy in year 2023 for our operations and activities.
5	Health and Safety	The company has no work - related fatalities in 2023. There were also no lost time injury recorded in 2023 hence, lost time incident rate is zero. Overall, we had a total of 17 staff who attended health and safety training in 2023.
6	Labour practices and standard	<p>The company has also arranged training for staff in the company according to category. The non-executive staff recorded 233.75 hours of training in 2023 and executive staff at 188.25 hours. Managerial staff attended 195 hours of training in 2023 and our directors at 38 hours.</p> <p>Staff turnover rate for chartering was 15% in 2023 and 18% for our shipbuilding division. There was no human right violations or reported concerning Sealink recorded in 2023.</p>
7	Supply chain management	The company spent about 90.82% on local supplies for our chartering division and 96.99% on local supplies for shipbuilding division.
8	Data privacy and security	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data recorded in 2023.

Sustainability Statement (cont'd)

COMMON SUSTAINABILITY MATTERS (cont'd)

9	Water Usage	The company used up about 3,589,512 liters of water for our operations and activities in 2023.
10	Waste management	Sealink has recorded about 16.65 metric tonne of waste and arranged for proper disposal according to government's guideline.
11	Emissions management	<p>The company has invested in vessel fuel monitoring systems which will ensure more efficient fuel consumption among vessels. Less fuel used will reduce carbon (CO₂) emission.</p> <p>Sealink has also planted 1000 bamboo trees at our premises in Kuala Baram shipyard as a carbon sequestration effort where this carbon (CO₂) footprint offset will go a long way.</p>

As of April 2024, this common sustainability matters has yet to be audited by our appointed Internal Auditor and shall be audited as per internal audit planning schedule accordingly.

This statement is issued in accordance with a resolution of the Board date 16 April 2024.

Sustainability Statement (cont'd)

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Supervisor	Percentage	45.83
Executive	Percentage	57.14
Managerial	Percentage	77.27
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Non-Executive 30 and below	Percentage	36.50
Non-Executive 31- 40	Percentage	29.93
Non-Executive 41 - 50	Percentage	14.96
Non-Executive 51 and above	Percentage	18.61
Executive 30 and below	Percentage	7.43
Executive 31- 40	Percentage	38.51
Executive 41 - 50	Percentage	32.43
Executive 51 and above	Percentage	21.62
Managerial 30 and below	Percentage	0.00
Managerial 31- 40	Percentage	13.33
Managerial 41 - 50	Percentage	53.33
Managerial 51 and above	Percentage	33.33
Gender Group by Employee Category		
Non-Executive Male	Percentage	86.86
Non-Executive Female	Percentage	13.14
Executive Male	Percentage	83.78
Executive Female	Percentage	16.22
Managerial Male	Percentage	73.33
Managerial Female	Percentage	26.67
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
30 and below	Percentage	0.00
31 - 40	Percentage	0.00
41 - 50	Percentage	0.00
51 and above	Percentage	100.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	884.85

Sustainability Statement (cont'd)

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (cont'd)

Indicator	Measurement Unit	2023
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	17
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Non-Executive	Hours	234
Executive	Hours	188
Managerial	Hours	195
Director	Hours	38
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.50
Bursa C6(c) Total number of employee turnover by employee category		
Non Executive	Number	40
Executive	Number	24
Managerial	Number	6
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	91.77
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3.589512
Bursa (Waste management)		
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	16.65
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

(*) Restated