

Sustainability Statement

Sealink International Berhad ("Sealink" or the "Company") presents its Sustainability Statement published in line with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad in Company's Annual Report for the financial year ended 31 December 2021 ("FYE 2021").

The Board of Directors ("Board") of Sealink and its subsidiaries ("Group") 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. We 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 committed to continually improving 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 legislations, regulations and guidelines issued by regulators;
- 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 environment, social and governance factors; and
- to annually report review and continuously strive to improve our sustainability performance.

To operate on a sustainable basis, we focus our attention on our key impact areas. We employ both corporate strategy and feedback from internal and external stakeholders to define these areas of focus, namely, environment, social and governance factors.

STAKEHOLDERS' ENGAGEMENT

In building long-term business growth, it is essential to understand and be responsive to the stakeholders' concerns or expectations to the Company. We have identified the key stakeholders relevant to our operations and different platforms will be used to engage with the respective stakeholder groups, as indicated in the table below:

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

Sustainability Statement (cont'd)

STAKEHOLDERS' ENGAGEMENT (cont'd)

Stakeholders	Engagement Methods	Frequency	Initiatives
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 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"> • Donations • Annual Report • Company website • Company advertisements 	Ongoing Annual Ongoing As and when required	<ul style="list-style-type: none"> • Promoting social and environmental well-being • Job opportunities

SUSTAINABILITY ASSESSMENT

We integrate environmental and social considerations along with good governance in all 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.

1. Economic and Governance

1.1 Supply Chain Engagement

Responsible and sustainable procurement of goods and services is important to us. In order to contribute to the local economy, we always strive to source for materials and services from local suppliers, contractors and sub-contractors, where possible. Procuring from suppliers local to the operations are advantageous as they are able to deliver within a shorter lead time and at a lower cost. We believe that collaboration with sustainable and responsible suppliers, contractors and sub-contractors is in the best interests of our planet in mind too.

We maintain a healthy and long-term relationship with our suppliers, contractors and sub-contractors. The unprecedented COVID-19 pandemic has resulted in various challenges to the business environment globally. We took several precautions to minimise business disruption and supply chain challenges such as keeping optimum level of stocks for critical spares.

1.2 Corporate Governance and Regulatory Compliance

We have established policies, procedures and guidelines in order to comply with the best practices of good governance guided by the latest Malaysian Code on Corporate Governance 2021 ("MCCG2021") and Main Market Listing requirement of Bursa Malaysia Securities Berhad and Companies Act 2016, Malaysia throughout our operations.

We focus on building sustainable relationship with stakeholders and utilise our resources to economic growth and bring value to our stakeholders. The Board places great importance on corporate governance and believes in the correlation between good governance and performance. The Board has formalised in writing a Code of Conduct and an Employee Handbook that emphasises, amongst others, zero tolerance for unethical practices. The Group conducts business in an honest and ethical way to protect all our stakeholders. The Code of Conduct,

Sustainability Statement (cont'd)

1. Economic and Governance (cont'd)

1.2 Corporate Governance and Regulatory Compliance (cont'd)

which applies also to Directors, and the Group's Whistleblower Policy and Procedures have been uploaded to the Company's website. The Group has also been progressively developing pertinent policies and procedures addressing its key business operations to ensure the adequacy and integrity of the Group's internal control system and management systems. They guide and align with corporate initiatives the Group has implemented to address industry challenges and help us achieve operational excellence.

Our policies, procedures and guidelines are subjected to regular review and have been communicated to all employees via various communication channels amongst others, Company's website and intranet, Employee Handbook, internal memo and internal trainings. We endeavour to observe high standards of transparency, accountability and integrity. We believe that good corporate governance will help achieve long-term success and sustainable growth as well as to ensure trust amongst shareholders and stakeholders.

Details of the Group's corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement in this Annual Report and which is also available on the Company's website at www.asiasealink.com.

2. Environmental

We are committed to identifying, managing and minimising adverse environmental impact of our business operations by ensuring our operations and services are safe for our stakeholders whilst contributing towards reducing the intensity of greenhouse gas emissions and minimising pollution to the environment.

Our Health, Safety and Environment ("HSE") Department is responsible for creating awareness and promote good working practices amongst employees to ensure we comply with environmental legislation regarding safety in the workplace.

Health and Safety has become our top priority particularly during this pandemic outbreak. The relevant regulatory authority has set stringent Standard Operating Procedures ("SOP") related to health and safety protocol as preconditions for business resumption which we have complied accordingly. The Group's Covid-19 SOP has been shared to all employees for strict adherence and compliance.

2.1 Energy management

We are committed to reducing our energy consumption with the objectives of resource conservation, climate protection and cost savings. The Group's energy consumption comprises a mix of direct and indirect sources of energy. Our direct sources of energy consumption comprises of gases and diesel, while the indirect source of energy consumption is electricity. The major activities in our shipbuilding division include cutting, moulding and welding, which collectively contribute to the bulk of the energy consumed by the Group. Additionally, the chartering division purchases a substantial amount of Marine Gas Oil ("MGO") for the bunkering of vessels.

We constantly ensure that our buildings and equipment are energy-efficient to reduce our environmental footprint. We had switched from the conventional fluorescent light to light-emitting diodes ("LED") lamps, where possible, in the office. Furthermore, we encourage employees to switch off all office lights and air conditioning during lunch break and non-office hours, and other electrical appliances in the office and pantry whenever they are not required, to avoid wastage. We have purchased energy saver electrical products such as inverter air conditioner and refrigerator. In addition, we only buy asbestos free products and where possible we purchase biodegradable and oxone protection products.

Sustainability Statement (cont'd)

2. Environmental (cont'd)

2.2 Air Quality

According to World Health Organization ("WHO"), air pollution is one of the biggest environmental threats to human health, contributing to a millions of premature deaths each year globally. Improving air quality can enhance climate change mitigation efforts, while reducing emissions will in turn improve air quality.

The Group is conscious of reducing the emission of sulphur dioxide into the atmosphere by its vessels. Our chartering division provides time charters and bareboat charters and the Group does not track the sulphur dioxide emitted from our vessels as the charterers are responsible for supplying the vessels with bunkers.

Nonetheless, the Group has taken additional measures to ensure that our vessels use MGO, which has a lower amount of sulphur content. Our Charter Party Agreement ("CPA") only allows the charterer to use fuel oil with sulphur content not exceeding the maximum limit as stipulated by ISO 8217 1996 – Fuel Standard for marine distillate fuels and the relevant provisions of the International Convention for the Prevention of Pollution from Ship ("MARPOL"). A certification of quality of the MGO must be provided to the Chief Engineer during bunkering for verification and recording purposes. Additionally, samples of the MGO used are retained. Should any claim arise in respect of the quality of the fuel supplied, the samples shall then be analysed by a qualified and independent laboratory.

2.3 Paper usage

Our environmental policy to "go-green" is carried out on an ongoing basis to avoid and reduce waste and using recycling and environmentally-friendly disposal methods instead. Biodegradable materials are being utilised throughout the Group's operations. As part of the Group's commitment to uphold and safeguard the environment lens, the Group continues to ensure strict management of hazardous waste.

One of our approaches to waste management is to avoid unnecessary paper consumption. We are minimising the usage of paper by encouraging reduced printing and photocopying and emphasising on paperless and electronic mode. In addition to this, the practise of double-sided printing or usage of recycling papers are encouraged.

2.4 Effluents and Waste

Marine pollution is contributed by a combination of chemicals and trash, being discharged, washed or blown into the ocean. This pollution results in damage to the environment, to the health of all organisms, and to economic structures worldwide. Ocean destruction is evident and it has caused irreversible damage to the marine ecosystem. In our effort to preserve the marine ecosystem, our shipbuilding's port of discharge is situated in an area that is far away from marine life. Further, the Group continue to strengthen its water conservation efforts by adopting a strict policy on the planned discharge of oily water from our vessels.

As required by MARPOL, any oil or oily mixture discharge into the sea must be processed through an oil filtering equipment and the oil content must not exceed 15 parts per million ("ppm"). These oily waters must not be discharged in special areas due to oceanographical and ecological reasons.

An Oily Water Separator ("OWS") is used to discharge water collected in the Engine Room bilges from water leakages. Before water is being discharged, the OWS ensures that the oil content of the effluent without dilution does not exceed 15 ppm.

We also have a procedure in place to ensure proper handling and disposal of waste generated from vessels and in accordance with The International Convention for the Prevention of Pollution from Ships (MARPOL) Annex I & V and Environmental Quality Act (EQA) 1974.

Sustainability Statement (cont'd)

3. Social

3.1 Covid-19 Health and Safety Measures

For Covid-19 preventive and safety, measures have been put in place, such as daily screening of employees' body temperature before entrance to office, visitors, suppliers and contractors' self-declaration, physical social distancing of at least one (1) meter distance, daily cleaning and regular disinfection of defined areas in the office. We also have taken initiative to solidify our commitment to the safety and health of employees in combating the effects of Covid-19 pandemic, for example, continuous supply of face masks to all employees, providing self-test kit to employees as and when necessary, placing of hand sanitisers at strategic locations, conducting regular sanitisation and enable remote work. We support the Malaysian Government's call for our people to get vaccinated. All our employees have completed their second dose of Covid-19 vaccination.

3.2 Donations

One of our most meaningful ways of giving back to the society is donating medical equipments and necessary supplies to our local hospital. During the financial year under review, we have contributed eight (8) units of Kangaroo enteral feeding pump & comen syringe pump and ten sets of double fowler patient bed with mattress to the Miri General Hospital. We have also contributed six (6) units of Edan handheld pulse oximeter to Pejabat Kesihatan Miri. We hope our donations can assist in handling the Covid-19 patients and other patients more effectively.

3.3 Employee Training and Development

We believe in nurturing our employees to raise our employees' learning and development capacity, yielding a capable and more agile workforce. To support this belief, we provide on-the-job trainings whenever possible and also source for external training courses. The training programmes enable our employees to stay relevant and adapt to various changes in the professional requirements in relation to their roles and responsibilities. We trust that the personal growth of the employees would lead to improved organisational performance and help in achieving long-term business growth and sustainability.

We have established a formal policy to promote career management and training and uses mechanism such as an event/conference/training requisition form and encourages training feedback from participants. Promoting an open feedback culture helps the Human Resources Department ("HRD") to understand employees' career progression needs. The respective Head of Department will review the training needs of their employees and to recommend the relevant training courses for the employees to enhance their knowledge and skills. During the Covid-19 pandemic, we have accelerated the adoption of digital learning to maintain the work-related skills and keeping employees safe.

All employees undergo on-the-job training in the course of their job. This helps to not only train junior employees in their job, but concurrently develops the leadership skills in senior employees or managers.

3.4 Health, Safety and Environment

We are committed to provide a safer and healthier environment for employees (ship crews and shore staff) and minimise any preventable accidents and health hazards that may occur at business premises or during on board ships. Our vision is 'Goal Zero Incident' work environment and our aspiration is to be a 'value creating partner' to our clients (customers), shareholder and communities where we work and live. To achieve our vision, we have put in place our Health, Safety, Security and Environment ("HSSE") Policy which has been endorsed by top management and communicated to all staff through various platforms, such as the Company's intranet and newsletters, to instil the importance of safety and to promote safety awareness at the workplace. We are committed to a HSSE policy whereby we manage HSSE matters as a critical business activity, pursue the goal of 'no harm to people

Sustainability Statement (cont'd)

3. Social (cont'd)

3.4 Health, Safety and Environment (cont'd)

and protect the environment'. With reference with our HSSE management practices, we continuously comply with our Safety Management System (SMS) as well as to close any gaps in the work or safety procedures in line with the Class requirements and other safety best practices to ensure we comply with the standard of our Offshore Vessel Management and Self-Assessment (OVMSA) Level 2 which was audited by Brunei Shell Petroleum (BSP).

The Group is accredited by the Marine Department of Malaysia and maintain a Safety SMS for running our Marine Operations. We strictly comply with International Safety Management (ISM) Code and also other International Maritime Organization (IMO) regulations and related conventions such as The International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for the Safety of Life at Sea (SOLAS), Standards of Training Certification and Watchkeeping for Seafarers (STCW) and etc.

The SMS system ensures that:

- all activities are compliant with the law;
- HSSE matters are managed as a critical business activity;
- HSSE is the responsibility of all employees (managers and individuals); and
- anyone can apply 'Stop Work' or intervene, where unsafe conditions are present or unsafe activities are observed.

It is the obligation of everyone to act immediately to correct any situation that deviates from our policy or SMS systems, we must ensure that these standards are never compromised.

In addition to the above, we provide and ensure safety working environment on board ship by establishing and safeguarding all identified risks and promote the safety conscious attitude among all employees and also continuously improving their safety management skills through trainings, meetings, forum, discussion and talks.

Our operations personnel as well as contract workers are provided with, and are required to wear personal protective equipment when carrying out their work at the shipyard, on vessels or at the warehouse in order to achieve zero loss time injury or fatality arising from workplace accidents. Apart from the need to be briefed on safety issues upon arrival, visitors to the Group's shipyard and vessels are also required to put on safety helmets and boots before venturing to the sites. In addition, standard procedures are observed by personnel, including those of contractors, who handle flammable items, especially at the shipyard and on board vessels.

Each employee is responsible for adhering to the prescribed safety rules and acts and raising any concerns that may represent a potential threat to health and safety. The Group's operations personnel as well as contract workers in the vicinity must be aware of the health and safety risks while carrying out their work. All employees are responsible for reporting incidents, near-incidents, safety breaches and threats. The Group has formalised the You See You Act (UCUX) programme, which allow employees to lodge reports through UCUX eForm. As part of our commitment to continuous improvement, the Group ensures that employees are given training on the health and safety standards.

We have appointed a Safety Officer, who is responsible for overseeing matters concerning safety and health of employees and a Safety and Health Committee ("Committee") has been established. The Committee is responsible for improving the HSSE condition and help employees and management to solve any HSSE issues. The Committee is led by Chief Executive Officer cum Managing Director as a Chairman together with management and employee representatives have meets quarterly to review results, assess goals and performance, and resolve its related issues.

Sustainability Statement (cont'd)

3. Social (cont'd)

3.4 Health, Safety and Environment (cont'd)

In addition, there is proactive engagement with client in developing and implementing safety initiatives at worksites as well as providing stewardship and support to meet regulatory safety standard. HSE Department is also taking joint effort with Operations Department to minimise any findings for Petronas Pre-hire Inspection (PHI), Shell Pre-mob Inspection (PMI), Offshore Vessel Inspection Database (OVID) inspection and ensure on time close out of all observations or findings to obtain the green status.

Due to the Covid-19 pandemic, our annual HSE campaign for the year under review was conducted as follows:

- HSE Safety Campaign 2021 – HSE Quiz Competition 2.0 for ship crew and shore staff
- Proactive Intervention Campaign 2021 – reward or incentive for ship crew and shore staff that have achieved Key Performance Indicator (KPI) of UCUX of 14 submission per year.

We are pleased to announce that we have achieved 2,807 days of Loss Time Injury (LTI) free / Goal Zero Days and 19.7 million man-hours since the last LTI, and has given incentives to ship crew and shore staff for their commendable effort.

Recognising the importance of HSE as one of the Group's business strategy, a copy of HSSE policy can be downloaded from the Company's website at www.asiasealink.com. Through these policies and guidelines, the Group aims to further improve safety awareness among all employees.

This Statement is issued in accordance with a resolution of the Board dated 14 April 2022.