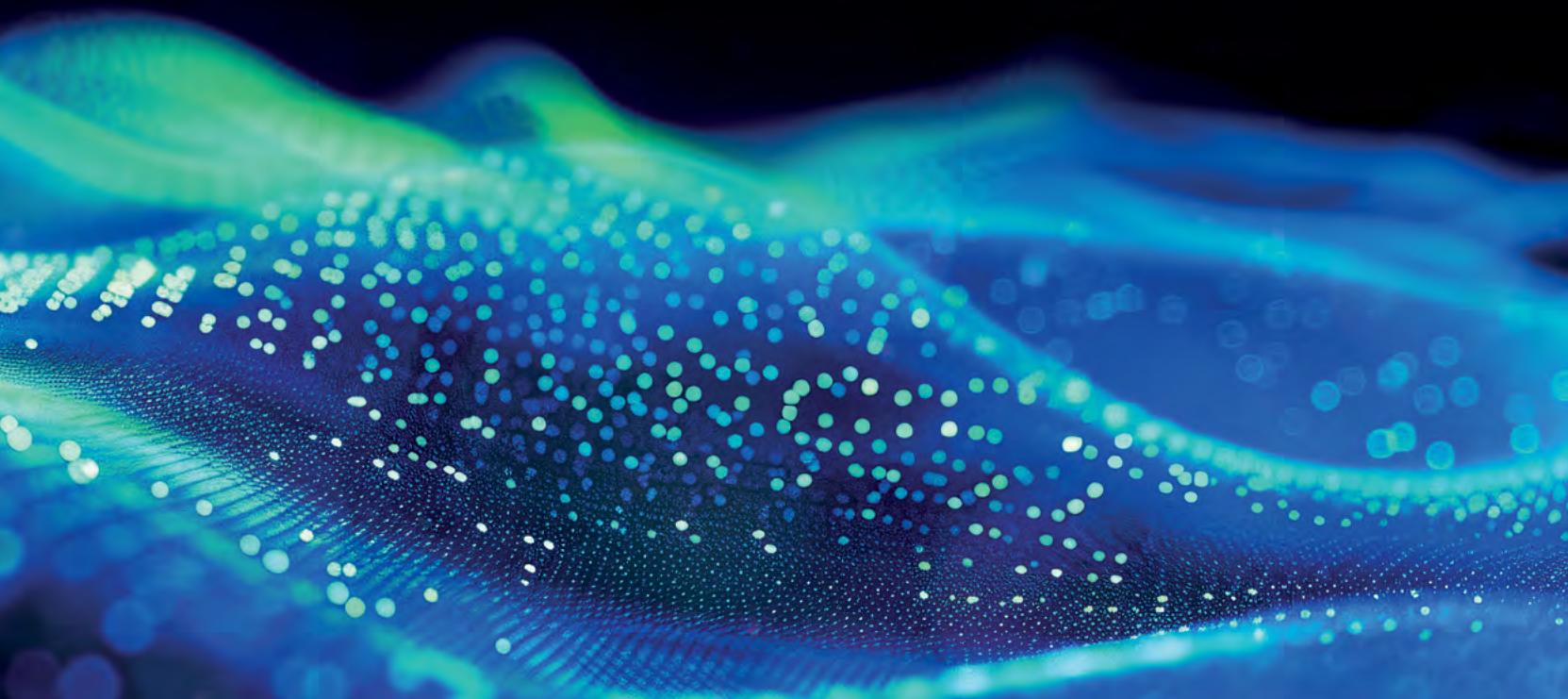




NAVIGATING  
A SUSTAINABLE  
FUTURE TOGETHER

Sustainability Report 2024



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Scan the QR code to download Sustainability Report 2024 on our website.

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## NAVIGATION ICONS

### Key Capitals

	Financial		Physical
	Intellectual		Human

	Social & Relationship
	Natural

### United Nations Sustainable Development Goals

	3 GOOD HEALTH AND WELL-BEING		4 QUALITY EDUCATION		5 GENDER EQUALITY		8 DECENT WORK AND ECONOMIC GROWTH		9 INDUSTRY INNOVATION AND INFRASTRUCTURE		10 REDUCED INEQUALITIES		12 RESPONSIBLE CONSUMPTION AND PRODUCTION		13 CLIMATE ACTION		14 LIFE BELOW WATER		16 PEACE, JUSTICE AND STRONG INSTITUTIONS		17 PARTNERSHIPS FOR THE GOALS
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### Material Matters

	Health and Safety		Human Rights		Waste Management
	Values, Governance and Business Ethics		Sustainable Supply Chain		Diversity and Inclusion
	Climate Change		Ocean Health		Digitalisation
	Energy Management		Security		Cybersecurity
	Financial Performance		Talent Development and Retention		Community Investment

## SECTION 1

# INTRODUCTION

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## About This Report

Welcome to MISC Berhad's ("MISC" or "the Group") Sustainability Report 2024. This report provides a comprehensive overview of our sustainability performance, highlighting our commitments, initiatives, and strategies pertaining to matters deemed most material to the business and stakeholders according to our materiality analysis.

This Sustainability Report 2024 complements MISC's Integrated Annual Report (IAR) 2024 and the Climate-related Financial Disclosures Report 2024. While the IAR offers a succinct overview of our business activities, this Sustainability Report provides an in-depth discussion of our sustainability initiatives and performance. The Climate-related Financial Disclosures Report offers further insights into how MISC identifies and manages its climate-related risks and opportunities.

### REPORTING SCOPE, BOUNDARY, AND PERIOD

The data and insights presented in this report comprehensively cover all business activities and operations under MISC Group's operational control or majority ownership. This includes our core segments: Gas Assets & Solutions (GAS), Petroleum & Products, Offshore, Marine & Heavy Engineering, Marine Services and Maritime Education & Training. Additionally, material contributions from joint ventures and associated entities are incorporated where relevant. This Sustainability Report is published annually, covering the period from 1 January to 31 December 2024, along with any noteworthy events that occurred after this period before the publication date.

Kindly refer to Sustainability Reporting Standards & Disclosures for a comprehensive list of disclosures aligned with the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB). Additional details regarding the reporting approach and framework can be found in Reporting Principles & Data Assumptions of this report.

### INDEPENDENT ASSURANCE

In 2024, MISC conducted an independent limited assurance exercise for its greenhouse gas (GHG) emissions and safety performance data recorded in 2023 and 2024. The statement of assurance can be found in the Independent Assurance Statement section.

### DATA MEASUREMENT TECHNIQUES AND ASSUMPTIONS

Our statements regarding future developments and past events are based on the information and assumptions available at the time of this report's publication. Certain content within this sustainability report is sourced from third parties and pertains to operations beyond our direct control. Nonetheless, internal due diligence has been conducted to verify the accuracy of the collected information and to ensure its presentation adheres to a reliable methodology.

 For further details on our data accounting principles, measurement techniques, and assumptions, please refer to Reporting Principles & Data Assumptions.

### ENGAGING WITH STAKEHOLDERS FOR GREATER IMPACT

Engaging with stakeholders throughout the development of this sustainability report has enhanced our understanding of key issues, enabling us to produce a more comprehensive and insightful report. We have integrated perspectives from internal stakeholders, including all business units, subsidiaries, and key departments. Furthermore, feedback from external stakeholders, gathered during engagement sessions over the past year, has been carefully evaluated and incorporated into the preparation of this report.

### RESPONSIBILITY STATEMENT

MISC's Board of Directors acknowledges its responsibility to ensure the integrity of this sustainability report. The Board, via the Board Sustainability & Risk Committee (BSRC) has oversight over risk management and sustainability-related matters such as establishing a sustainability strategy, target setting, reviewing the adequacy of sustainability processes, effectively identifying, managing, and reporting the Group's material sustainability matters and monitoring and overseeing all sustainability performance and initiatives across the Group.

The Board will continue to ensure that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to internal and external stakeholders.

Datuk Abu Huraira Abu Yazid  
Chairman

Zahid Osman  
President & Group Chief Executive Officer

### FEEDBACK

We are fully committed to listening to our stakeholders and welcome feedback on our sustainability approaches and disclosures. Please send your feedback or comments to:

**Sustainability Section, Sustainability & Decarbonisation Department,  
Group Strategy & Sustainability**

 MISC Berhad  
Level 25, Menara Dayabumi,  
Jalan Sultan Hishamuddin,  
50050 Kuala Lumpur.

 misc.sustainability@misctbhd.com

## MISC's 2024 Integrated Reporting Suite



### INTEGRATED ANNUAL REPORT (IAR) 2024

Offers shareholders and stakeholders a balanced and comprehensive overview of our financial and non-financial performance. It includes insights into the external environment, our business model, strategy, achievements, financial statements, material matters, corporate governance and risk management.

### SUSTAINABILITY REPORT (SR) 2024

Details our initiatives, outcomes and performance in key Environmental, Social and Governance (ESG) areas, enhancing transparency in our ESG efforts. This report also encompasses our Climate-related Financial Disclosures Report.

### FINANCIAL REPORT (FR) 2024

Provides detailed financial disclosures, including the Directors' Report, Audited Financial Statements and Independent Auditors' Report, catering to shareholders, investors, analysts and other interested parties.

### Key Frameworks Applied

	IAR	SR	FR
International <i>&lt;IR&gt;</i> Framework issued by the International Integrated Reporting Council (IIRC)	✓		
Main Market Listing Requirements (MMLR) issued by Bursa Malaysia	✓	✓	✓
Companies Act 2016 (CA 2016)	✓		✓
Malaysian Code on Corporate Governance 2021	✓	✓	✓
Corporate Governance Guide (4 <sup>th</sup> Edition) issued by Bursa Malaysia	✓	✓	
Malaysian Financial Reporting Standards (MFRS)	✓		✓
International Financial Reporting Standards (IFRS)	✓		✓
Bursa Malaysia Sustainability Reporting Guide			✓
Global Reporting Initiative (GRI) Standards		✓	
Sustainability Accounting Standards Board (SASB) Standards		✓	
FTSE4Good Bursa Malaysia Index	✓		
Carbon Disclosure Project (CDP)	✓		
MSCI ESG Ratings	✓		
Morningstar Sustainalytics ESG Risk Ratings	✓		
S&P Corporate Sustainability Assessment	✓		
IFRS S2 Climate-related Disclosures		✓	
AA1000 Stakeholder Engagement Standard		✓	
United Nations Global Compact Guiding Principles		✓	
United Nations Guiding Principles on Business and Human Rights		✓	
Principles of Climate Governance by World Economic Forum		✓	
United Nations Sustainable Development Goals (SDGs)		✓	

## Who We Are

### MISC Berhad is a global leader in energy-related maritime solutions and services, with 56 years of experience in the maritime industry.

Our principal businesses include energy shipping and its related activities, offshore floating solutions, marine repair and conversion, integrated marine services, port management and maritime services, as well as maritime education and training.

Leveraging our extensive global presence, we deliver a comprehensive range of solutions across the maritime energy value chain.

At the core of our success is a modern and diversified fleet of over 100 owned and in-chartered vessels, including liquefied natural gas carriers (LNGCs), petroleum tankers and offshore floating facilities, with a combined deadweight tonnage capacity exceeding 13 million tonnes.

Powered by a diverse and skilled global workforce, our fleet ensures the safe and efficient transportation of energy resources worldwide.

As a future-focused organisation, MISC is committed to advancing new energy solutions, underscoring our dedication to supporting the global energy transition while maintaining excellence in our core businesses.



#### OUR SHARED VALUES



##### Loyalty

Loyal to corporation



##### Integrity

Honest and upright



##### Professionalism

Strive for excellence



##### Cohesiveness

United, trust and respect for each other

#### OUR STRENGTHS

1 **Diversified business portfolio and track record of operational excellence**

2 **Sustainable partnerships with key industry players**

3 **Stable cash flow with strong discipline in risk and financial management**

4 **Integrated commercial viability and ESG priorities in our business operations**

5 **Highly experienced leaders, operating within a strong governance framework**

#### OUR KEY HIGHLIGHTS

##### Proven Track Record

**56** years of experience in delivering energy-related maritime solutions and services

##### Fleet Strength



**102** modern fleet of LNG, Petroleum and Product vessels



Operating presence in **11** countries, moving energy across continents

Reputable Floating Production System Owner-Operator with **12** assets

##### Market Strength

Among the world's leading energy shipping and maritime solutions provider



Market Capitalisation:

**RM33.9 billion**

##### Strong Credit Ratings

**Moody's**  
**Baa2 (Stable)**

**S&P Global**  
**Ratings**  
**BBB+ (Stable)**



Over **9,000** sea and shore employees  
from over **40** diverse nationalities

For more information, please refer to the MISC corporate website at [www.misigroup.com](http://www.misigroup.com).

## Who We Are

## Our Businesses

### GAS ASSETS & SOLUTIONS

Our Gas Assets & Solutions (GAS) segment specialises in transporting liquefied natural gas (LNG) and ethane, as well as providing asset-based solutions, leveraging decades of expertise. We prioritise operational excellence, backed by a strong track record of timely deliveries, while selectively investing in modern, fuel-efficient assets and venturing into new energy solutions to solidify our role in the global energy transition.



**36**  
vessels



**19**  
vessels under  
construction

**1**  
FSU under  
conversion

#### Fleet Strength



##### **22 Membrane-type LNGCs**

The membrane-type system has a higher capacity than Moss-type vessels due to its space-efficient containment systems.

##### **5 Moss-type LNGCs**

The Moss-type vessel has self-supporting spherical tanks that are robust and reduces sloshing.



##### **1 LNG Bunker Vessel (LBV)**

An LBV supplies LNG as marine fuel (bunker) to LNG-fuelled vessels via ship-to-ship (STS) transfer operations.

##### **2 Floating Storage Units (FSUs)**

An FSU is a flexible LNG storage solution and an alternative to land-based facilities.



##### **6 Very Large Ethane Carriers (VLECs)**

A VLEC is a specialised gas carrier that transports liquefied ethane at -94° Celsius in membrane tanks over long distances. The vessel is equipped with dual-fuel propulsion and reliquefaction systems.

### PETROLEUM & PRODUCTS

We operate a modern and diverse fleet of petroleum and product tankers, including specialised vessels such as Dynamic Positioning Shuttle Tankers and Modular Capture Vessels. Our fleet is designed to deliver petroleum and refined products with a focus on safety, reliability and efficiency. Aligned with our commitment to sustainable shipping, we are advancing decarbonisation efforts through the development of LNG and ammonia dual-fuel vessels.



**66**  
vessels



**5**  
vessels under  
construction

#### Fleet Strength



##### **13 Very Large Crude Carriers (VLCCs)**

A VLCC has the capacity to transport approximately two million barrels of crude oil over long distances to facilitate global trades.

##### **6 Suezmax Tankers**

A Suezmax tanker has a capacity of approximately one million barrels of crude oil, with the flexibility to ship both long-haul cargo and shorter, regional trades.



##### **20 Aframax Tankers\***

An Aframax tanker has the capacity to transport approximately 0.7 million barrels of crude oil. It is used to carry crude oil or dirty products, such as fuel oil, in mainly regional trade.

##### **17 Dynamic Positioning Shuttle Tankers (DPSTs)**

A DPST utilises dynamic positioning technology to maintain a fixed position while loading crude oil from remote offshore production facilities located in deepwater and/or harsh weather conditions, transporting it to shore for storage or refining.



##### **8 Lightering Support Vessels (LSVs)**

An LSV transports equipment and crew that are required to perform STS cargo transfer operations.



##### **2 Long Range 2 (LR2) Tankers**

An LR2 tanker is a coated tanker with the capacity to transport approximately 0.7 million barrels of oil. It can carry both clean and dirty products and is mainly utilised for regional trade.

### OFFSHORE

We are owners and operators of floating production systems across various locations globally, offering a comprehensive suite of services tailored to meet the dynamic floating solutions needs of the offshore business landscape, from shallow to ultra-deepwater field developments.



**12**  
offshore floating  
solutions

#### Fleet Strength



##### **1 Semi-submersible Floating Production System (Semi-FPS)**

A Semi-FPS is an offshore platform that floats on the surface of the water, supported by submerged pontoons. It is equipped with production facilities to process hydrocarbons by separating fluids received from a subsea reservoir through risers into crude oil, natural gas, water and impurities. The extracted oil is exported via pipeline to an oil and gas terminal, operating at a depth of approximately 1,400 meters.



##### **6 Floating Production, Storage and Offloading (FPSOs)**

An FPSO is a vessel-type unit that combines the functions of production, storage and offloading of oil and gas. It is equipped with processing facilities and designed for permanent mooring at a location for long periods i.e. 20 years or more of continuous operations. The production facilities on board separate oil, gas and water from hydrocarbons received from a subsea reservoir. After processing, the oil is stored in the FPSO's tanks and later offloaded to shuttle tankers or pipelines to onshore receiving facilities.



##### **5 Floating Storage and Offloading (FSOs)**

An FSO unit is primarily used for the storage and offloading of oil and gas and it does not have any production processing capabilities. It is normally integrated with other production systems, such as fixed platforms, mobile offshore production units and tension leg platforms. FSOs receive hydrocarbons from nearby production platforms or subsea wells, store them and later offload the stored oil to a shuttle tanker.

## Our Businesses

## Our Businesses

### Key Facilities



### MARINE & HEAVY ENGINEERING

As a premier energy and marine solutions provider, our Marine & Heavy Engineering segment operates one of the largest fabrication yards in Southeast Asia. We specialise in offshore construction, including deepwater facilities, marine repair, conversion services and marine refurbishment, with a niche focus on LNGCs. Leveraging our extensive expertise, we construct carbon capture facilities, advanced offshore wind farm substations, and provide fabrication services for green hydrogen facilities.

### Heavy Engineering

We have the largest fabrication area by tonnage capacity in Malaysia, to provide engineering, procurement, construction, installation and commissioning (EPCIC) of complex structures for offshore and onshore facilities.

### Marine Business

Our well-equipped yard includes three dry docks, land berths, quays and a shiplift. These facilities enable us to perform repair works, maintenance, marine conversion and refurbishment for a wide range of vessels.

### Key Services



### MARINE SERVICES

We provide a comprehensive range of solutions including ship management, port and terminal operations, port engineering and maintenance and marine assurance services. Our services are designed to cater to the evolving needs of our diverse clientele and anticipated shifts in the industry. We actively support the Group's decarbonisation goals by cultivating talents with expertise in future-fuel solutions.

### Ship Management Services

- Ship management, engineering and procurement
- Project management: Supervision and consultancy services for dry docking and newbuilding of vessels

### Port Management & Maritime Services

- Port and Terminal Management: Port and terminal operations, pilotage, mooring master, loading master and marine controller, jetty maintenance and single point mooring (SPM) maintenance
- Port Engineering and Maintenance: Jetty maintenance, SPM maintenance, SPM refurbishment and dredging activities
- Marine Services: Ship vetting, offshore vessel inspection, marine assurance and consultancy (ship screening, Tanker Management Self-Assessment, Offshore Vessel Management and Self-Assessment and Roving Marine Marshall Services)

### Key Services



### MARITIME EDUCATION & TRAINING

Akademi Laut Malaysia (ALAM) offers a spectrum of maritime courses including nautical and marine engineering programmes, maritime and offshore safety courses, simulator-based courses and maritime management programmes, as well as research and consultancy services. Through strategic partnerships with leading academic institutions and industry pioneers, we enhance research, develop future-ready talent and address critical industry challenges.

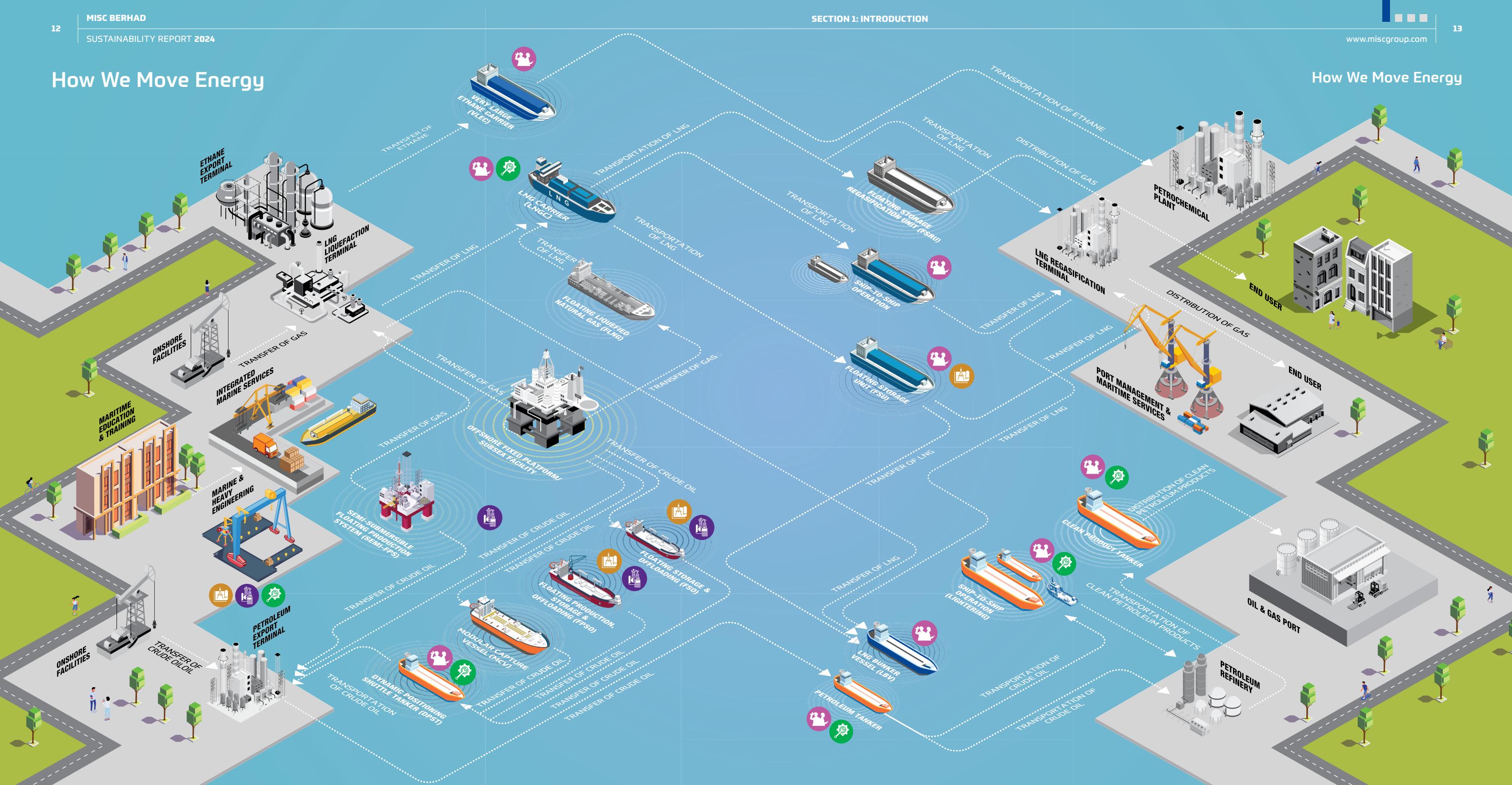
### Pre-Sea Diploma, Post-Sea, Ratings and Modular Programmes

We provide a broad spectrum of maritime education and training, beyond the Standards of Training, Certification and Watchkeeping (STCW).

### Research & Consultancy Services

Through our research and consultancy experts, we provide flexible solutions encompassing the total lifecycle of port development.

## How We Move Energy



**MISC holds a crucial position in the energy value chain as an effective long-distance commodities transporter and maritime assets supplier for offshore oil and gas extraction.**

We are proactively transitioning to new energy solutions to reduce emissions and ensure compliance with evolving local and international maritime regulations. By fostering innovation, sustainability and operational excellence, we strive to contribute to a resilient and responsible energy future.



Complete/Full Range Offshore Platform EPCIC Services for Offshore & Onshore Construction  
Comprehensive Marine Repair & Refurbishment



Marine Conversion Works  
Ship Management



### MISC Businesses and Activities

- Gas Assets & Solutions
- Marine & Heavy Engineering
- Petroleum & Products
- Marine Services
- Offshore
- Maritime Education & Training

● Related Activities in Oil and Gas Value Chain

## How We Move Energy

## Chairman's Message



**Dear Stakeholders,**

**Sustainability remains the foundation of MISC's strategy as we navigate a rapidly evolving maritime and energy landscape. In 2024, we continued to progress on our commitment to integrating ESG principles into all facets of our business. Despite the complexities associated with the global transition toward a low-carbon future, we delivered meaningful progress in decarbonisation, new energy initiatives and strategic partnerships.**

**With a re-energised focus, we remained steadfast in creating sustainable value for our stakeholders while positioning MISC to meet the demands of a changing industry.**

“



### RESPONDING TO A TRANSFORMING MARITIME AND ENERGY INDUSTRY

The maritime industry continued to undergo a paradigm shift in 2024, shaped by escalating regulatory pressures and rapid technological advancements. The International Maritime Organization's (IMO) climate agenda and greenhouse gas (GHG) reduction targets—30% in total GHG by 2030 and Net-Zero by 2050—continued to shape the maritime sector. Simultaneously, the European Union's Emissions Trading System (EU ETS) expanded its coverage to maritime shipping, with phased compliance requirements starting at 40% this year and reaching full implementation by 2026.

The ongoing regulatory shifts are taking place in tandem with the accelerated adoption of alternative fuels such as methanol, green hydrogen and ammonia, alongside port electrification initiatives in major port cities like Singapore and Rotterdam. Industry-wide momentum toward decarbonisation has reinforced the urgency for collaboration, investments and scalable solutions. Beyond operational challenges, corporate reporting requirements also intensified. The EU's Sustainable Finance Disclosure Regulation (SFDR) and Malaysia's adoption of International Sustainability Standards Board (ISSB) Standards introduced stricter ESG disclosure obligations, further embedding sustainability into financial and corporate strategy. At MISC, we uphold reporting practices that align with global ESG standards, keeping pace with evolving regulatory requirements to ensure continued stakeholder confidence.

In response, MISC has strengthened its decarbonisation strategy by modernising its fleet and securing long-term charters for LNG dual-fuel and ammonia-ready vessels, investing in future fuels and abatement technologies. This included realigning core aspects of our business with PETRONAS Gas & Maritime division to further unlock synergies. In addition, we continue to integrate carbon pricing considerations into our investment decisions through our Internal Carbon Pricing Framework apart from continuing to uphold reporting practices that align with global ESG standards.

### DRIVING THE ENERGY TRANSITION THROUGH INNOVATION AND COLLABORATION

In 2024, we intensified our decarbonisation efforts towards meeting our commitment to achieving a 50% reduction in GHG emissions intensity by 2030. We strongly believe that strategic partnerships are key, especially given the high cost and risk involved in assessing the efficacy of new technologies. Thus, many of our efforts will largely be tied to collaborations with like-minded partners to achieve our respective sustainability and strategic goals.

In the area of ammonia, we have collaborated with PETRONAS and its group of companies to jointly develop integrated shipping and floating solutions for ammonia. As one of the early owners and operators of LNG dual-fuel VLCCs and Aframaxes, we are now advancing the industry with ammonia dual-fuel technology. Through partnerships, we made significant progress in this area in 2024 by securing Time Charter Parties (TCPs) with PETCO Trading Labuan Company Ltd (PTLCL) for the world's first two ammonia dual-fuel Aframaxes. In addition, we secured long-term in-charters for two LNG dual-fuel Aframaxes with shipowner Singfar.

To advance abatement technologies, a key highlight was our collaboration with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc, to pilot the development of a Zero Emission Power Station (ZEUS) that utilises an advanced oxyfuel combustion system with immediate carbon dioxide (CO<sub>2</sub>) capture and storage capabilities.

**We intensified our decarbonisation efforts towards achieving a 50% reduction in GHG emissions intensity by 2030 by focusing on building strategic partnerships.**

In terms of our own MISC-driven initiatives, one of the key milestones was the successful delivery of the *Eagle Veracruz*, our third LNG dual-fuel VLCC, fully aligned with the IMO's Energy Efficiency Design Index (EEDI) Phase III standards. This investment strengthens our fleet modernisation efforts while contributing to emissions reduction. Furthermore, our state-of-the-art *FPSO Marechal Duque de Caxias*, possesses advanced high-separation technology for ultra-deepwater CO<sub>2</sub>-rich gas processing and carbon capture.

MISC's efforts in sustainability have been validated through industry recognition. Our LNG dual-fuel VLCCs, *Eagle Veracruz* and *Eagle Ventura*, received Green Ship status from the Maritime & Port Authority of Singapore, reinforcing our commitment to responsible shipping. We were also honoured with the Industry Excellence Award in Transportation & Logistics at the National Corporate Governance & Sustainability Awards 2024.



## Chairman's Message

## Chairman's Message

## Chairman's Message

## STRENGTHENING GOVERNANCE FOR A RESPONSIBLE AND RESILIENT FUTURE

Governance remains the backbone of MISC's sustainability journey, ensuring transparency, accountability and ethical business conduct. In 2024, we reinforced our governance structures to align with global best practices. A key milestone was the implementation of the MISC Human Rights Policy, reaffirming our alignment with international human rights standards.



This policy supersedes the previous MISC Human Rights Commitment and MISC Modern Slavery Policy, providing our clear commitment towards respecting and upholding internationally recognised human rights where we operate. Additionally, the Board oversees grievance mechanisms that are open to all, ensuring fair and effective resolution of concerns.

## FOSTERING TALENT AND PROTECTING OUR OCEANS

Beyond environmental sustainability, MISC continues to invest in talent development and community well-being. Through ALAM, we are equipping the next generation of maritime professionals with the skills required to drive industry transformation.

Biodiversity conservation also remained a key focus area. Our Heart of The Ocean Programme through two signature initiatives, Mersing Islands Reef Conservation Initiative and UMT-MISC Marine Sea Turtle Conservation Initiative is aligned with our commitment to ensure the sustainable use of the ocean, demonstrate our commitment to protecting marine ecosystems and enhancing environmental stewardship. This is above and beyond operational measures taken by MISC to protect marine ecosystems.

## CHARTING THE COURSE FOR A SUSTAINABLE FUTURE

As we chart our course into 2025, we remain guided by our Sustainability Strategy. Our priorities will be centred around emissions reduction, safety excellence and social performance as we leverage innovation and partnerships to deliver value. We are committed to pursuing our decarbonisation targets and we are excited about what the future holds, especially as industry-wide efforts start bearing fruit.

Industry-wide collaboration and technological breakthroughs will drive the transition to alternative fuels, carbon capture and next-generation shipping solutions. In addition, the shipping sector anticipates continued advancements in decarbonisation technologies such wind-assisted propulsion and autonomous zero-emission vessels, moving beyond pilot phases into commercial viability.

However, the operating landscape will also bring challenges. Regulatory tightening under the IMO's decarbonisation framework, coupled with the full enforcement of the EU ETS, will necessitate vigilance to ensure continued compliance. Beginning 2025, the FuelEU Maritime Regulation will be enforced to support the decarbonisation of the maritime sector by setting maximum limits on the annual GHG intensity of ships operating within the EU or European Economic Area. In Malaysia, the anticipated Climate Change Bill and carbon tax on high-emission industries will further shape our domestic sustainability strategy.

Most importantly, balancing the capital-intensive nature of green technologies with long-term financial resilience remains a priority for MISC as we take a pragmatic view towards sustainability. While the adoption of LNG dual-fuel engines, onboard carbon capture and transition technologies is essential, these investments must be strategically aligned with market conditions and operational imperatives.



## ACKNOWLEDGEMENTS

As we close another year of progress, I extend my deepest gratitude to our shareholders, employees, customers and business partners for your unwavering trust and support. Your commitment has enabled MISC to navigate an evolving sustainability landscape with resilience and purpose, ensuring that we remain steadfast in our mission to drive sustainable value creation.

To our employees, your dedication and innovative spirit remain the driving force behind our achievements. Your efforts in pushing boundaries are what positions MISC at the forefront of sustainable maritime solutions. I am particularly proud of the way we have fostered a culture of inclusivity and shared responsibility, ensuring that every voice contributes to our collective progress.

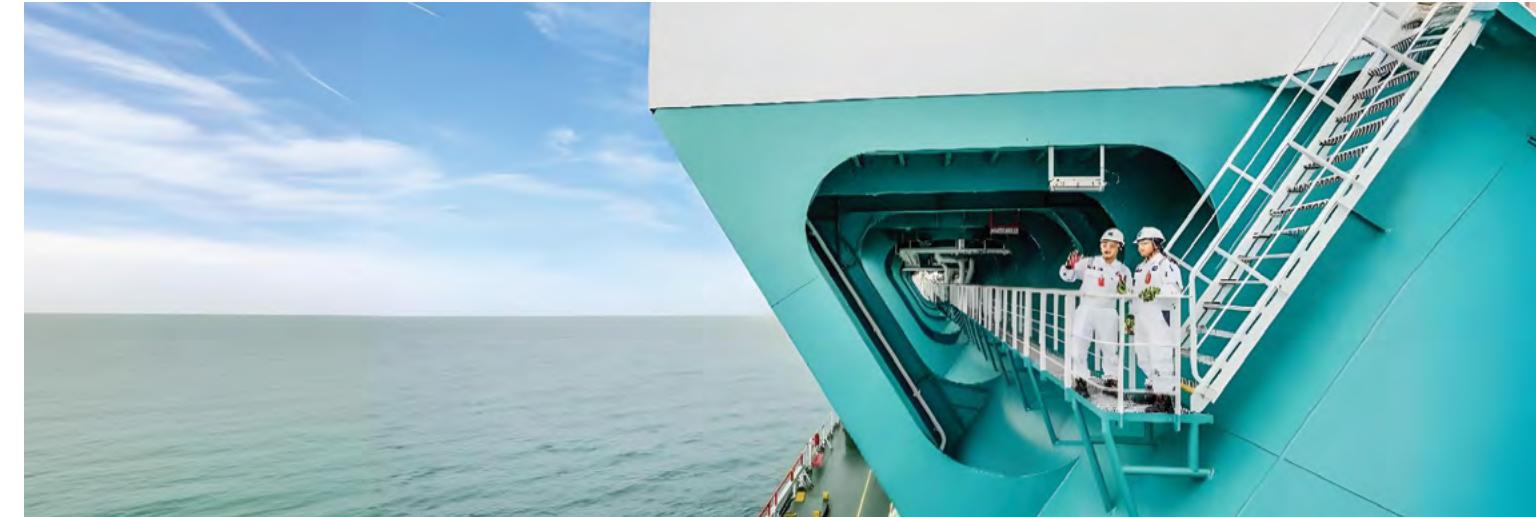
To our partners, industry peers and stakeholders, I appreciate the collaborative spirit that defines our journey. Sustainability is not a solitary pursuit and the partnerships we have cultivated continue to be instrumental in shaping our path forward. Together, we are building a legacy that transcends business—a legacy defined by sustainability, integrity and shared progress.

## DATUK ABU HURAIRA ABU YAZID

*Chairman,  
Independent Non-Executive Director*

## Board Sustainability & Risk Committee Chairperson's Message

## Board Sustainability & Risk Committee Chairperson's Message



**Dear Stakeholders,**

**In an era of accelerating change, sustainability and risk management have never been more critical to business resilience and long-term value creation. For MISC, these twin pillars are embedded at the heart of our strategy, guiding our commitment to responsible growth amid a rapidly evolving global landscape.**

**As Chairperson of the Board Sustainability & Risk Committee (BSRC), both the BSRC and Board oversee a fundamental mandate to MISC's continuous progress towards more sustainable maritime and energy-related services. Our role is clear: to ensure that sustainability is not merely a commitment but a driver of competitive advantage in response to global risks, integrated seamlessly into governance and business strategy.**

**In 2024, we advanced this agenda with a re-energised focus, reinforcing MISC's position in the industry's transition. Despite heightened regulatory pressures, economic headwinds and the imperative for decarbonisation, we remained steadfast in executing our strategy and strengthening governance frameworks and processes.**

### STRENGTHENING THE FOUNDATION FOR A SUSTAINABLE FUTURE

Guided by the MISC 2030 Ambition, the Group advanced its sustainability agenda, balancing core operations, new energy solutions, and decarbonisation. The BSRC's oversight ensures sustainability and risk management frameworks remain agile and aligned with MISC's strategy, enabling the Group to navigate complexity while meeting regulatory and stakeholder expectations.

A key 2024 milestone was MISC's progress in decarbonising its operations. Expanding our fleet with LNG dual-fuel and ammonia-ready vessels underscores our commitment to cutting GHG emissions and managing climate transition risks. AET's agreement for the world's first two ammonia dual-fuel Aframax tankers highlights our leadership in sustainable shipping. Additionally, we recognise the ongoing shifts in the market regarding reporting the management of climate-related risks and opportunities, particularly Malaysia's adoption of the ISSB Standards in 2025.

Our ESG performance also made significant strides. MISC has reduced its greenhouse gas intensity for shipping operations by 32% from our 2008 baseline, demonstrating good progress in achieving our commitment of a 50% reduction by 2030. In addition, strengthening good governance remained a priority and the rollout of MISC's Human Rights Policy this year marks a pivotal step in embedding ethical practices across our operations and supply chain.

The policy addresses human rights priority areas, including forced labour, human trafficking and discrimination, reinforcing our commitment to upholding internationally accepted human rights across our operations. It applies to all employees, directors and third-party partners, and ensures MISC implements a risk-based approach to identify and address potential human rights risks.

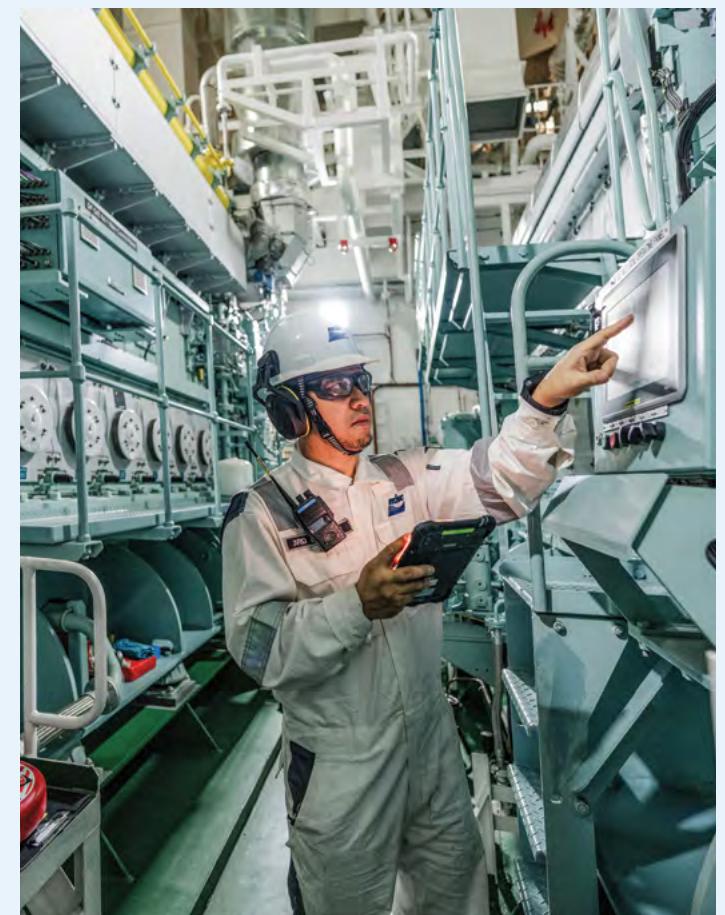
### STRENGTHENING GOVERNANCE AND RISK MANAGEMENT

The BSRC's role is anchored in ensuring resilience, transparency and accountability. With growing regulatory and geopolitical complexities, MISC's strong governance and risk management frameworks support business continuity and regulatory readiness. We closely monitor evolving sustainability requirements, including the National Sustainability Reporting Framework (NSRF) and Malaysia's upcoming carbon pricing mechanism. Our internal carbon pricing mechanism is key to integrating carbon costs into investment, capital expenditure (CAPEX), and long-term strategies. Quarterly reviews of MISC's ESG performance, keep initiatives aligned with regulatory changes and risk mitigation.

Risk management has been strengthened by integrating Key Risk Indicators (KRIs) into decision-making, enabling proactive mitigation. Our defined risk appetite alerts management and the Board to potential exposures, ensuring informed, timely decisions. We remain committed to continuously assessing risks related to climate policies and legislation, incorporating them into the Group's top risks in response to growing expectations from our diverse stakeholder groups.

**MISC reduced its GHG emissions intensity for shipping operations by 32% from its 2008 baseline, demonstrating progress towards halving its GHG emissions intensity by 2030.**

To stay adaptive, leadership team receives targeted training in sustainability and risk management. In 2024, Board members participated in the International Financial Reporting Standards (IFRS) S1 and S2 training, ensuring preparedness for ISSB Standards adoption under the NSRF, and other relevant sustainability and risk programmes to provide the insights needed to navigate an increasingly complex and uncertain environment.



## Board Sustainability & Risk Committee Chairperson's Message

### CHALLENGES AND OPPORTUNITIES IN THE ENERGY TRANSITION

The transition to a low-carbon future presents both challenges and opportunities. The capital-intensive nature of sustainability investments, along with regulatory shifts and market volatility, requires thorough risk assessments and strategic planning for financial resilience. Investments in alternative fuels and carbon capture must be evaluated for returns and risks. Compliance with emissions regulations, climate disclosure, and carbon taxes also demands proactive strategies. The BSRC works closely with management to assess risks, keeping MISC ahead of regulatory developments while managing compliance effectively.

Despite these challenges, emerging opportunities also require strong risk management. Industry collaborations in ammonia shipping and carbon capture offer growth potential but introduce other risks. Likewise, digitalisation enhances efficiency but raises cybersecurity concerns. Modernising our fleet with new LNG carriers and dual-fuel vessels strengthens competitiveness, though careful risk assessment is needed to align investments with future market and regulatory conditions.



### STAKEHOLDER ENGAGEMENT AND TRANSPARENCY

Transparency and engagement remain central to MISC's sustainability journey. In 2024, the BSRC worked towards strengthening MISC's reporting practices, ensuring alignment with international ESG rating agencies, industry peers, and global best practices. We reviewed the gaps identified by ESG rating agencies and climate risk disclosures in the Sustainability Report, identifying areas for improvement and reinforcing our commitment to transparency.

Regular sustainability performance updates keep stakeholders informed and uphold responsible corporate governance to help shape a more inclusive and collaborative approach to sustainability across our industry. Active engagement with investors, regulators, and customers in 2024—through initiatives like the HSSE (Health, Safety, Security and Environment) Partners Summit and customer-sharing sessions—helped address concerns, communicate progress, and align priorities.

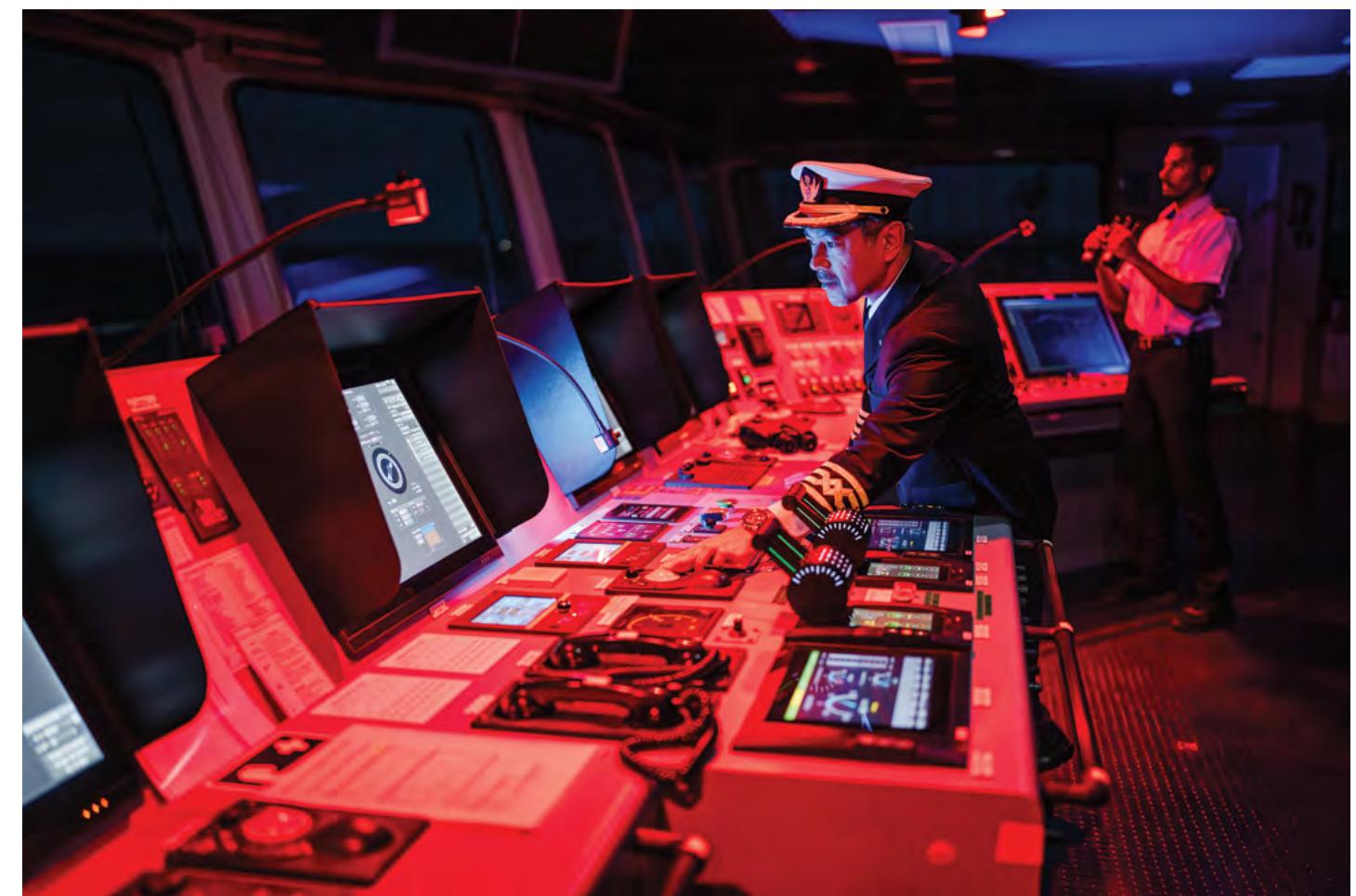
Recognising that sustainability requires a systemic shift, MISC is actively working to engage with its wider value chain to cascade the necessary ESG requirements to ensure our targets on decarbonisation, good governance, safety and labour practices are met. These efforts have fostered stronger relationships while upholding MISC's commitment as a responsible corporate citizen.

### CHARTING THE COURSE FORWARD

Looking ahead, the BSRC remains committed to steering MISC's sustainability and risk agenda with clarity and conviction. The focus will be to continue mitigating climate transition risks by accelerating decarbonisation through investments in low-carbon technologies, strengthening governance frameworks to anticipate regulatory changes and leveraging innovation to enhance operational efficiency. Partnerships with industry bodies, regulators and investors will be deepened to drive shared progress on ESG commitments.

MISC is well-positioned to navigate the complexities of the energy transition with a future-focused strategy. The challenges ahead will be met with decisive action, ensuring that we are able to deliver meaningful impact and long-term value for our stakeholders.

## Board Sustainability & Risk Committee Chairperson's Message



### ACKNOWLEDGEMENTS

I extend my appreciation to my fellow Board members, the management team and all employees for their dedication to advancing MISC's sustainability and risk agenda. Their collective efforts remain integral to our continued success. To our investors, business partners and stakeholders, thank you for your trust and collaboration. Together, we are building a more sustainable and resilient future for the maritime and energy industries.

### DATIN NORAZAH MOHAMED RAZALI

*Chairperson,  
Independent Non-Executive Director*

## President & Group Chief Executive Officer's Message



Dear Stakeholders,

**Last year proved challenging for MISC Berhad as we continued to operate in a global economic landscape marked with ongoing geopolitical tensions and macroeconomic uncertainties amidst the energy transition. Countries and economies have become more insular, driven by economic protectionism and national security concerns in response to rising tensions between major powers such as the United States, China and Russia. As a result, we have seen governments focus on reshoring industrial policy, supply chains, energy security and resource nationalism. Amidst these developments, the effects of climate change have escalated, increasingly disrupting the global economy and daily life.**

**Despite the urgent need for climate action, economic and geopolitical factors are prompting some segments of the market to reassess or scale back on their climate commitments. This shift raises concerns about the global effort required to equitably address climate change while balancing sustainability goals with financial and political considerations. However, I am proud to say that MISC continues to remain steadfast in our commitment to long term sustainability, to create lasting value for our business, the community and the environment.**

**In 2024, we navigated the maritime and energy landscape with a re-energised focus, making notable strides in decarbonisation and new energy initiatives through collaborative partnerships. Towards this, we have transitioned the MISC 2030 Aspiration to the MISC 2030 Ambition, cementing our focus on decarbonising our operations by 50%, improving our CFO by 50% and deriving 25% of CFO from new energy solutions.**

### ADAPTING TO THE MARITIME INDUSTRY SUSTAINABILITY LANDSCAPE

The maritime industry is facing escalating regulatory pressures arising from the IMO's climate targets and EU requirements. To successfully meet current and impending regulations, the shipping and maritime industry must undergo a whole-of-sector transformation through coordinated action across governments, businesses, and financial institutions, through a mix of regulatory enforcement, technological innovation, and economic incentives. This will require maturing the use of alternative fuels and growing the supply chain, continuous improvement of ship design and operational efficiency, cohesive policy and market-based measures, industry collaboration and most importantly, access to finance.

Last year, we continued to pursue our decarbonisation strategy through fleet renewals, securing long-term charters for LNG dual-fuel and ammonia-ready vessels, and investing in future fuels and abatement technologies. These initiatives are integral to meet increasingly rigorous industry and global regulations and to mitigate impending climate transition risks.

Balancing stakeholder needs, regulations, operational efficiency and financial sustainability demands both strategic foresight and resilience. To ensure our business priorities and sustainability strategies are cohesive, we continuously engage with key stakeholders, including PETRONAS,

local and international regulators, our customers, and our suppliers to understand their needs. In this regard, we have invested in strategic initiatives, strengthened governance practices, invested in our workforce and supported social responsibilities which are pivotal to securing our long-term competitiveness.

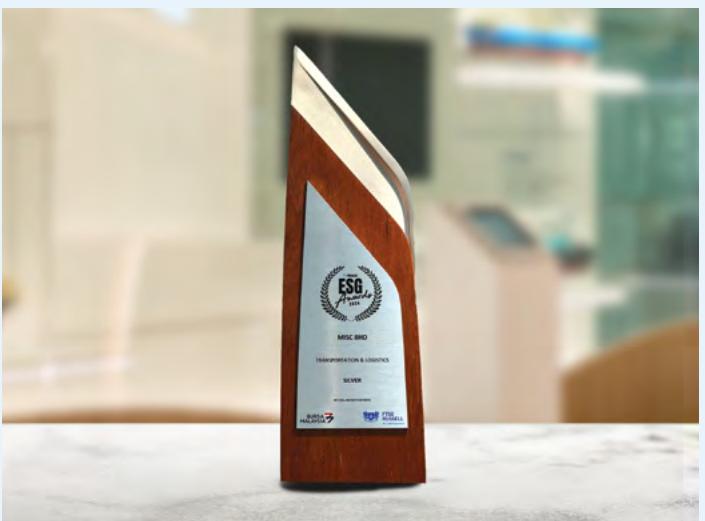
In 2024, our sustainability performance demonstrated both progress and areas for improvement. While we remain focused on enhancing these areas, I am pleased to note that our ongoing efforts have received several recognitions. One of the achievements was the Silver Award at The Edge Malaysia ESG Awards 2024 for the third consecutive year in the Transportation category. We also won the Industry Excellence Award in Transportation & Logistics at the National Corporate Governance & Sustainability Award (NACGSA) 2024. Furthermore, at the 42<sup>nd</sup> MSOSH Awards 2024, we secured seven awards across various operational categories, underscoring our unwavering focus on safety excellence.

AET won the Islamic Finance Deal of The Year – Singapore at the Euromoney Islamic Finance Awards 2024, and the Best Sustainability-Linked Financing under the Best in Sustainable Finance Deals and Best Deals by Country (Singapore) at The Asset Triple A Islamic Finance Awards 2024. Additionally, AET was recognised as Tanker Operator of the Year jointly with Tsakos Energy Navigation at The Tanker Shipping & Trade Awards 2024. In addition, MISC received the Jones F. Devlin Safety Award for 47 vessels, along with an Environmental Achievement for 57 vessels. Our dedication to sustainable shipping was further acknowledged as AET's LNG dual-fuel VLCCs,

## President & Group Chief Executive Officer's Message

**Our GHG emissions intensity decreased by 13% to 5.20 gCO<sub>2</sub>e/ton-nm from 2023, reflecting a 32% reduction from the 2008 baseline.**

*Eagle Veracruz and Eagle Ventura, were awarded Green Ship status under the Maritime and Port Authority of Singapore's Green Ship Programme.*



### ADVANCING DECARBONISATION AND ENVIRONMENTAL STEWARDSHIP

MISC continued to persist in decarbonising our operations towards our 2030 target of achieving a 50% reduction in GHG emissions intensity for our shipping operations from the baseline year of 2008. We recorded a 13% decrease in our GHG emissions intensity to 5.20 gCO<sub>2</sub>e/ton-nm, from 2023 and a 32% reduction from our 2008 baseline. Despite our achievement, challenges remain including prolonged idle periods for our LNG assets in the spot market, extended waiting times before loading and discharge due to reduced cargo deliveries from a warmer winter season and changes in the operating profile of some of our assets.

Over the year, we continued to forge several strong partnerships and collaborations as we advance towards our 2030 and 2050 emission reduction targets. One of the most significant highlights of the year were the TCPs secured between AET and PTLCL for the world's first two ammonia

## President & Group Chief Executive Officer's Message

dual-fuel Aframaxes, marking a significant step towards more sustainable shipping and delivering on our commitment to deploy ultra-low to zero-emissions vessels before 2030.

Furthermore, we signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd., and Clean Energy Systems Inc for a pilot project ZEUS, a pioneering energy solution that utilises advanced oxyfuel combustion with immediate CO<sub>2</sub> capture and storage. MISC has also reinforced its leadership in the offshore wind sector by securing a second major project: a subcontract to build an offshore substation high voltage direct current (HVDC) platform, further expanding our reach into the new energy market.

In 2024, we also formalised the New Energy and Decarbonisation (NED) segment to spearhead MISC's strategic investments in carbon abatement and new energy solutions together with the respective business units within the Group.

With MISC being part of the PETRONAS Group's Gas and Maritime division, there are many opportunities and synergies by aligning our businesses. This includes driving the growth of LNG as a transitional fuel, advancing maritime decarbonisation with ammonia dual-fuel vessels, developing the Carbon Capture & Storage (CCS) value chains as well as hydrogen and ammonia transportation solutions.

The coming years will be pivotal for MISC and the global maritime industry as we witness the maturing of key technologies, the evolution of supply chains and the outcomes of our strategic partnerships. We expect significant milestones to be achieved from 2027 onwards as our initiatives come into fruition, heralding a transformative period ahead for us.



Beyond decarbonisation, we have also achieved a 3R rate of 99.7% for hazardous waste and conducted a preliminary Biodiversity Impact Assessment of our operations, covering both shipping and non-shipping assets, reflecting our commitment to responsible operations in all relevant environmental areas.

### PRIORITISING A SAFE WORK ENVIRONMENT AND CONTRIBUTING TO THE COMMUNITY

Workplace health and safety remains a top priority in MISC and our commitment to keeping our people safe is supported by structured occupational health and safety governance and policies. While we recorded improvements in our Lost-time Injury Frequency (LTIF) rate, achieving 0.05, well below the 0.17 limit and a Total Recordable Case Frequency (TRCF) rate of 0.23, also below the 0.53 limit per million manhours, there is more to be done as all safety incidences are avoidable. Following these HSSE incidences in 2024, including a fatality, we took immediate and comprehensive remedial actions to prevent future occurrences.

A key initiative was the establishment and integration of a Generative HSSE Culture within the MISC Group, from top to bottom. This approach ensures that all employees act safely and follow procedures and policies, even in the absence of oversight. As part of this, we introduced the Generative Culture Learning Programme (GCLP) for employees at all levels, providing them with the knowledge and tools needed to foster a generative culture and drive our commitment to zero HSSE incidents. We also conducted a Safety Culture Assessment to identify gaps and develop action plans towards making Mission Zero Possible.

We are proud to report that we have rolled out the MISC Human Rights Policy, which is a more comprehensive framework that safeguards human rights. This policy, which was developed following international human rights standards, clearly defines our responsibilities and expectations in respecting, promoting and protecting human rights, which are also reflected in other Group policies, frameworks, guidelines and processes across our business. We are committed to respecting diversity and inclusion, eliminating all forms of discrimination, modern slavery, child labour and human trafficking. Towards this, our grievance channel provides access to all stakeholders to ensure any adverse impacts we have identified or have caused are remedied effectively.

MISC continued to invest in upskilling our workforce to ensure they can deliver our strategies and realise our ambitions. In 2024, we invested RM47.4 million in training and development programmes for our shore and sea staff to

ensure they are well equipped with the necessary leadership and technical skills for optimum performance at the workplace.

In our contribution to the community, we sponsored 732 students at RM21.0 million to pursue their Diploma Nautical Studies and Diploma Marine Engineering through the Cadet Sponsorship Programme at ALAM. This annual programme ensures that we develop a sustainable pool of future talent for the maritime industry while providing educational and employment opportunities to the students. In addition, this year, ALAM successfully assisted 67 eligible cadets in securing ship berths with 10 shipping companies while helping 15 eligible ratings graduates find employment across various shipping companies.

### UPHOLDING ETHICAL STANDARDS AND ENHANCING CYBERSECURITY IN MARITIME OPERATIONS

At MISC, we are committed to maintaining the highest ethical standards in our business practices to foster trust with our stakeholders and safeguard against reputational risks that could negatively impact our financial performance. This is reflected in the enhancement of our Anti-Bribery and Corruption (ABC) Manual in 2024, which now incorporates two significant changes, including additional emphasis on the risk of corporate liability and level of approving authority required for the declaration of gifts and entertainment. This was done to align with the revised Code of Conduct and Business Ethics (CoBE) and our internal processes.

Our commitment to upholding good business ethics and integrity extends to our cybersecurity measures. Our robust cybersecurity systems, developed and aligned with leading global standards including the National Institute of Standards and Technology (NIST) Cybersecurity Framework, ISO/IEC 27001:2022 for Information Security, Cybersecurity, and Privacy Protection, and IMO 2021 Cyber Risk Management Resolution are regularly updated to ensure relevance and alignment with industry best practices. In response to the increasing threat of cyberattacks in the maritime sector, we perform thorough assessments on our vessels to identify potential vulnerabilities and implement effective controls to mitigate cyber risks onboard.

Our efforts are further reinforced by the establishment of the Cybersecurity Guidelines for Maritime Assets, designed to guide MISC vessels and offshore platforms in compliance with the IMO 428, IACS UR E26 and IEEE 62443 requirements. This ensures that our vessels adhere to cybersecurity regulations, industry best practices and contractual obligations.

## President & Group Chief Executive Officer's Message

We have also extended our initiatives to our third-party vendors by introducing Cybersecurity for Third Party, which provides the minimum cybersecurity requirements for third parties for applicable contracts such as manpower contracts, IT and OT systems provisions, and software licenses and subscriptions. As a result of these proactive measures, we have successfully maintained a record of zero major cybersecurity incidents or data breaches.

### NAVIGATING TOWARDS A SUSTAINABLE FUTURE

Looking ahead, resilience and agility will remain central to MISC's sustainability journey, necessitated by the dynamic maritime and energy sectors arising from global regulations, technological advancements and market demands. Our dedication to building resilience involves investing in adaptive capabilities, from integrating more sustainable technologies to future-proofing our workforce with skills suited for a sustainable future. This will empower us to overcome challenges, capitalise on opportunities and successfully navigate the global energy transition.

Staying on the course in the face of uncertainty is our defining approach. While the journey to a sustainable future presents its share of complexities and unforeseen hurdles, we remain resolute in our vision. Change is the only constant, and we embrace uncertainty as a call to innovate, adapt and drive meaningful change. Towards this, we bolstered our sustainability commitment by adopting the Ten Principles of the United Nations Global Compact (UNGCR), where we have committed to align our business strategies and operations with these universal principles. With these guiding principles, we are poised to transform aspirations into tangible, lasting outcomes and value for our stakeholders for the decades to come.

### ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to our Board members for their ongoing guidance and support to the management team. To our employees, you are pivotal in turning our ambitions into reality and to all our wider stakeholders, we deeply appreciate your continued trust and support as we move forward together towards greater heights.

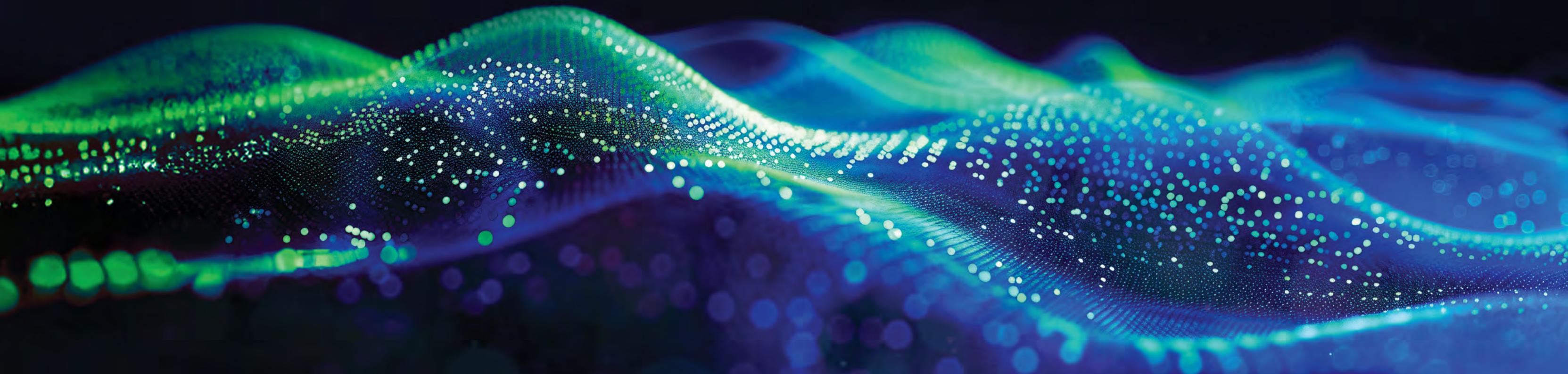
### ZAHID OSMAN

President & Group Chief Executive Officer

## SECTION 2

# APPROACH

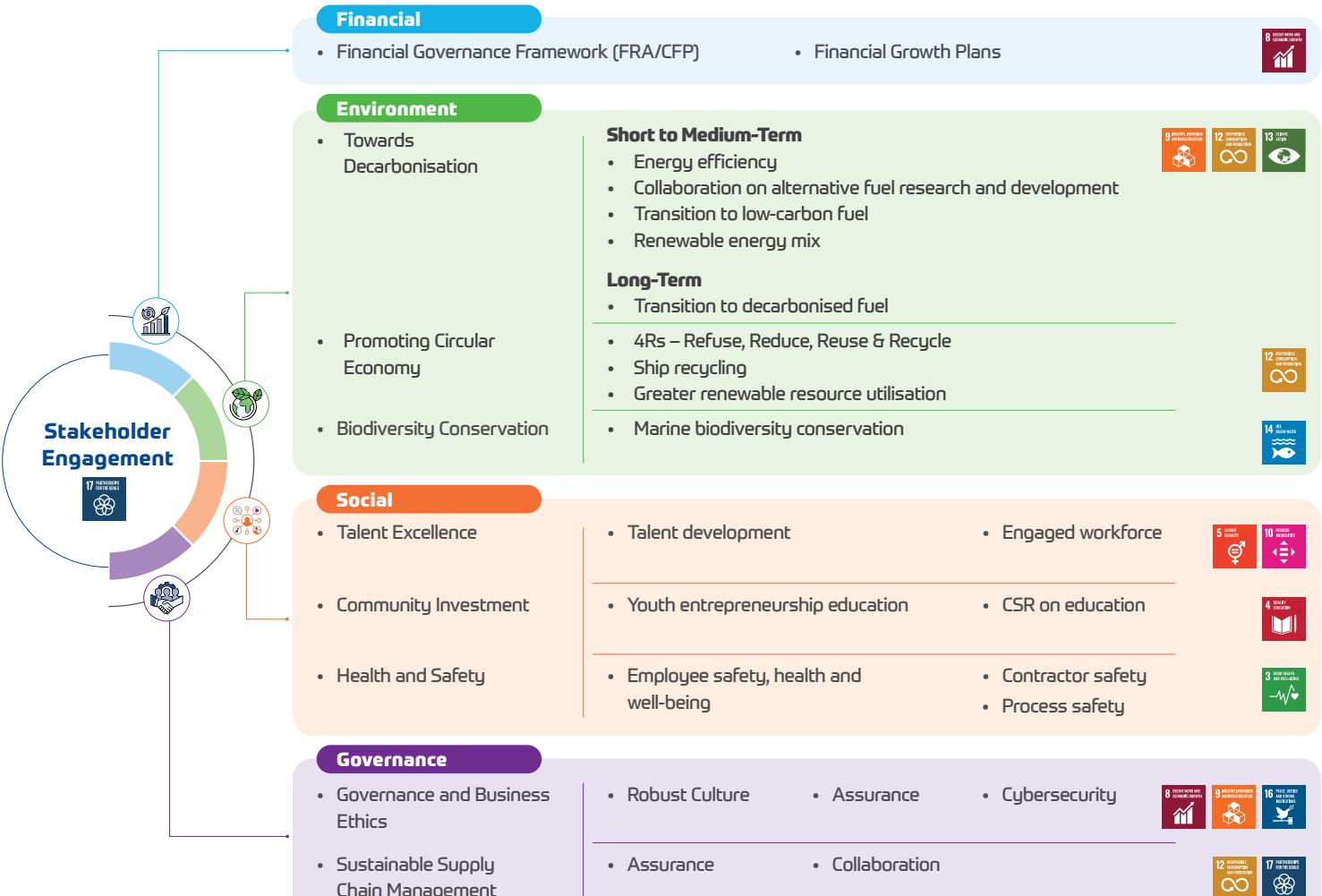
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## Our Sustainability Voyages

At MISC, our unwavering commitment to sustainability principles underscores our dedication to environmental stewardship, social responsibility, and the creation of long-term value for our stakeholders. This commitment serves as a catalyst for innovation, strengthens risk mitigation strategies, and enhances corporate resilience.

Anchored by our Sustainability Strategy, we align our initiatives with the SDGs, prioritising 11 of the 17 SDGs that are most relevant



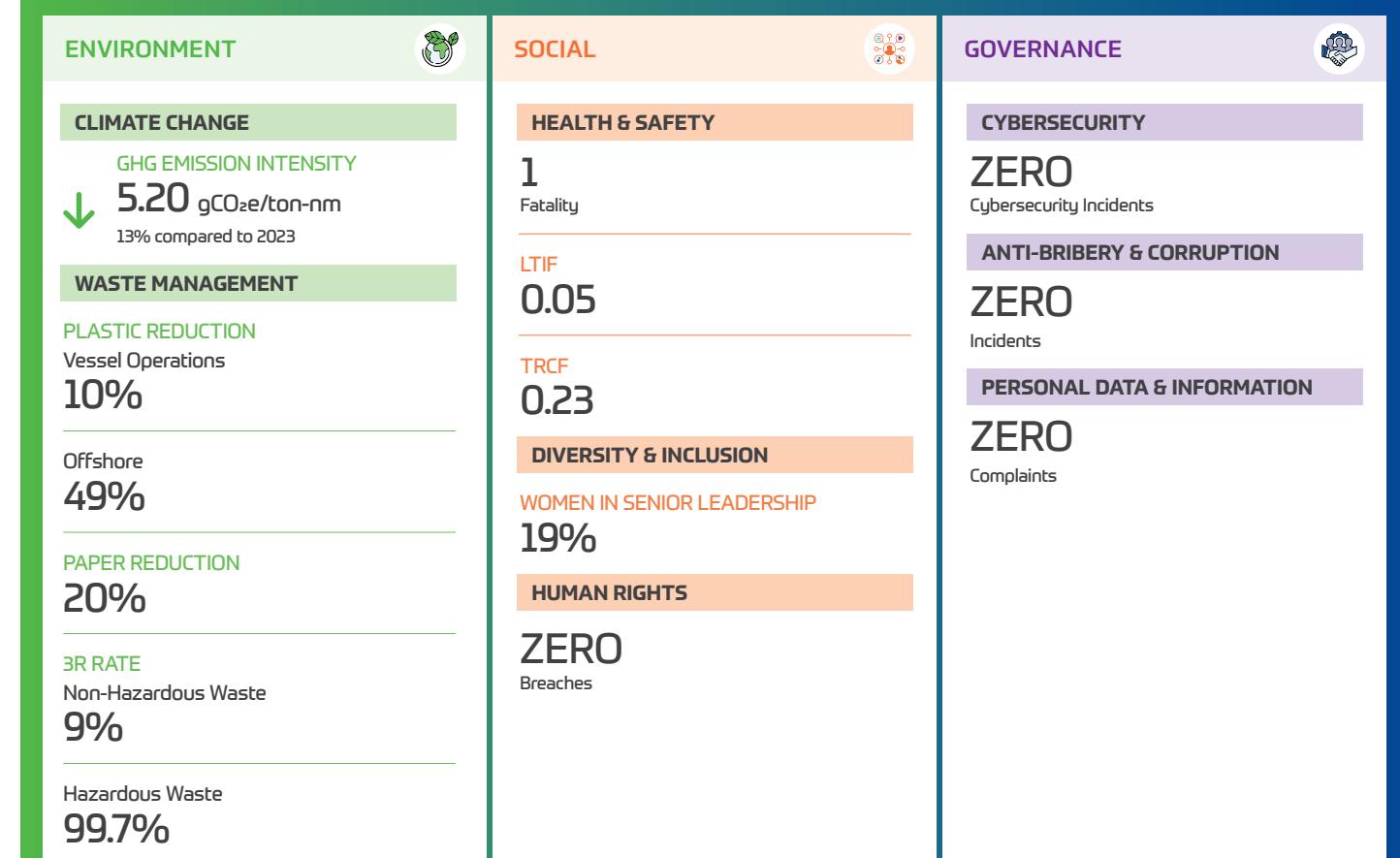
### OUR KEY SUSTAINABILITY MILESTONES AND ACHIEVEMENTS IN 2024

- AET entered into TCPs with PTLCL for the world's first two ammonia dual-fuel Aframaxes.
- Roll-out of the MISC Human Rights Policy.
- MISC Berhad signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc for a pilot project ZEUS, a pioneering energy solution that utilises advanced oxyfuel combustion with immediate CO<sub>2</sub> capture and storage.
- FPSO Marechal Duque de Caxias set sail from Yantai, China to the Mero Field of the Santos Basin offshore in Brazil.
- MHB successfully secured a second offshore wind project, a subcontract to build an offshore substation (OSS) HVDC platform, consisting of topside and jacket, from Petrofac International (UAE) LLC (Petrofac).
- FPSO Bunga Kertas Redeployment Project achieved 2 million man-hours without Lost Time Injury (LTI).
- AET and the Singapore Maritime Foundation (SMF) signed an MoU to jointly develop Singapore's maritime talent pool.

### AWARDS AND ACCOLADES

- MISC won the Silver Award at The Edge Malaysia ESG Awards 2024 for the third consecutive year in the Transportation category.
- MISC won the Industry Excellence Award in Transportation & Logistics category at the NACGSA 2024.
- MHB won the Industry Excellence Award in Energy category at the NACGSA 2024.
- AET in collaboration with Maybank, won the Islamic Finance Deal of The Year – Singapore at the Euromoney Islamic Finance Awards 2024, and the Best Sustainability-Linked Financing under the Best in Sustainable Finance Deals and Best Deals by Country (Singapore) at The Asset Triple A Islamic Finance Awards 2024.
- AET's LNG dual-fuel VLCCs, *Eagle Veracruz* and *Eagle Ventura* were awarded Green Ship status as part of Maritime and Port Authority of Singapore's (MPA's) Green Ship Programme (GSP) at the Singapore Registry of Ships Forum 2024.
- AET was awarded the Tanker Operator of The Year jointly with Tsakos Energy Navigation at the Tanker Shipping & Trade Awards 2024.
- MISC won the Silver Award under the Environment Category: Sustainable Ecosystem at The Star ESG Positive Impact Awards 2023.
- MISC was awarded the Chamber of Shipping of America (CSA) Environmental Achievement Award for its 57 vessels.
- MISC won seven awards at the 42<sup>nd</sup> Malaysian Society for Occupational Safety and Health (MSOSH) Award 2024.
- MISC was awarded the CSA Jones F. Devlin Safety Award for 47 of its vessels, where 38 vessels in AET fleet operated a total of 282 years with no lost-time injuries, 6 vessels in our GAS fleet operated a total of 13 years with no lost-time injuries and 3 of our lightering support vessels operated a total of 30 years with no lost-time injuries.
- Offshore's FPSO *Marechal Duque de Caxias* Project was honoured at the prestigious International Safety Awards by the British Safety Council, recognising the distinctive health, safety, and well-being practices put in place during the development of the FPSO unit.
- MHB won the Prime Award Platinum and Specific Award Gold at the Malaysian Industrial Safety and Health Association (MiSHA) National Excellence Awards 2024.

### KEY ESG PERFORMANCE IN 2024



Note:

For items under Waste Management and Women in Senior Leadership, the performance is against the set targets as specified in Promoting Circular Economy and Our People, Our Strength.

## Our Sustainability Voyages

## Our Sustainability Voyages

## OUR PROGRESS IN 2024

## FINANCIAL PILLAR

OUR STRATEGY	OUR PROGRESS IN 2024
<ul style="list-style-type: none"> <li>To achieve growth in secured and recurring sources of cashflow</li> </ul>	<ul style="list-style-type: none"> <li>Revenue: RM13.2 billion</li> <li>Operating Profit: RM2.6 billion</li> <li>Cash Flows from Operating Activities: RM4.3 billion</li> <li><i>FPSO Marechal Duque de Caxias</i> reached its first oil on 30 October 2024.</li> <li>MISC Berhad has signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc for a pilot project ZEUS, a pioneering energy solution that utilises advanced oxyfuel combustion with immediate CO<sub>2</sub> capture and storage.</li> <li>MISC signed a long-term TCP with QatarEnergy for three newbuild LNGCs.</li> <li>Entered into TCPs with PETRONAS LNG Ptd (PLL), a wholly owned subsidiary of PETRONAS LNG Sdn.Bhd. (PLSB), for the charter of two new LNGCs for a firm period of 15 years from 2027.</li> <li>MISC entered into an agreement for the sale and purchase of shares with SBM Offshore to acquire the remaining 49% of shares of the JV companies of <i>FPSO Kikeh</i>.</li> <li>MHB has successfully secured a second offshore wind project, a subcontract to build an OSS HVDC platform, consisting of topside and jacket, from Petrofac.</li> </ul> <p> <a href="#">Read more in Financial Pillar.</a></p>

## ENVIRONMENT PILLAR

OUR STRATEGY	OUR PROGRESS IN 2024
<h4>Towards Decarbonisation</h4> <ul style="list-style-type: none"> <li>Transition to a low-carbon economy</li> <li>Deploy zero-carbon emissions vessel latest by 2030</li> <li>Decarbonised shipping operations by 2050</li> <li>Net-Zero GHG emissions by 2050</li> </ul> <p> <a href="#">Read more in Decarbonisation Pathway.</a></p>	<ul style="list-style-type: none"> <li>AET entered into TCPs with PTLCL for the world's first two ammonia dual-fuel Aframaxes.</li> <li>AET's LNG dual-fuel VLCCs, <i>Eagle Veracruz</i> and <i>Eagle Ventura</i>, were awarded Green Ship status as part of MPA's GSP at the Singapore Registry of Ships Forum 2024.</li> <li>AET signed a long-term in-charters for two LNG dual-fuel Aframaxes with shipowner Singfar.</li> </ul>
<h4>Promoting Circular Economy</h4> <ul style="list-style-type: none"> <li>Promote the elimination of waste and the continual use of resources</li> <li>Increase the usage of renewable sources</li> </ul> <p> <a href="#">Read more in Promoting Circular Economy.</a></p>	<ul style="list-style-type: none"> <li>Conducted 2 Ship Recycling Yard audits.</li> <li>Recorded 3R rate of 99.7% of hazardous waste generated from shore operations.</li> <li>10% reduction in plastic waste generated on vessels.</li> <li>49% reduction in plastic waste generated by Offshore.</li> <li>20% reduction in paper consumption on vessels.</li> <li>Recorded 3R rate of 9% of non-hazardous waste generated from shore operations.</li> </ul>

## ENVIRONMENT PILLAR

OUR STRATEGY	OUR PROGRESS IN 2024
<h4>Biodiversity Conservation</h4> <ul style="list-style-type: none"> <li>Conserve and rehabilitate marine biodiversity by implementing MISC's Heart of The Ocean (HOTO) Programme</li> </ul>	<ul style="list-style-type: none"> <li>Received the Sustainable Ecosystem Silver Award at the ESG Positive Impact Awards 2023 by The Star for the HOTO Programme.</li> <li>36 coral reef sites surveyed in 2024.</li> <li>3 coral sites rehabilitated since 2020.</li> <li>63% turtle nest hatching success rate.</li> <li>11,400 kg of trash collected (beach and underwater clean-up) since 2020.</li> <li>30 mooring buoys were installed since 2020 to significantly reduce the physical impact on the reef due to anchor deployment.</li> </ul> <p> <a href="#">Read more in Conserving Marine Biodiversity.</a></p>

## SOCIAL PILLAR

OUR STRATEGY	OUR PROGRESS IN 2024
<h4>Health &amp; Safety</h4> <ul style="list-style-type: none"> <li>Provide a safe and healthy environment for employees, contractors and communities</li> <li>Achieving Generative HSSE Culture</li> </ul>	<ul style="list-style-type: none"> <li>100% of employees attended the Generative Culture Leadership Programme (GCLP).</li> <li>80,771 Unsafe Conditions Unsafe Acts (UCUAs) raised.</li> <li>Received seven awards at the 42<sup>nd</sup> MSOSH Awards 2024 for Grand, Gold Merit, and Gold Glass categories.</li> <li>Offshore's <i>FPSO Marechal Duque de Caxias</i> received the British Safety Award 2024.</li> <li>Received the CSA Jones F. Devlin Safety Award for 47 of our vessels.</li> <li>The <i>Seri Daya</i> and <i>Seri Emperor</i> crew rescued distressed individuals at sea in two separate events.</li> </ul> <p> <a href="#">Read more in Operating Safely.</a></p>
<h4>Talent Excellence</h4> <ul style="list-style-type: none"> <li>Futureproof talents and drive leadership agenda by accelerating talent potential in a high-performing organisation</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 81% in engagement score in the Organisational Cultural Survey.</li> <li>44% female Board members.</li> <li>95% high-performing talent retention.</li> <li>Maintained overall successor ratio for Enterprise Critical Position (ECP) at 2:1.</li> <li>Invested in RM47.4 million in training and development programmes for employees.</li> <li>Invested RM29.1 million in training and development programmes for seafarers.</li> <li>Facilitated sea to shore career transition for 42 employees.</li> </ul> <p> <a href="#">Read more in Our People, Our Strength.</a></p>

## Our Sustainability Voyages

## Our Sustainability Voyages

## Our Sustainability Voyages

## SOCIAL PILLAR

## OUR STRATEGY

## OUR PROGRESS IN 2024

## Community Investment

- Foster youth development towards becoming future leaders through education
- Supported 732 students at ALAM via cadet sponsorship of RM21.0 million.
- Awarded 22 new educational scholarships in collaboration with Texas A&M Foundation, Singapore Maritime Foundation, and Dream, Learn, Work.
- 346 staff have volunteered in the HOTO programme since 2021.
- 2,842 local stakeholders and communities in Mersing participated in various awareness and capacity-building programmes since 2020.

 *Read more in Partnering with the Community.*

## GOVERNANCE PILLAR

## OUR STRATEGY

## OUR PROGRESS IN 2024

## Values, Assurance and Business Ethics

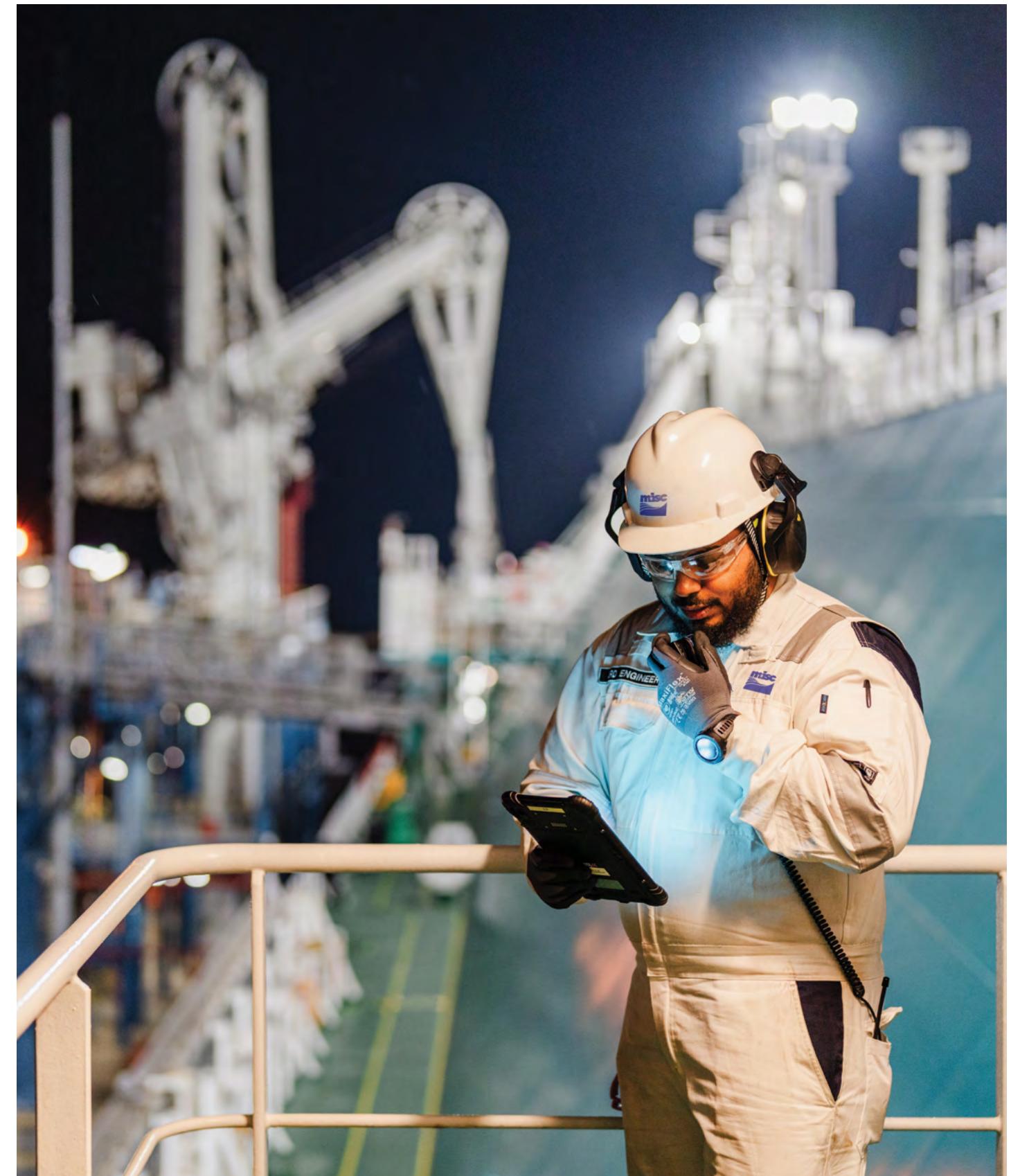
- Continuously embed a culture of strong corporate governance and business ethics and conduct
- Enhance the cybersecurity framework and safeguard our operations
- Roll-out of the MISC Human Rights Policy.
- 100% of our operations were assessed for corruption-related risks.
- Recorded zero major cybersecurity incidents and data breaches.

 *Read more in Partnering with the Community.*

## Responsible Supply Chain

- To drive sustainable practices with our suppliers
- Rolled out the Sustainable Procurement Statement.
- Continued the Supplier ESG Self-Assurance programme for 100 critical suppliers.

 *Read more in Advancing a Sustainable Supply Chain.*

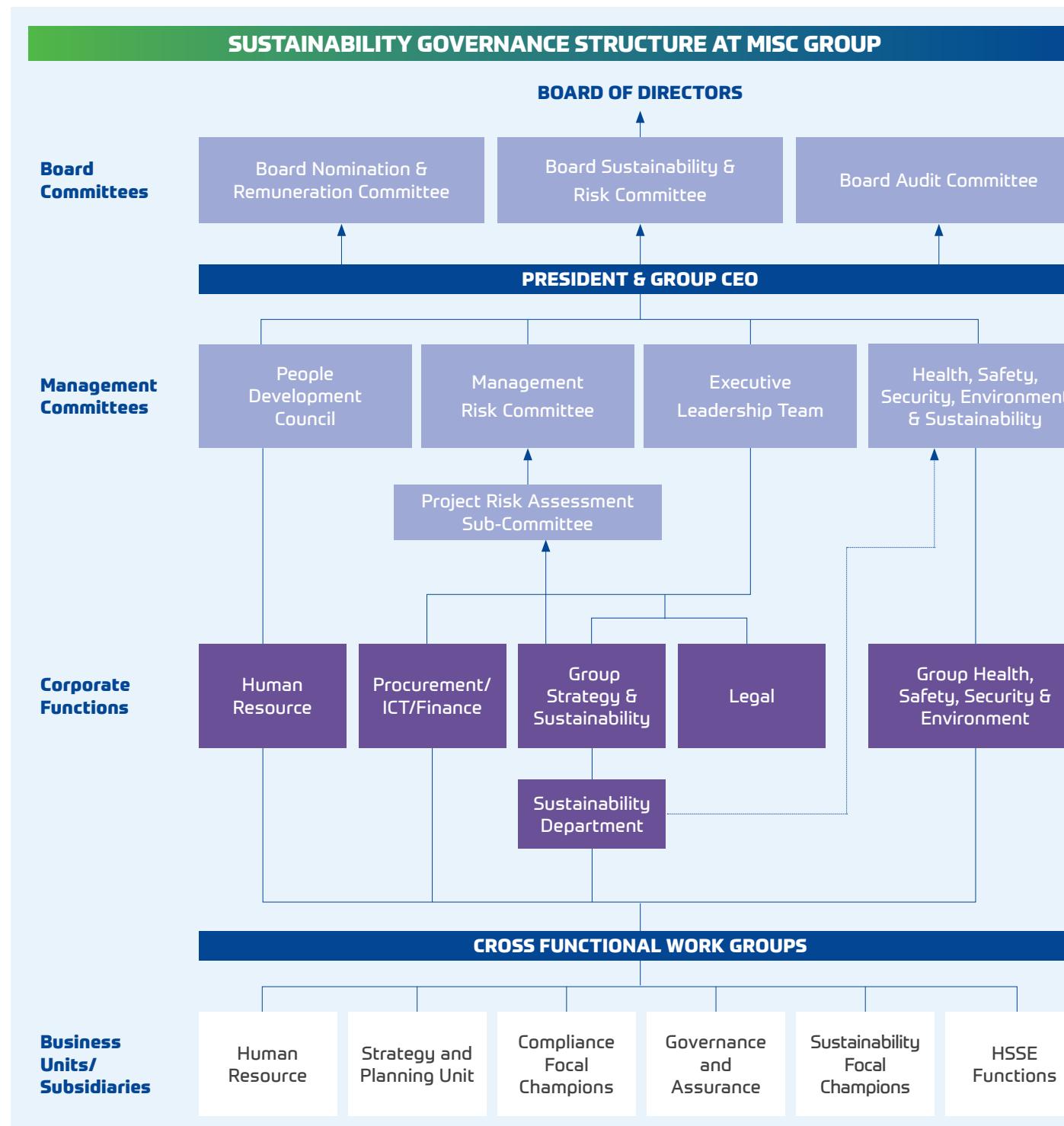


# Sustainability Governance

# Sustainability Governance

At MISC, we view strong governance as a cornerstone of our corporate commitment and a driving force behind sustainable business practices. We understand that our decisions today will shape the future, and we are dedicated to embedding robust governance principles that support sustainability.

Our governance framework is built on transparency, accountability, and ethical conduct across our operations. We recognise that sustainability is deeply connected to responsible business behaviour and by integrating ESG considerations into our decision-making processes, we aim to create lasting value for our stakeholders.



## Sustainability Governance

### BOARD COMMITTEES

#### Board Audit Committee

The Board Audit Committee (BAC) oversees the internal control framework and quarterly reviews ESG matters, including HSSE, business ethics, and whistleblowing/grievance cases.

In 2024, the BAC discussed the following sustainability-related topics:

- Updates on whistleblowing and grievance reports, as well as compliance and ethics matters.
- A review of the Group Health, Safety, Security, and Environment (GHSSE) Audit and Assurance Bi-Annual Reports, focusing on the efficiency and effectiveness of maintaining the Group's vessels and floating assets.

#### Board Nomination & Remuneration Committee

The Board Nomination and Remuneration Committee (BNRC) reviews ESG performance as part of the Company scorecard and remuneration. The BNRC also conducts performance appraisals for the Group's and the President & Group CEO (PGCEO), assessing financial performance, strategic initiatives, operations, health, safety, security, environment, sustainability (HSSES), and people development. Based on the performance results against the balanced scorecard, the BNRC makes suitable recommendations to the Board for approval.

### MANAGEMENT COMMITTEES

#### Health, Safety, Security, Environment & Sustainability Council (HSSES Council)

The Board and its committees are supported by the HSSES Council, a dedicated management-level committee chaired by our PGCEO. Membership includes the Vice Presidents, Chief Financial Officer (CFO), Chief Strategy & Sustainability Officer (CSSO), Chief Human Resource Officer (CHRO), General Counsel, Managing Directors, and CEOs of each business unit and subsidiary. The Council meets quarterly and acts as the primary authority for HSSES matters, providing stewardship and oversight for all related policies, strategies, initiatives, systems, targets, performance, and management reviews across the organisation.

#### People Development Council

The People Development Council (PDC), comprising MISC's Executive Leadership Team (ELT), is responsible for evaluating talent performance, overseeing career development programmes, succession planning, competency assessments, and other key initiatives related to workforce capability development.

#### Management Risk Committee

The MRC serves as the central platform for implementing MISC's risk management framework across the Group. Convening quarterly, the committee evaluates significant risks, ensuring that comprehensive risk management plans are in place. It also assesses the adequacy and effectiveness of existing controls, as well as the robustness of mitigation strategies to safeguard business continuity.

Following its deliberations, the MRC submits key risk-related matters to the BSRC for further review before presentation to the Board. Additionally, the Project Risk Assessment Sub-Committee (PRASC) has been established to facilitate in-depth discussions on risks related to capital intensive and/or revenue projects reinforcing a proactive and structured approach to risk governance.

### CORPORATE FUNCTIONS

#### Group Strategy & Sustainability

Group Strategy & Sustainability led by the Chief Strategy & Sustainability Officer, plays a vital role within the Group, overseeing its sustainability efforts. The Sustainability department, under Group Strategy & Sustainability, is tasked with driving, coordinating, and monitoring the progress and achievement of MISC's sustainability strategic priorities, with support from cross-functional working groups at the business unit and subsidiary levels. This department also manages external sustainability disclosures and reporting, conducts group-wide sustainability materiality assessments, and oversees stakeholder engagements related to sustainability. Additionally, it provides support and guidance to business units and subsidiaries on implementing their sustainability strategies, monitoring performance, and ensuring internal adoption of relevant practices.

#### Sustainability Custodians/ Focal Champions

The Sustainability Department is supported by cross-functional working groups across business units and subsidiaries. These dedicated custodians and focal champions, drawn from Corporate Functions and Business Units/Subsidiaries, play a pivotal role in driving the execution of sustainability initiatives. Leveraging their leadership capabilities, expertise, and industry knowledge, they actively promote a culture of sustainability, ensuring its integration into operations and decision-making across the organisation.

## Prioritising What Is Most Material

At MISC, sustainability is woven into the fabric of our strategic planning and risk management, playing a crucial role in all aspects of our business and value chain. As a leading provider of international energy-related maritime solutions and services, we recognise the opportunities to create long-term value while minimising negative impacts on the environment and society arising from our business operations and value chain.

Our sustainability agenda is shaped by the priorities of both our internal and external stakeholders. Proactive stakeholder engagement and continuous feedback on material sustainability issues form the cornerstone of our sustainability management approach. By actively listening and responding to stakeholder expectations, we ensure that our sustainability initiatives remain relevant, effective, and aligned with industry best practices. This commitment not only enhances our resilience but also strengthens stakeholder relationships and supports our long-term success.

### IDENTIFYING MATERIAL TOPICS

Material sustainability matters are identified considering the internal impact on the business as well as the external impact on society and the environment, which encompasses the following criteria:

**Have significant impacts on the Economy, Environment, and/or Society:**  
We assess issues arising from our business operations that have substantial effects on economic development, environmental health, and social well-being, recognising their broader implications on our stakeholders and the local communities in areas where we operate.

**Have significant impacts on a Company's Financial Performance, Value Drivers, Competitive Position, and Long-Term Shareholder Value Creation:**  
We prioritise environmental and societal matters that impact our Company's key value drivers, competitive standing, and ability to contribute to the long-term value creation for stakeholders, ensuring our business remains robust and resilient.

These criteria ensure our sustainability agenda effectively addresses the most pressing issues and aligns with our business strategic objectives.

We conduct a comprehensive materiality assessment at least once every three years to identify our key sustainability priorities. The most recent full assessment was conducted in 2022, during which MISC engaged key stakeholders to determine the material sustainability topics that require strategic focus. This assessment was structured around two core components:

#### Benchmarking:

We conducted comprehensive desktop research on current and emerging sustainability trends, along with industry and peer benchmarking. This helped us identify a list of potential sustainability matters that are relevant to MISC's business.

#### Stakeholder Engagement:

We carried out a survey to prioritise our material topics by engaging various internal and external stakeholder groups, including:

Senior leaders throughout the MISC Group

The Board of Directors

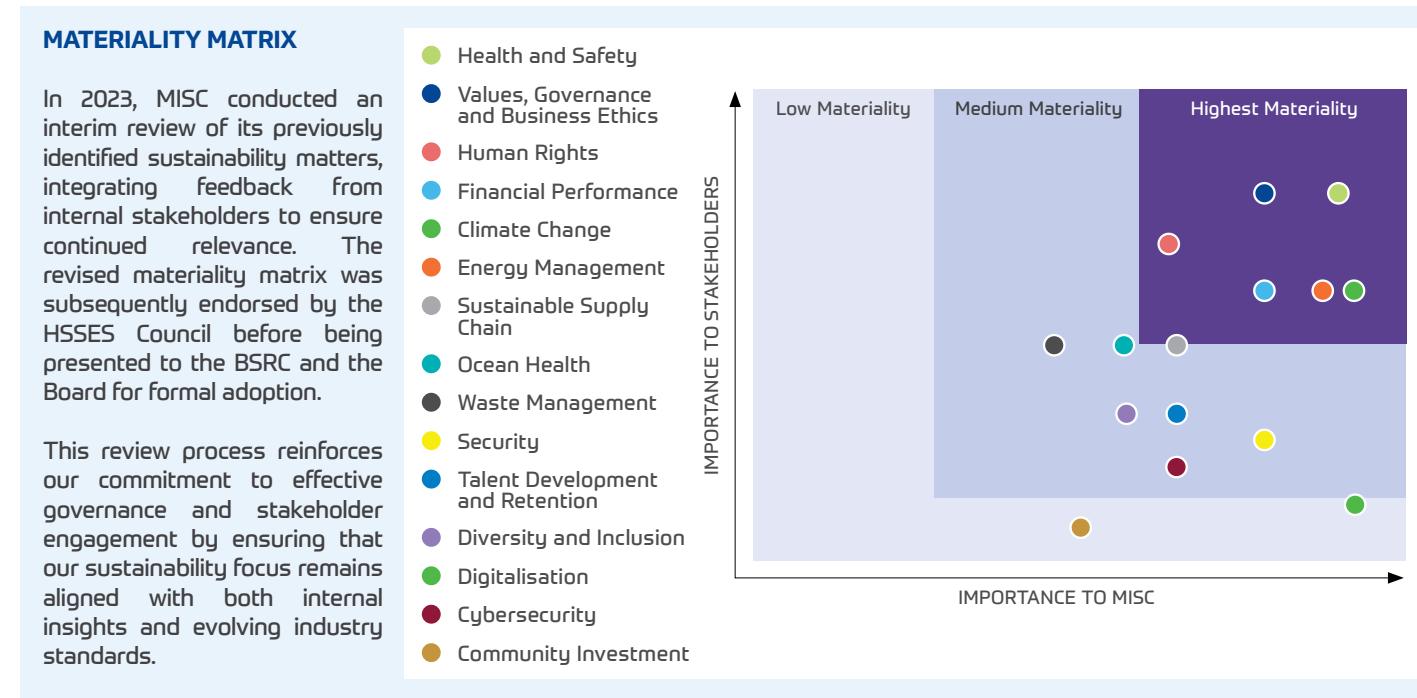
Customers

Financial Institutions

Investors/Analysts

This approach ensured that our materiality assessment was thorough, reflective of stakeholder perspectives, and aligned with industry best practices.

## Prioritising What Is Most Material



The results of our materiality assessment have been effectively integrated into our business practices to:

Align Our Sustainability Strategic Priorities with Material Sustainability Matters and Relevant SDGs	We ensure that our sustainability initiatives are aligned with the material issues identified and the relevant SDGs, allowing for a focused approach to our strategic priorities.
Guide Setting Sustainability-Related Targets and Commitments	The insights gained from the assessment help us establish clear sustainability-related targets and commitments, driving progress and accountability in our initiatives.
Reinforce Linkages Between ESG Risks, Opportunities and Corporate Purpose	By understanding the connections between ESG factors and our corporate purpose, we can better navigate risks and leverage opportunities that align with our business objectives.
Guide Disclosure Topics in Our Annual Reporting	The assessment informs the topics we disclose in our annual reports, ensuring transparency and accountability regarding our sustainability performance and initiatives.

## OUR CONTRIBUTIONS TO SUSTAINABLE DEVELOPMENT GOALS

Our contributions to the SDGs are strategically aligned with our identified material sustainability matters. The following table provides a structured overview of how each material issue is addressed and highlights our specific contributions to individual SDGs.

Material Matter/Related SDG	Why is This Matter Material for MISC	Our Progress Update	Sustainability Strategic Priorities	Targets
<b>Health &amp; Safety</b> 	Ensuring the continued safety and well-being of our people, assets and cargo remains our top priority to ensure safe operations.	Operating Safely	<b>Social Pillar</b> Health & Safety	<ul style="list-style-type: none"> <li>Zero fatalities</li> <li>LTIF &lt;0.17 (limit)</li> <li>TRCF &lt;0.53 (limit)</li> </ul>
<b>Values, Governance &amp; Business Ethics</b> 	Conducting ourselves with the highest integrity and embedding good corporate governance and business ethics are important to achieve sustainable financial results.	Operating Responsibly	<b>Governance Pillar</b> Governance & Business Ethics	<ul style="list-style-type: none"> <li>Zero compliance and business ethics breaches</li> </ul>
<b>Climate Change</b> 	In 2023, the IMO revised its initial GHG strategy (IMO 2030 and IMO 2050) for the shipping sector to become more stringent. This signals ship owners to become even more ambitious about combating climate change as the majority of vessels globally still rely on fossil fuels as a main source of energy for propulsion.	Decarbonisation Pathway	<b>Environment Pillar</b> Towards Decarbonisation	<ul style="list-style-type: none"> <li>50% reduction of GHG intensity (for shipping operations) by 2030 (Base year: 2008)</li> <li>Net-Zero GHG emissions by 2050</li> </ul>
<b>Energy Management</b> 	Energy management means using energy efficiently and effectively, reducing the quantum of energy required to perform the same operation or to travel the same distance. Effective energy management will also help reduce the impact of climate change.	Energy Management	<b>Environment Pillar</b> Towards Decarbonisation	<ul style="list-style-type: none"> <li>Refer to Climate Change</li> </ul>
<b>Financial Performance</b> 	Our business and the maritime and energy sector are subjected to prevailing sociopolitical and economic conditions and market sentiment. Furthermore, the global energy transition is underway and MISC is actively seeking opportunities in new segments of the energy market.	Economic Value Creation	<b>Financial Pillar</b>	<ul style="list-style-type: none"> <li>Achieve 25% of cash flows from operating activities (CFO) from new energy solutions by 2030</li> </ul>

## Prioritising What Is Most Material

## Prioritising What Is Most Material

Material Matter/ Related SDG	Why is This Matter Material for MISC	Our Progress Update	Sustainability Strategic Priorities	Targets	Material Matter/ Related SDG	Why is This Matter Material for MISC	Our Progress Update	Sustainability Strategic Priorities	Targets
<b>Human Rights</b> 	Inadequate human rights management of employees, contractors, supply chain, security and community can impact MISC's license to operate and ability to trade internationally.	Respecting Human Rights at Sea and Shore	<b>Social Pillar</b>	<ul style="list-style-type: none"> <li>Zero human rights breaches</li> </ul>	<b>Waste Management</b> 	We recognise that our operational activities generate waste and we must responsibly manage and monitor waste from the point of generation (including waste elimination and reduction) and collection to recycling.	Promoting Circular Economy	<b>Environment Pillar</b> Promoting Circular Economy	<ul style="list-style-type: none"> <li>27% reduction in plastic waste generation per vessel in 2025 compared to 2019</li> <li>19% reduction in plastic waste generation in 2025 compared to 2021 and 2022 average, in Offshore</li> <li>40% reduction in paper consumption per vessel in 2025 compared to 2019</li> <li>Maintain an annual 3R rate of &gt;95% of hazardous waste generated</li> <li>Increase the annual 3R rate of non-hazardous waste generated to 70% in 2025 from 11% in 2018</li> </ul>
<b>Sustainable Supply Chain</b>  	MISC must ensure our suppliers are on track with their sustainability agenda as they help to achieve our long-term goals. We aim to fully integrate ethical and environmentally responsible practices aligning with low-carbon and circular economy business models into our value chain.	Advancing a Sustainable Supply Chain	<b>Governance Pillar</b> Sustainable Supply Chain Management	<ul style="list-style-type: none"> <li>100% of critical suppliers assessed on ESG</li> </ul>	<b>Diversity &amp; Inclusion</b>   	We believe that a diverse workforce promotes creativity, innovation and broader perspectives that are particularly important for our global operations. We practise a non-discriminatory hiring and promotion policy while providing competitive local employment opportunities wherever we operate.	Our People, Our Strength	<b>Social Pillar</b> Talent Excellence	<ul style="list-style-type: none"> <li>18-20% of women in Senior Leadership</li> <li>35-40% of multinationals in Senior Leadership</li> <li>25-30% of managers identified as successors</li> </ul>
<b>Security</b> 	At MISC, security is an enabler of sustainable growth and operational excellence. We are committed to safeguarding our people, assets, and business operations against evolving threats, including sabotage, espionage, terrorism, and subversive activities. We implement a robust security framework to enhance resilience and protect stakeholder interests.	Operating Safely	<b>Social Pillar</b> Health and Safety	<ul style="list-style-type: none"> <li>Zero security breaches</li> </ul>	<b>Digitalisation</b> 	Digitalisation will allow us to rapidly respond to changes based on data-driven decisions and innovative ideas that assist us in serving customers more effectively.	Indirect Economic Value Creation	<b>Financial Pillar</b>	<ul style="list-style-type: none"> <li>Refer to Cybersecurity</li> </ul>
<b>Talent Development &amp; Retention</b>  	Establishing a sustainable talent stream across all job levels is a key strategic priority and will provide seamless leadership and talent succession planning throughout MISC. A robust talent management programme will equip our workforce with the necessary skills and competencies to realise our business objectives.	Our People, Our Strength	<b>Social Pillar</b> Talent Excellence	<ul style="list-style-type: none"> <li>High Performing Talent Retention: 95%</li> <li>Successor Ratio (Enterprise Critical Position: Management Committee) of 2:1</li> <li>Successor Ratio (Enterprise Critical Position: Others) of 2:1</li> </ul>	<b>Cybersecurity</b>  	Due to the rapid global advancement of digitalisation of Company processes and data, cybersecurity is vital to protect data from unauthorised access and any potential disruption to business continuity.	Strengthening Cybersecurity	<b>Governance Pillar</b> Governance and Business Ethics	<ul style="list-style-type: none"> <li>Zero major cybersecurity incidents</li> </ul>
					<b>Community Investment</b> 	Investing in the community is part of MISC's contribution to society. Employee involvement in our community investment programmes further strengthens their connection with the workplace, enhancing productivity and talent management.	Partnering with the Community	<b>Social Pillar</b> Community Investment	<ul style="list-style-type: none"> <li>Cadet Sponsorship Programme</li> </ul>

## Our Stakeholders' Universe

At MISC, fostering strong stakeholder relationships is a strategic priority, as their engagement is vital to our long-term success. We actively seek and incorporate stakeholder feedback, recognising its influence on our business decisions. Guided by our stakeholder engagement strategy and principles, we create value through consistent interactions, targeted awareness programmes, open dialogue and collaborative initiatives.



### MISC STAKEHOLDER ENGAGEMENT PRINCIPLES



We implement a structured stakeholder engagement framework, as outlined in the MISC Group Stakeholder Engagement Guideline. Our engagement efforts across service units, business units, and subsidiaries are tailored to address their distinct needs and priorities. This guideline provides a systematic approach to identifying key stakeholders, gaining insights into their expectations and interests, and assessing their influence on our business.

Understanding this information is essential for developing targeted communication and engagement strategies that consider regulatory contexts, evolving social expectations and specific industry dynamics. Additionally, we have established a Responsibility Assignment Matrix or RACI (Responsible, Accountable, Consulted, Informed), which designates responsibilities for each subsidiary and business unit in developing and monitoring their stakeholder engagement plans and creating relevant RACI frameworks for their specific stakeholders and business requirements.

Regular assessments of stakeholder priorities ensure that our business units and subsidiaries remain agile and responsive to evolving expectations, fostering sustained relevance and strong stakeholder relationships. At the Group level, the Stakeholder Engagement team within Group Strategy & Sustainability provides strategic oversight and ensures a cohesive approach to stakeholder engagement efforts.

### DEFINING OUR STAKEHOLDERS

MISC defines its stakeholders as follows:

- All those who exercise, or could exercise influence over the activity of our business or operations.
- All those who are or could be impacted by the activity of our business or operations.

### PRIORITISING OUR STAKEHOLDERS

The Stakeholder Map illustrates the influence and dependence of each stakeholder group on MISC. We prioritise our key stakeholders based on the following criteria:

- Those who are most likely to affect the Group's ability to achieve its strategic objectives.
- Those who may be positively or negatively impacted by our operations and activities.



## Our Stakeholders' Universe

## Our Stakeholders' Universe

## Our Stakeholders' Universe

## MISC STAKEHOLDER ENGAGEMENT

MISC implements a range of engagement methods aimed at supporting business operations while addressing the needs and expectations of our stakeholders. These methods may be utilised simultaneously or sequentially. We work closely with key stakeholders and engage with others such as trade associations, NGOs, activist groups, industry peers, academic organisations, and the media, in which we adopt a more tailored approach to engagement when required.

## Navigation Icons

 Monthly  Quarterly  Annually  As required

Our Stakeholders	Stakeholder Value Proposition	Concerns/Issues Raised	Our Strategic Response	How We Engage					Frequency of Engagement
				Collaborate	Promote	Communicate	Feedback	Transparency	
Government/ Regulators	<ul style="list-style-type: none"> <li>Support the government's agenda in promoting innovation and sustainable growth of the maritime industry.</li> <li>Sustain MISC's license to operate.</li> </ul>	Compliance with laws and regulations	<ul style="list-style-type: none"> <li>Engaging with regulators to ensure compliance with laws and regulations.</li> </ul>	✓	✓				
		Introduction of future laws and regulations	<ul style="list-style-type: none"> <li>Engaging with regulators to provide feedback on proposed laws and regulations.</li> </ul>		✓	✓			
		Crisis management and business continuity	<ul style="list-style-type: none"> <li>Collaborating with authorities on emergency response and preparedness.</li> </ul>	✓	✓				
		Development of talent and job opportunities	<ul style="list-style-type: none"> <li>Collaborating on maritime academy syllabus to nurture and develop seafarers in line with the nation's maritime vision.</li> <li>Providing job opportunities and the development of local talents.</li> </ul>	✓	✓				
		Corruption and bribery	<ul style="list-style-type: none"> <li>Involvement in the Maritime Anti-Corruption Network (MACN) to combat corruption in the maritime industry.</li> <li>Implementing the CoBE for employees and third parties.</li> </ul>	✓	✓	✓			
Shareholders/ Investors/Financial Providers	<ul style="list-style-type: none"> <li>Provide platforms to better understand MISC's business performance, financial position and sustainability agenda.</li> <li>Increase shareholder/investor confidence.</li> <li>Better access to debt funding for CAPEX.</li> </ul>	Project and financial performance	<ul style="list-style-type: none"> <li>Ensuring strong governance in project and financial management.</li> </ul>	✓	✓	✓			
		Values and governance	<ul style="list-style-type: none"> <li>Establishing strong governance policies and procedures.</li> <li>Business ethics awareness and whistleblowing processes.</li> </ul>	✓	✓	✓	✓	✓	
		Climate change	<ul style="list-style-type: none"> <li>Involvement in the Getting to Zero Coalition - Collaboration with strategic partners along the value chain to develop commercially viable zero-carbon emission vessels by 2030.</li> <li>Fleet renewal to lower-carbon emissions vessels and energy-efficiency-designed vessels.</li> </ul>	✓	✓				
		Diversity and inclusion	<ul style="list-style-type: none"> <li>Implementation of diversity and inclusion strategic priorities.</li> </ul>	✓	✓	✓			
		ESG risks, opportunities and performance	<ul style="list-style-type: none"> <li>Establishing strong sustainability practices and regularly disclosing performance.</li> <li>Participating in third-party ESG performance ratings.</li> <li>Incorporating ESG risks and opportunities into business decisions.</li> </ul>	✓	✓	✓	✓		
Customers	<ul style="list-style-type: none"> <li>Increase confidence in MISC's capabilities in delivering quality and sustainable products and services.</li> </ul>	Crisis management and business continuity	<ul style="list-style-type: none"> <li>Engaging closely with customers to brief them on our business continuity plan to ensure minimal interruption to customer operations.</li> </ul>	✓	✓	✓	✓		
		Values and governance	<ul style="list-style-type: none"> <li>Ensuring strong governance in project management.</li> <li>Business ethics awareness and whistleblowing processes.</li> </ul>	✓	✓	✓	✓	✓	
		Business experience	<ul style="list-style-type: none"> <li>Upskilling and reskilling competencies for our employees to provide niche expertise for maritime services.</li> </ul>	✓					
		Supply chain management	<ul style="list-style-type: none"> <li>Creating awareness and conducting ESG assurance along the supply chain.</li> </ul>	✓	✓	✓			
		Climate change	<ul style="list-style-type: none"> <li>Fleet renewal to low carbon fuelled and energy efficiency designed vessels.</li> </ul>	✓	✓				
		Health and Safety	<ul style="list-style-type: none"> <li>Implementing high health and safety standards.</li> </ul>	✓	✓	✓			

## Our Stakeholders' Universe

## Our Stakeholders' Universe

Our Stakeholders	Stakeholder Value Proposition	Concerns/Issues Raised	Our Strategic Response	How We Engage					Frequency of Engagement
				Collaborate	Promote	Communicate	Feedback	Transparency	
Employees	<ul style="list-style-type: none"> <li>Career development and growth in a sustainable organisation.</li> <li>Talent attraction and retention.</li> </ul>	Business ethics and compliance	<ul style="list-style-type: none"> <li>Mandatory business ethics e-learning modules.</li> <li>Implementing business ethics awareness and whistleblowing processes.</li> <li>Including discussions on ethical business conduct during employee performance reviews.</li> </ul>	✓	✓	✓	✓	✓	M
		Health, safety, security and environmental management	<ul style="list-style-type: none"> <li>Implementing high health, safety, security and environmental standards.</li> <li>Encouraging employees to report UCUAs.</li> </ul>	✓	✓	✓			M
		Upskilling and reskilling talent	<ul style="list-style-type: none"> <li>Supporting and encouraging our employees to improve their skills and enhance their competency using our Talent Management System (TMS).</li> <li>Encouraging employees to participate and give feedback to stimulate two-way conversations via ECHO+.</li> </ul>	✓	✓		✓		Q
		Diversity and inclusion	<ul style="list-style-type: none"> <li>Encouraging and supporting employee diversity and equal opportunities in our career development and volunteering programmes.</li> </ul>		✓		✓		Q
		Employee Engagement Programmes	<ul style="list-style-type: none"> <li>Festive celebrations.</li> <li>Providing various platforms for employee conversations.</li> <li>Organising various employee engagement programmes such as family day, townhalls, and religious talks.</li> </ul>	✓	✓	✓	✓	✓	M
		Project and financial performance	<ul style="list-style-type: none"> <li>Ensuring strong governance in both project and financial management.</li> </ul>	✓	✓		✓		M
Business Partners/Suppliers & Vendors	<ul style="list-style-type: none"> <li>Leverage each other's expertise and collaborate for innovative products and services.</li> <li>Better understanding of MISC's expectations (including sustainability agenda) on suppliers and increased business opportunities.</li> </ul>	Crisis management and business continuity	<ul style="list-style-type: none"> <li>Engaging closely with business partners/suppliers and vendors to ensure minimal business interruption.</li> </ul>	✓	✓	✓	✓	✓	M
		Values and governance	<ul style="list-style-type: none"> <li>Business ethics awareness and whistleblowing processes.</li> <li>Enhancing the Know Your Counterparty (KYC) requirement for all business dealings as part of the Third-Party Compliance Due Diligence Guidelines.</li> <li>Providing CoBE training for third-party service providers to ensure that they are aware of MISC's CoBE and other requirements and expectations.</li> <li>Adopting Competition Law and Compliance Protocols to support the Competition Law Guidelines.</li> </ul>	✓	✓	✓	✓	✓	Q
		Health, Safety and Environment	<ul style="list-style-type: none"> <li>Inculcating strong discipline and mindset around health, safety and environment and recognising suppliers/vendors with good practices.</li> </ul>	✓	✓	✓			M
		Business knowledge and expertise	<ul style="list-style-type: none"> <li>Upskilling and reskilling competencies for our employees to provide niche expertise for maritime services.</li> </ul>	✓	✓				Q

## Our Stakeholders' Universe

### STAKEHOLDER ENGAGEMENT ACTIVITIES

In 2024, MISC undertook a diverse range of engagement activities with stakeholders to communicate its initiatives, build rapport, strengthen business relationships, gain valuable insights, and stay informed about the latest industry developments. These activities have enabled the Group to stay ahead of the curve and consistently deliver value to its stakeholders.

The following section provides an overview of our significant engagement activities with key stakeholders.

#### OUR STAKEHOLDER: Government and Regulators

##### Visit to MMHE West Yard by Delegation from the Ministry of Human Resources

MHB had the honour of hosting the delegation from the Malaysian Ministry of Human Resources and the Department of Occupational Safety and Health (DOSH), led by the Deputy Minister, Yang Berhormat Dato' Sri Abdul Rahman Haji Mohamad.

During the visit, MHB team members provided an overview of the company's 50-year journey, highlighting its diverse energy and marine solutions, as well as its Occupational Safety and Health (OSH) performance. The delegation also toured MHB's facilities, offering firsthand insight into the company's commitment to operational excellence, safety, and its capabilities as a leading marine and heavy engineering service provider.



##### MHB Oil Spill Response Preparedness Mock-up Audit with the Department of Environment



MHB has been recognised by the Department of Environment (DOE) for its robust Oil Spill Response Preparedness programme. In recognition of its capabilities, MHB was invited to participate in a series of discussions and contribute to the task force responsible for developing an industry-wide audit framework for Oil Spill Response Preparedness, led by the Water and Marine Division of the DOE.

As part of this initiative, MHB volunteered to serve as an auditee for a mock-up audit to test the newly developed checklist and benchmark the organisation's preparedness in responding to an oil spill incident.

This engagement aimed to identify gaps, challenges, and opportunities for improvement in the implementation of the draft Oil Spill Response Plan (OSRP). Additionally, the collaboration has strengthened the relationship between DOE and MHB, reinforcing a shared commitment to environmental stewardship and marine protection.

##### AET Visit to United States Coast Guard Sector Houston-Galveston Office

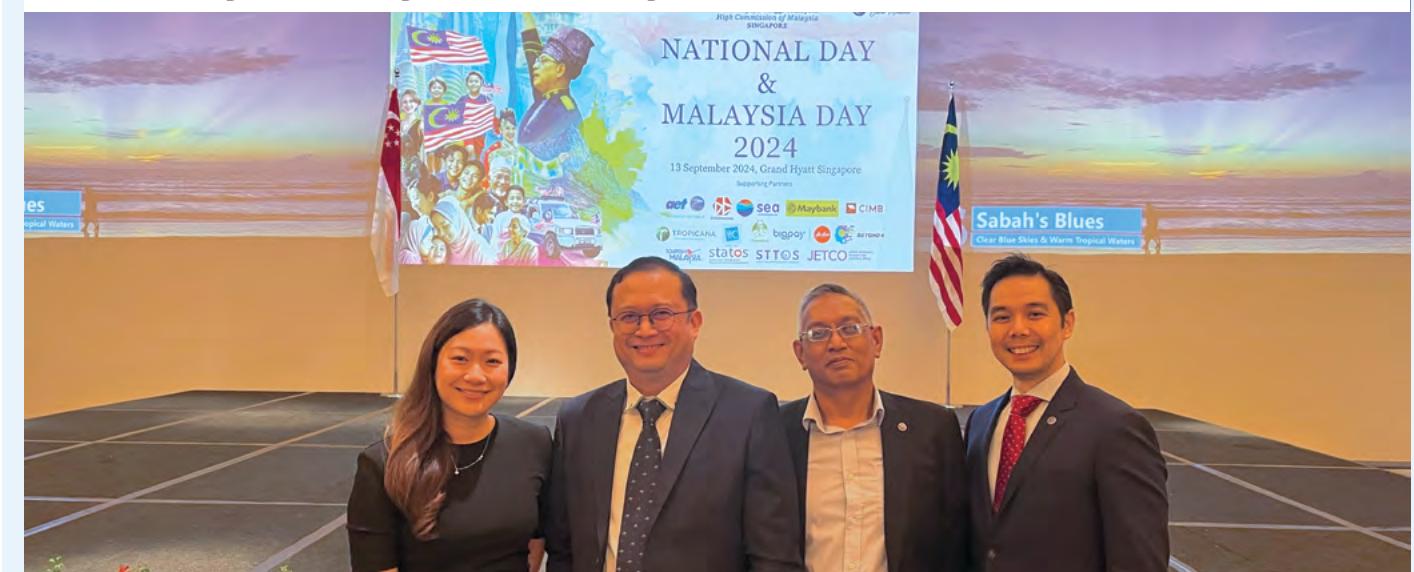
In September 2024, AET engaged with the United States Coast Guard (USCG) Sector Houston-Galveston to discuss key topics around the future of the shipping industry. The meeting reinforced a shared commitment to sustainability and explored strategic collaboration opportunities, particularly in addressing industry challenges, enhancing safety measures and fostering innovation.

Additionally, discussions highlighted potential partnerships in training and development—critical for driving technological advancements and maintaining the highest standards of operational excellence. AET remains dedicated to proactive engagement with regulatory bodies such as the USCG to support sustainable growth and continuous innovation within the shipping sector.



##### AET at the National Day and Malaysia Day Reception Hosted by the High Commission of Malaysia to Singapore

In September 2024, AET was honoured to attend the National Day and Malaysia Day reception hosted by the High Commission of Malaysia in Singapore. As a proud supporter of this event for the past three years, AET continues to participate in this distinguished gathering, which brings together over 500 esteemed guests from both the public and private sectors to celebrate Malaysia's rich heritage and cultural diversity.



##### AET Participated in the 12th Regional Maritime Security Practitioner Programme Organised by the Information Fusion Centre of the Republic of Singapore's Navy

In July 2024, AET participated in the 12th Regional Maritime Security (MARSEC) Practitioner Programme, a global platform organised by the Information Fusion Centre of the Republic of Singapore's Navy that convenes maritime professionals to exchange expertise and insights on critical security challenges. The programme brought together participants from navies, coast guards, maritime agencies, and the shipping industry, fostering cross-sector collaboration on pressing maritime security concerns.

A key focus of the discussions was the evolving security landscape in the Red Sea and Gulf of Guinea, where traditional piracy threats have escalated into more complex risks, including blue crimes, terrorism, acts of war, and grey zone conflicts.

## Our Stakeholders' Universe

## Our Stakeholders' Universe

### AET at the Singapore Maritime Week 2024

Singapore Maritime Week (SMW) is a premier global event that attracts maritime leaders and industry stakeholders from around the world to discuss critical issues, emerging trends, and future opportunities shaping the sector. As a Bronze Sponsor, AET reinforced its commitment to industry collaboration and innovation.

AET's President & CEO, along with senior leadership team members, attended the opening day of SMW, engaging in insightful discussions with industry peers and maritime leaders. The event provided a valuable platform for fostering strategic relationships and exchanging perspectives on the evolving maritime landscape.



### Visit to ALAM by the Ministry of Economy Malaysia

ALAM recently hosted a delegation from the Ministry of Economy Malaysia as part of its ongoing efforts to strengthen partnerships and explore strategic collaboration opportunities. Discussions focused on identifying potential market avenues for ALAM's Technical and Vocational Education and Training (TVET) programmes, with an emphasis on expanding these offerings into new markets.

The visit highlighted ALAM's critical role in developing highly skilled professionals for the maritime sector, reinforcing its commitment to delivering world-class training and education. This engagement marks a significant step forward in advancing ALAM's mission to shape the future of the global maritime industry.

### Majlis Ramah Mesra Aidilfitri at ALAM



The *Majlis Ramah Mesra Aidilfitri*, held on 19 April 2024 at the Executive Lounge, ALAM, brought together 100 guests, including ALAM staff, members of the local community, and key stakeholders, to celebrate shared values and traditions. The event aimed to strengthen relationships, foster collaboration, and promote mutual understanding among attendees.

A key highlight of the celebration was the presence of the Deputy EXCO Member for Education, Higher Education & Religious Affairs and a Member of the Malacca State Legislative Assembly (MLA) for Kuala Linggi. The programme successfully reinforced ALAM's engagement with the local community and stakeholders, enhancing cooperation and garnering strong support for its initiatives. This event further solidified ALAM's role as a key institution within the community, demonstrating its commitment to meaningful partnerships and social cohesion.

### MACN Seminar and Networking Reception

MISC participated in the MACN Seminar & Networking Reception event on 22 October 2024 at the Four Seasons Hotel, Kuala Lumpur. The event featured a CEO panel session on "Tackling Corruption in the Port & Maritime Sector: Learnings from Malaysia," where MISC's PGCEO, discussed Malaysia's successful efforts in combating corruption within the port and maritime sector, with other prominent speakers.



## OUR STAKEHOLDER: Shareholders/Investors/Financial Institutions

### Engagement Session with Institutional Shareholders, EPF and KWAP

On 23 July 2024, we engaged with the Employees Provident Fund (EPF) and Retirement Fund (Incorporated) (KWAP) to enhance our institutional shareholders' understanding of the Group, strengthen relationships, and communicate our strategic business priorities.

During the engagement, we provided insights into our latest business achievements, reaffirmed our commitment to reducing GHG emissions, and outlined our exploration of new energy solutions as part of our broader strategy to achieve Net-Zero target.



## Our Stakeholders' Universe

## Our Stakeholders' Universe

## Our Stakeholders' Universe

**Visit to FPSO Marechal Duque de Caxias and Analyst Engagement**

On 23 January 2024, MISC Group organised a guided tour for *FPSO Marechal Duque de Caxias* at Yantai CIMC Raffles Shipyard for the sell-side analysts from investment banks and securities firms. The tour was aimed at providing a comprehensive understanding of MISC's latest offshore assets.

**MISC signed MoU with Petronas LNG and Gentari**

On 25 November 2024, MISC marked a significant day with two key partnerships, reinforcing its commitment to innovation and sustainability in the energy and maritime sectors. MISC signed a Ceremonial Understanding for Time Charter Parties for two newbuild LNGCs with PLSB to support PETRONAS' LNG shipping requirements. The agreement was signed by Zahid Osman, PGCEO of MISC Group, and Shamsairi M Ibrahim, CEO of PLSB, witnessed by Datuk Adif Zulkifli, Executive Vice President & CEO of Gas & Maritime Business, PETRONAS. On the same day, MISC also signed a strategic collaboration with Gentari Hydrogen Sdn. Bhd. (Gentari) to develop integrated shipping and floating solutions for ammonia by 2027.

**OUR STAKEHOLDER: Customers****Future LNG Asia Strategic Summit**

Hazrin Hasan, Vice President (VP) of Gas Assets & Solutions at MISC, participated as a panellist in the discussion on 'LNG Shipping Availability, Decarbonisation & Supply Chain Disruption', alongside industry leaders from Pavilion Energy, ENN Natural Gas Co., Ltd., NYK Line, and Vortexa.

This platform further reinforces MISC's position as a thought leader, driving meaningful conversations on the future of LNG shipping and sustainable maritime solutions.

**Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC)**

At the recent Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), our PGCEO, Zahid Osman, joined other key industry leaders at the Maritime & Logistics Conference in Abu Dhabi, UAE. The event included leaders from MISC Group, ESCC, uODS Marine and Power, ZeroCarbonShip, MOL Group, and ADNOC Logistics & Services. The journey towards establishing a low-carbon maritime fuel value chain, addressing cost and infrastructure challenges was discussed. Zahid emphasised the need for a collaborative approach to decarbonisation, similar to safety initiatives, advocating for shared experiences and knowledge to accelerate sustainable solutions for the maritime industry. He also highlighted the importance of supportive policies to overcome challenges and commercialise low-carbon fuels.

**NFXP Safety Summit & Project Exhibition**

MISC participated in the NFXP Safety Summit & Project Exhibition, held from 17 to 18 November 2024 at the St. Regis Marsa Arabia Hotel in Doha. Hosted by QatarEnergy LNG, the event brought together key stakeholders in the LNG shipping industry, including shipowners and shipyards involved in QatarEnergy LNG's Tranche 1 and Tranche 2 projects. The summit underscored the critical role of leadership, collaboration, and safety in driving industry excellence. It also reinforced the collective commitment to strengthening long-term business relationships and advancing best practices across the LNG shipping value chain.

MISC was represented by our PGCEO, Zahid Osman, joined by VP of GAS, Hazrin Hasan; Head of Business Development GAS, Head of Asset Construction & Conversion, and Head of Health, Safety & Assurance, Group HSSE.

**Offshore Technology Conference (OTC) 2024**

In March 2024, the Offshore Technology Conference (OTC) 2024 was held at the Kuala Lumpur Convention Centre, bringing together energy professionals from around the world to explore the latest advancements in offshore technology. The Offshore segment showcased its latest innovations and technological advancements in FPSO units.

The OTC Asia 2024 was a significant success for Offshore, reinforcing its commitment to innovation and excellence in FPSO technology. The event provided a platform to enhance industry recognition, strengthen partnerships, and pave the way for future collaborations and advancements in offshore energy solutions.

**Visit by Representatives from the Shipping Department of Satellite Chemical Co. Ltd.**

MISC Group received a courtesy visit from the Shipping Department of Satellite Chemical Co. Ltd. (STL) on 10 October. This visit served as a platform for both Charterer and Owner to discuss operational matters, contractual obligations, and performance-related concerns, fostering open dialogue and strengthening business relationships.

## Our Stakeholders' Universe

### Offshore - PTTEP Top Management Visit to FPSO KIKEH

On 4 September 2024, the Malaysia Deepwater Production Contractors (MDPC) team—a joint venture between MISC and SBM Offshore for the *FPSO Kikeh*—had the privilege of hosting top management from PTT Exploration and Production (PTTEP). The delegation included representatives from both PTTEP's Bangkok and Malaysia offices and was led by the General Manager of MDPC.

During the visit, the Executive Vice President of the International Production Asset Group at PTTEP reinforced the company's commitment to safety, delivering a strong and positive message on its critical role in operations. This visit underscores the longstanding partnership between PTTEP and MDPC, reflecting a shared commitment to operational excellence and the highest safety standards.

### Technical Project Lesson Learnt Workshop for QatarEnergy Tranche 2

Gas Assets & Solutions, in collaboration with Marine Services, organised a PLL workshop for key players involved in the QatarEnergy 2 Project, including three major classification societies. The workshop sessions focused on technical project implementation and best practices, challenges encountered and solutions developed, key areas for improvement in project planning and execution, and feedback loops between stakeholders to enhance future project outcomes.

### Offshore Engagement with Stakeholders in Sabah

In October 2024, the Offshore team conducted a series of engagement activities in Sabah aimed at strengthening relationships and exploring new opportunities in the oil and gas sector in East Malaysia. These strategic engagements focused on fostering collaboration, identifying potential partnerships, and reinforcing MISC's presence in the region. The key activities undertaken include:

#### 1. Exclusive Stakeholder Engagement Session

Offshore hosted an exclusive stakeholder engagement session that gathered representatives from key organisations such as Sabah Oil & Gas Development Corporation (SOGDC), Sabah Oil & Gas Service Council (SOGSC), Shell Malaysia, PETRONAS Carigali Sabah, PETRONAS FLNG, and PTTEP. The session fostered open dialogue, where attendees discussed current challenges and prospects in the offshore industry.

#### 2. Engagement with SOGDC and SMJ Energy

We conducted a series of engagement sessions with key vendors, including SOGDC and SMJ Energy, to strengthen relationships and explore potential project opportunities. These discussions fostered strategic dialogue and collaboration, with a focus on leveraging synergies to drive mutual growth and value creation.

#### 3. Visit to FPSO Kikeh

On 12 October 2024, the VP of Offshore conducted a visit to the *FPSO Kikeh*. As part of the visit, a Management Walk about was carried out, providing the Vice President with the opportunity to engage directly with the crew onboard, ensuring they felt supported and motivated.

This interaction offered valuable insights into operational challenges and key achievements, allowing for meaningful discussions on performance improvements. The VP also used this opportunity to address operational matters, reinforce safety protocols, and set clear performance objectives, further strengthening MISC's commitment to operational excellence and crew well-being.

### Naming Ceremony for FPSO Marechal Duque de Caxias Project

On 17 January 2024, a naming ceremony for *FPSO Marechal Duque de Caxias* was held in Yantai, China. The event was attended by the Ambassador of Malaysia to China, along with senior representatives from MISC Group, customer and contractors. Notable attendees from MISC included the PGCEO, VP of Offshore, PGCEO of AET, VP of Gas Assets & Solutions, Chief Financial Officer, and Chief Human Resource Officer. Representatives from the *FPSO Marechal Duque de Caxias* Project Team, project consultants, and the Lady Sponsor FPSO Project Manager were also present.

In addition to the ceremony, the FPSO marked a significant safety milestone, achieving over 28 million Safe Manhours with Zero LTI as of December 2023. This achievement underscores the Group's unwavering commitment to safety, operational excellence, and industry-leading best practices.



### Senior Officers' Management Conference by Marine Services



In October 2024, seafarers from our Petroleum and GAS fleet participated in the Senior Officers' Management Conference in Shanghai, China. This engagement aimed to foster synergy in achieving shared values and business objectives through discussions on ongoing challenges and opportunities for continuous improvement.

The conference featured presentations from both internal and external stakeholders, providing valuable insights into the latest work tools, emerging technologies, and best practices in safety culture and operational excellence. Internal stakeholders were represented by teams from HSSEQ, Corporate Legal, Fleet Operations, Marine Assurance, HR Sea, Engineering and Projects, Group Strategic Relations & Communications and ALAM.

## Our Stakeholders' Universe

## Our Stakeholders' Universe

## Our Stakeholders' Universe

**OUR STAKEHOLDER: Employees****Female Seafarers Engagement and Workshop**

Ensuring safety at sea is a core value, and Personal Protective Equipment (PPE) is crucial for safeguarding seafarers in hazardous conditions. However, traditional one-size-fits-all PPE often fails to meet the specific needs of female seafarers. On 17 December 2024, the Female Seafarers Engagement event at Menara Dayabumi saw discussions among female seafarers from Marine Services, representing various ranks and countries, on how to better equip women at sea. In line with IMO's commitment to safety and inclusivity, MISC, in collaboration with United Resources, introduced AMELIO v2.0, a two-piece protective workwear designed specifically for women that prioritises women's safety, comfort, and confidence.

**Eaglestar and MMS Integration Townhall**

From 20 to 21 March 2024, the Eaglestar and MMS Integration Townhall was organised for our sea staff to provide insights and updates on the integration exercise and announce the operationalisation date of the integrated entities, known as MISC Marine. Subsequently, Marine Services' debut was celebrated on 2 April 2024.

**Family Day at AET**

At AET, we embrace and celebrate our diversity through social activities and events. This includes celebrating family day across our offices in Singapore, London, and Rio de Janeiro in 2024, where colleagues and their families came together for an enjoyable day, further strengthening connections and fostering a sense of belonging among employees.

**GAS Business Quarterly Employee Engagement**

The Gas Assets & Solutions segment organised quarterly employee engagement sessions to strengthen relationships between the leadership team and employees, fostering a positive work culture that promotes employee satisfaction and productivity. During these sessions, business updates were shared, and interactive activities were held among employees and the management team.

**OUR STAKEHOLDER: Business Partners/Suppliers/Vendors****ALAM Expands Horizons in Maritime Education with Maldives State Shipping**

ALAM has partnered with Maldives State Shipping (MSS) to nurture the next generation of maritime professionals. This historic MoU marks ALAM's first expansion beyond Southeast Asia, solidifying its position as a global leader in maritime education. The partnership includes merit-based scholarships for ALAM's programmes, hands-on training and internships with MSS, and collaborative research to address industry challenges and drive innovation. The MoU was signed by CEO of Malaysian Maritime Academy Sdn. Bhd. (MMASB) for ALAM, CEO of MSS, witnessed by notable figures including Her Excellency, Dr. Mariyam Shabeena Ahmed, High Commissioner of the Maldives to Malaysia.

**MISC Group Appreciation Reception**

On 6 September 2024, the annual MISC Appreciation Reception brought together more than 150 guests of LNG terminal operators, service providers, bankers and business partners in Tokyo, Japan. The reception demonstrated the importance of establishing good sustainable partnerships and continuous engagements in the way we do business.

For four decades, MISC has diligently supported the Malaysia-Japan LNG supply chain starting with the first LNG delivery in 1983. MISC has successfully completed every LNG cargo delivery to Japan and has grown from strength to strength thanks to the support of our Japanese partners.

## Our Stakeholders' Universe

### PETRONAS Japan Annual LNG Reception

The PETRONAS Annual LNG Reception 2024, held in November 2024, was attended by MISC PGCEO, Zahid Osman and members of the MISC LNG Liaison Office Japan. The evening began with a warm welcome from Tan Sri Tengku Muhammad Taufik, PGCEO of PETRONAS, who addressed the guests, primarily local LNG buyers, in Japanese. He highlighted the significance of "Kizuna," a Japanese term for "strong and enduring bonds," emphasising the resilient relationship between PETRONAS and the Japanese buyers.



### MISC Group HSSE Partners Summit 2024: Fostering Alliances for Sustainable HSSE

The MISC Group successfully hosted its annual HSSE Partners Summit on 9 October 2024 at the Hilton Kuala Lumpur, bringing together approximately 350 participants, including representatives from government agencies, contracting partners, MISC staff, and senior leaders from PETRONAS. The summit underscored the critical role of collaboration and leadership in fostering a strong HSSE culture and driving sustainability initiatives.

In his keynote address, MISC's PGCEO emphasised that safety is a core value at MISC, acknowledging achievements while reinforcing the principle that incidents can be prevented through strong leadership and vigilance. He also highlighted the importance of the "2 Cs": Care and Comply.

The event featured panel discussions on Moving Towards Just Transition, Achieving Virtue Beyond Plateau, and Partnership and Challenges, with participation from esteemed organisations such as the United Nations Global Compact (UNGCG), PETRONAS, Technip Energies, and PERKESO. These discussions provided valuable insights into industry best practices and collaborative approaches to enhancing HSSE standards.

The Summit also celebrated our business partners' achievements in 2023 and highlighted HSSE & Sustainability Best Practices in achieving safe and efficient operations. During the event, we also awarded 13 companies for their outstanding safety and sustainability performance as part of the MISC HSSE & Sustainability Excellence Award.



### AET's 30 Years of Excellence: From Houston Roots to Global Reach

In September 2024, AET hosted its 30<sup>th</sup> Anniversary Stakeholder Appreciation Reception and Dinner in Houston, Texas. The event was attended by AET's Chairman, Board of Directors, and esteemed stakeholders from around the world, including representatives from the USCG.

The celebration honoured three decades of collaboration with stakeholders, recognising their invaluable contributions in enabling AET to continuously deliver innovative maritime solutions that address industry challenges and capitalise on future opportunities. A key highlight of the evening was AET's commitment to supporting disaster relief and conservation efforts in Greater Houston and Galveston Bay, where we pledged donations to the United Way of Greater Houston, Sinclair Elementary School, and the Galveston Bay Foundation.



### MHB Business Partner Engagement Session: Energising Change for Project Success

MHB Business Partner Engagement Session was held at the Training Centre, MMHE West Yard, Pasir Gudang, on 5 March 2024. Under the theme "Resetting: Energising Change – The Change is Now", this gathering aimed to enhance project management practices, ensure strategic alignment between MHB and its vendors and subcontractors, and foster effective collaboration towards shared objectives. A total of 92 vendors and subcontractors joined the session.



### MHB Business Partner Coffee Talk Session

The session aimed to address emerging challenges and opportunities while providing updates on MHB's strategic objectives. It fostered open dialogue with subcontractors and vendors while introducing TenneT's 2-Gigawatt (2GW) Programme to explore new collaboration opportunities, highlighting the vital role of vendor partnerships in future ventures. A total of 132 vendors and subcontractors participated in the session.

This dialogue session offers significant benefits for both vendors and MHB, with emphasis on open communication and feedback exchange which focuses on building a strong, collaborative partnership between MHB and its valued vendors.

## Our Stakeholders' Universe

## Our Stakeholders' Universe

### Visit by Women's International Shipping and Trading Association

ALAM recently hosted a visit from the Women's International Shipping and Trading Association (WISTA) to explore strategic collaboration and advocate for greater female participation in the maritime industry. The visit featured a productive discussion aimed at establishing a partnership between WISTA and ALAM to promote gender equality and professional development within the sector.

During the engagement, WISTA representatives were introduced to ALAM's programme offerings and key initiatives through a detailed presentation, followed by a campus tour showcasing its state-of-the-art facilities and immersive training environment. This visit reinforces ALAM's commitment to fostering diversity and inclusivity in the maritime industry, ensuring equal opportunities for all professionals.

### Visit to ALAM and the Student Exchange Programme

The 7-day visit and student exchange programme between Jiangsu Shipping College (JSSC) and ALAM was designed to advance maritime education and foster international collaboration. This exchange followed a reciprocal visit, with ALAM's students and lecturers exploring JSSC in April 2024. At ALAM, 26 JSSC students and 2 lecturers immersed themselves in state-of-the-art facilities, such as simulators, engineering workshops, and maritime training equipment. These experiences provided firsthand exposure to ALAM's hands-on educational approach and its emphasis on industry readiness. Knowledge-sharing sessions offered insights into maritime innovations, safety protocols, and global regulatory updates, equipping participants with a deeper understanding of current industry dynamics.

Beyond academics, cultural exchanges brought participants closer to Malaysia's rich heritage through visits to iconic locations like Melaka and Kuala Lumpur. These activities nurtured mutual respect, understanding, and appreciation for cultural diversity.

Networking sessions between students and staff from both institutions further strengthened academic and professional ties, fostering meaningful connections and laying the groundwork for future collaborations. The programme underscored the importance of international collaboration in maritime education, equipping students with the knowledge and skills needed to navigate the evolving demands of the global shipping industry.



### Visit to ALAM by Bruneian Companies

Representatives from two Bruneian companies, Bintang Samudera Sdn. Bhd. and Miclyn Express Offshore recently visited ALAM to explore potential collaboration and strengthen maritime education and training ties. This visit focused on fostering business discussions, particularly regarding sponsorship opportunities for Bruneian cadets, to support their development into skilled maritime professionals.

During the visit, ALAM showcased its facilities, and the representatives were also introduced to ALAM's comprehensive training programmes, which emphasise both theoretical knowledge and practical skills aligned with global industry standards. The discussions underscored ALAM's commitment to cultivating a highly competent maritime workforce, its potential to contribute significantly to the growth of Brunei's maritime sector and, paving the way for enhanced training opportunities and long-term partnerships.

## OUR STAKEHOLDER: Community

For more details, please refer to Partnering with the Community.

## Our Stakeholders' Universe

### LIST OF ASSOCIATIONS AND PRINCIPLES

We are steadfast in our commitment to shaping and advancing the global shipping sector. Through active engagement with industry associations, participation in public policy initiatives, and adherence to regulatory frameworks, we strive to drive meaningful progress in sustainability and innovation within the maritime industry. Our involvement in industry associations allows us to contribute to developing the local and international shipping industry.

The following provides information on our involvement and memberships in business associations and public policy within the shipping industry and topics of importance.

### CLIMATE-RELATED TRADE ASSOCIATIONS AND PRINCIPLE/CHARTER

#### Getting to Zero Coalition

Getting to Zero Coalition is a partnership between the Global Maritime Forum (GMF), Friends of Ocean Action and the World Economic Forum. The coalition is a powerful global alliance of more than 70 public and private organisations committed to developing zero-emission vessels by 2030 and furthering international shipping's decarbonisation in line with the IMO's aspirations.

#### Our Position

We collaborate with critical maritime strategic partners on a joint development project for an ammonia-fuelled tanker that supports the shipping industry's drive for a decarbonised future. The joint development enables industry players with similar mindsets to pursue decarbonisation and reduce the effects of climate change.

#### Call to Action

The Call to Action was developed by a multi-stakeholder task force convened by the Getting to Zero Coalition with members from the entire maritime ecosystem including shipping, chartering, finance, ports, and fuel production. The Call to Action was delivered to world governments in November 2021 before COP26.

#### Our Position

We are a signatory to the Call to Action for Shipping Decarbonisation.

#### Carbon Disclosure Project (CDP)

CDP is a not-for-profit organisation that administers the global disclosure system used by investors, businesses, cities, states, and regions to manage their environmental impacts.

#### Our Position

We disclose our carbon management strategies, policies, and procedures to CDP annually.

#### Climate Governance Malaysia (CGM)

CGM is Malaysia's chapter of the World Economic Forum's Climate Governance Initiative that supports the awareness-raising, best-practice sharing and implementation of good climate governance within corporate boards.

#### Our Position

As a Corporate Friend of CGM, MISC demonstrates its commitment to sustainability and climate governance through various initiatives and practices.

## Our Stakeholders' Universe

## Our Stakeholders' Universe

## TRADE ASSOCIATIONS AND MEMBERSHIP

We demonstrate our commitment to upholding the highest standards of excellence, safety, and sustainability in the shipping industry through memberships in these esteemed organisations. Through active participation, collaboration, and knowledge exchange with fellow members, we strive to contribute to the advancement and growth of the maritime shipping industry while fostering meaningful relationships with key stakeholders.

<b>All Aboard Alliance</b>	The All Aboard Alliance sets out to significantly improve diversity, equity, and inclusion in the maritime industry. The Global Maritime Forum brings together senior leaders from across the Alliance to drive progress and facilitate collaboration among member companies. AET joined the All Aboard Alliance in December 2024 to identify and address industry-wide diversity challenges, develop impactful strategies, and advocate for transformation across the maritime value chain.	<b>Lloyd's Register</b>	We are part of the South-East Asian Technical Committee (SEATEC). This committee provides Marine Services with the opportunity to share our operational experience with our new LNG dual-fuel Aframax tankers, bunkering experience and boil-off gas (BoG) management to improve sustainability. This enables us to showcase our capabilities with other LR Technical Committee members in interactive sessions.
<b>American Bureau of Shipping (ABS)</b>	ABS is a classification society and non-governmental organisation that establishes and maintains technical standards for the construction and operation of ships and offshore structures. MISC is a member of its advisory council and serves in several of its committees.	<b>Malaysian Gas Association (MGA)</b>	MGA is the nation's lead advocate for the natural gas industry which promotes a vibrant and sustainable Malaysian gas industry. The VP of Gas Assets & Solutions is a Council Member and is part of the Regulatory and Government Affairs working committee within MGA. This membership has broadened our business base and international ventures by participating in International Gas Union (IGU) events and offering the expertise of our collaborative projects.
<b>Chamber of Shipping of America (CSA)</b>	CSA represents U.S.-based companies that own, operate or charter oceangoing vessels engaged in both domestic and international trades and companies that maintain a commercial interest in the operation of such oceangoing vessels. As a member of CSA, AET gains access to critical information and leaders such as Washington DC regulators, policy makers, legislators, US Customs and Border Protection, and the US Coast Guard to capitalise on opportunities and make informed decisions. We also get to interact with senior members of our customer base who are members of CSA and participate in the CSA Members Awards Program which includes the Jones F. Devlin Safety Award and the Environmental Achievement Award.	<b>Malaysia Shipowners' Association (MASA)</b>	MASA is a national industry organisation that represents shipowners and advocates industry's interests to the government. MISC Group, represented on MASA's Executive Committee, plays an active role in shaping the industry's development by addressing critical issues and offering valuable input for its advancement.
<b>Global Maritime Forum (GMF)</b>	GMF is an international not-for-profit organisation committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human well-being. We are a strategic partner and founding member of GMF with a seat on its Advisory Council. We play an active role in shaping the future of maritime trade by collaborating on improving the environment by reducing GHGs.	<b>Malaysia Women in Energy (MyWiE)</b>	MyWiE is an advocacy group that champions equal opportunity for women in the energy sector by bringing industry leaders together to encourage equal opportunity and diversity at all levels and categories. MISC's PGCEO is the Chairman of the Advisory Panel.
<b>Industry Taskforce on Offshore Lightering (ITOL)</b>	ITOL was formed to provide a proactive forum for identifying, assessing, planning, communicating, and implementing operational and environmental measures, to promote safe, and secure STS transfer operations in the Gulf of Mexico. As a co-chair of ITOL, AET provides inputs on policy and procedures regarding STS operations and work closely with the US Coast Guard, Oil Companies International Marine Forum, ship owners, service providers, and others to promote industry self-policing and continuous improvement.	<b>Maritime Anti-Corruption Network (MACN)</b>	MACN is a global business network that envisages a corruption-free maritime industry that provides fair trade for the benefit of society. As a member of MACN, MISC is working towards the elimination of all forms of maritime corruption by raising awareness of the challenges faced, implementing the MACN Anti-Corruption Principles, co-developing and sharing best practices and collaborating with stakeholders. We align our contribution to MACN with the SDGs, particularly SDG 16 (Peace, Justice, and Strong Institutions) and SDG 17 (Partnership for Goals).
<b>International Association of Independent Tanker Owners (INTERTANKO)</b>	INTERTANKO promotes the interests of independent tanker owners in international forums and organisations. MISC has representatives sitting and actively involved in the Executive Committee, Council, Gas Tanker Committee (GTC), Vetting Committee, Insurance and Legal Committee and the Human Element in Shipping Committee (HEiSC). Our involvement in the GTC allows MISC to look at issues affecting the industry, encourages best practices and standards that surpass regulations and provides owners with expert counsel on specific technical and commercial matters for gas tankers. In HEiSC, we advocate for industry interests by emphasising the crucial role of the human element in adopting best practices for the safe operation of tankers and our focus on ensuring strict compliance with operational and environmental regulations and practices. We play an active role in INTERTANKO through collaborations with peers, constructively listening to feedback from industry partners and resolving members' concerns. The VP of Marine Services is the Chairman of INTERTANKO Asian Regional Panel.	<b>Maritime Institute of Malaysia (MIMA)</b>	MIMA is a policy research institute set up by the Malaysian Government to look into matters relating to Malaysia's interest at sea and serves as a national focal point for research in the maritime sector. As a member of MIMA, Marine Services benefits through policy papers, publications (in print and online), advisory, consultancy, workshops/training courses and events such as talks, forums, seminars and conferences, all related to maritime issues.
<b>Singapore Shipping Association (SSA)</b>	SSA is a national trade association formed to serve and promote the interests of its members and to enhance the competitiveness of Singapore as an International Maritime Centre. As a member of SSA, AET gets to be a part of a collective voice representing the interests of the Singapore shipping industry at the local, regional and international levels, participate in forums, feedback and dialogue sessions that engage key regulatory agencies and international maritime organisations, drive key initiatives of interest to the Singapore shipping industry and have an impact on the development of regulatory and operational issues.	<b>Oil Companies International Marine Forum (OCIMF)</b>	OCIMF is widely recognised as the voice of the oil industry. It provides expertise in the safe and environmentally responsible transport and handling of hydrocarbons in ships and terminals and sets standards for continuous improvement. Marine Services is officially a member of OCIMF, which qualifies us as the official marine assurance and compliance representative for PETRONAS Group of Companies.
<b>Society of International Gas Tanker and Terminal Operators (SIGTTO)</b>	MISC is a member of the SIGTTO, and MISC's VP of Gas Assets & Solutions sits on the SIGTTO Board. The society provides a platform for the exchange of technical information and experience between industry members. Through SIGTTO's affiliation at IMO, we can influence to address common problems and derive agreed-upon criteria for best practices and accepted industry standards affecting the safety of gas tankers.		

## Our Stakeholders' Universe

<b>The London P&amp;I Club</b>	The London P&I Club plays a crucial role in coordinating and promoting the collective strength of the P&I industry on behalf of the global ship-owning community. We benefit from being a committee member by sharing knowledge and expertise in insuring and reinsuring shipowners' liabilities.
<b>United Nations Global Compact (UNGC) Network Malaysia &amp; Brunei and UNGC Network Singapore</b>	The UNGC Network Malaysia & Brunei and UNGC Network Singapore are an extension of the UNGC which are dedicated to assisting Malaysian, Bruneian, and Singaporean companies to embrace sustainable business practices. MISC and AET are UNGC Network Malaysia & Brunei and UNGC Network Singapore members, respectively.



We contributed  
**RM25.0 million**  
to our trade association and membership in 2024.

In addition, MISC Group also supports several economic, environmental, and social charters and principles, as below.

DESCRIPTION OF THE PRINCIPLE/CHARTER	OUR POSITION
<b>The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (The Hong Kong Convention)</b>	An international treaty aimed at ensuring safe and environmentally friendly recycling of ships. It establishes standards for ship recycling, focusing on the safety of workers and the environmentally sound management of hazardous materials during the process.
<b>Neptune Principles (An Extension of The Neptune Declaration on Seafarer Well-being and Crew Change)</b>	The Neptune Principles aim to improve working conditions for seafarers by increasing transparency around mental health, connectivity, shore leave, and work/rest hours. Neptune Principles provides a framework for establishing a clear set of standardised indicators for assessing seafarers' mental health and well-being, driving industry transparency and encouraging mutual accountability. Along with over 850 companies and organisations from the maritime value chain, we joined a worldwide call to action to end the crew change crisis, which caused seafarer fatigue and affected their physical and mental well-being.
	We are a signatory to the original Neptune Declaration on Seafarer Well-being and Crew Change, which defines four main actions to facilitate crew changes and keep global supply chains functioning: <ol style="list-style-type: none"> <li>1. Recognise seafarers as critical workers and prioritise COVID-19 vaccines for them.</li> <li>2. Establish and implement gold-standard health protocols based on existing best practice.</li> <li>3. Increase collaboration between ship operators and charterers to facilitate crew changes.</li> <li>4. Ensure air connectivity between key maritime hubs for seafarers.</li> </ol>

## OTHER ASSOCIATIONS AND MEMBERSHIPS

Apart from the trade associations listed, MISC Group is also involved in the following organisations:

- Association of Marine Industries of Malaysia (AMIM)
- Construction Industry Development Board (CIDB)
- Global Maritime Education & Training (GlobalMET)
- Houston International Seafarers Center
- Human Resource Development Corporation (HRDC)
- Institute of Marine Engineering, Science and Technology (IMarEST)
- International Marine Contractors Association (IMCA)
- ITOPF
- Johor Skill Development Centre (PUSPATRI)
- Lone Star Harbour Safety Committee
- Malaysia Association of Private College & Universities (MAPCU)
- Malaysia Anti-Corruption Academy (MACA)
- Malaysia Auxiliary Police Association (MAPA)
- Malaysia Board of Technologists (MBOT)
- Malaysia Offshore Contractors (MOCA)
- Malaysia Oil & Gas Services Council (MOGSC)
- Malaysian Employers Federation (MEF)
- Marine Preservation Association
- National Association of Private Educational Institutions (NAPEI)
- National Institute for Occupational Safety and Health (NIOSH)
- National Navigation Safety Advisory Committee
- North American Marine Environment Protection Association
- Offshore Marine Service Association
- Pasir Gudang Emergency Mutual Aid (PAGEMA)
- San Jacinto College Maritime Advisory Committee
- Singapore Business Federation (SBF)
- Singapore National Employers Federation (SNEF)
- Society for Gas as a Marine Fuel (SGMF)
- Society of Maritime Arbitrators
- Southeast Texas Waterway Advisory Council
- South Texas Waterways Advisory Committee
- Texas A&M University Marine Engineering Technical Industry Advisory Board
- Welding Institute of Malaysia (WIM)
- West Gulf Maritime Association
- Women's International Shipping & Trading Association (WISTA)

## LIST OF ESG DISCLOSURES

MISC provides ESG disclosures to the following ESG Ratings:

**Included in the S&P Global Sustainability Yearbook 2025**



**4 stars**



FTSE4Good

**BB**



**C**



**17.8 – Low Risk**



## SECTION 3

# SUSTAINABILITY STRATEGIC PRIORITIES

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# Financial Pillar



Our Commitment	Our Initiatives	Our Contribution to SDG
<ul style="list-style-type: none"> <li>To achieve growth in predictable and recurring sources of cashflow</li> </ul>	<ul style="list-style-type: none"> <li>A five-year rolling business plan with financial growth plans</li> <li>Financial Governance Framework, developed in line with the Financial Reporting Accounting Standards and Corporate Financial Policy</li> </ul>	 <p>Promote sustained economic growth, full and productive employment, and decent work for all</p>

## Economic Value Creation

### MISC'S ROLE IN THE BLUE ECONOMY

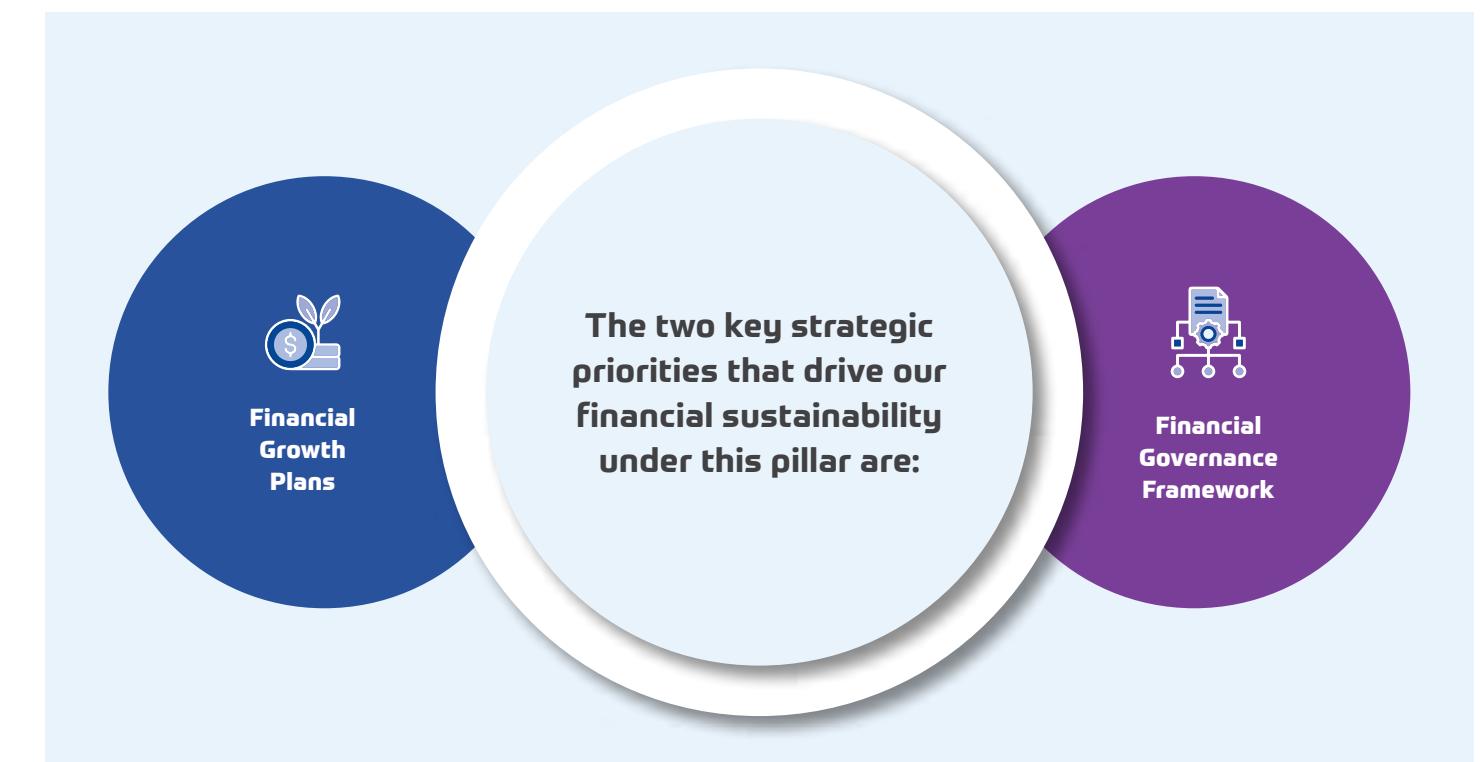
The Blue Economy is defined as the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the ocean ecosystem's health. MISC plays a vital role in moving energy worldwide in the global supply chain, contributing to the development of the local and global economies.

MISC strives to continuously strengthen its market position, scale current businesses and leverage new business opportunities. We are committed to growing our financials and helping our business partners grow together, protecting the environment where we operate, and contributing to local communities, which are grounded by robust governance practices.

 For more details on our economic value creation, please refer to MISC Integrated Annual Report 2024.

### OUR FINANCIAL STRATEGY

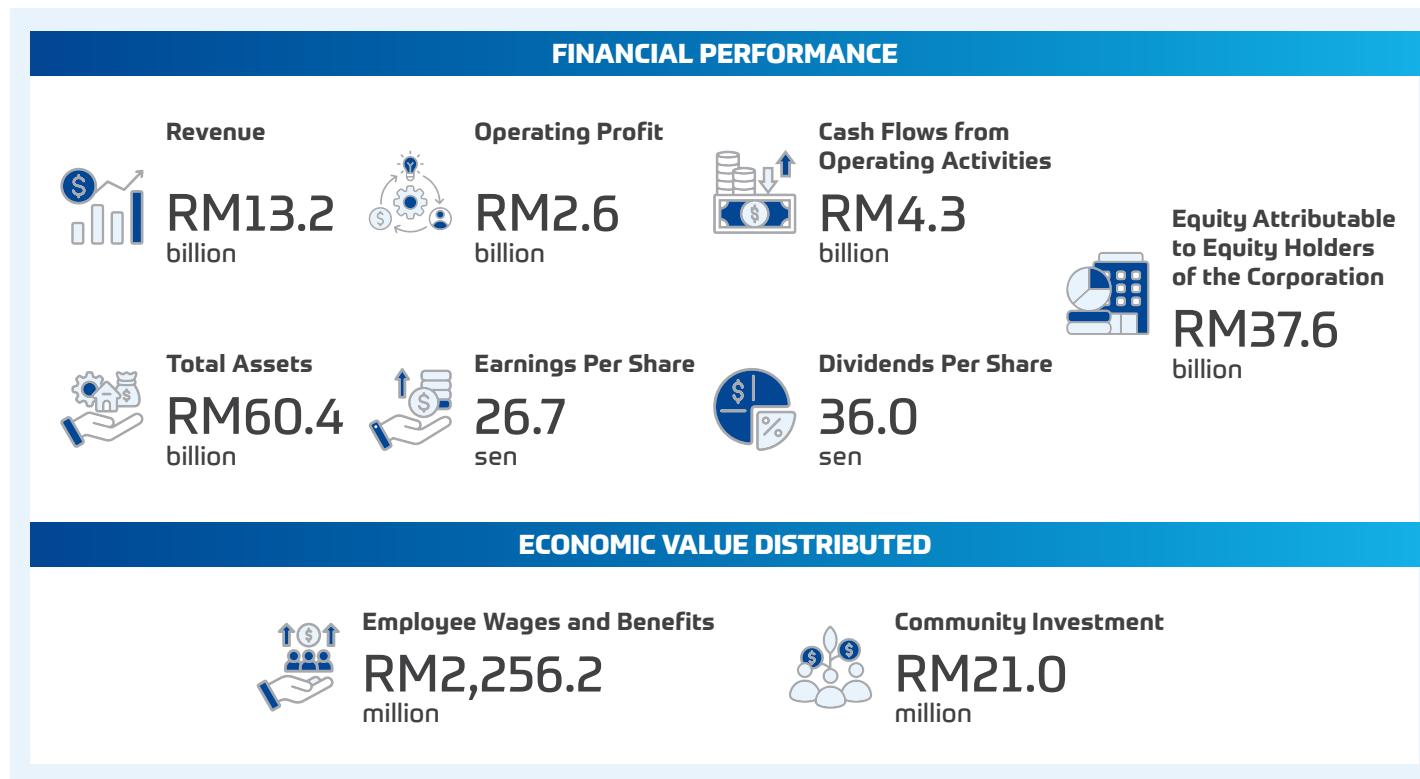
The Financial Pillar of MISC's Sustainability Strategy aims to achieve secure growth through recurring cash flows by strengthening current businesses and expanding into new business opportunities. Apart from shareholders, our financial value creation positively impacts employees through increased compensation and opportunities for growth, customers through improved products and services, suppliers through collaboration opportunities and long-term relationships, communities through job creation, tax contributions and corporate social responsibility initiatives, and governments through tax revenue and regulatory compliance. This pillar contributes to SDG 8 by promoting sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.



We develop financial growth plans to forecast future operating revenue, business costs and cash flow management. Our financial management strictly follows the Financial Governance Framework reflected in the Financial Policy and is subjected to annual external third-party assurance and internal audits.

## Economic Value Creation

## Economic Value Creation



 For more details on our financial performance and economic value added and distributed, please refer to MISC Integrated Annual Report 2024.

### ► FINANCIAL REPORTING INTEGRITY

In ensuring the integrity and robustness of our financial practices and reporting, we engage external auditors annually for both audit and non-audit work when necessary and in FY2024, we spent RM814,000 on non-audit fees for services rendered by external auditors or their affiliates. This sum included non-financial data assurance, a limited review of semi-annual financial results and tax advisory.

The Audit Engagement Partner for MISC is rotated every seven years to uphold the independence and objectivity of the external auditors. In accordance with recommendations by the Malaysian Institute of Accountants (MIA), the partner must also observe a mandatory five-year cooling-off period before being eligible for reappointment.

To further safeguard auditor independence, an independent Partner Review is conducted internally by the external auditors, ensuring compliance with professional and regulatory standards.

Our external auditors also provide written assurances to the BAC, stating their independence throughout the audit engagement following all the terms of the relevant professional and regulatory requirements. The BAC assesses the performance and independence of the external auditors based on the following:

- The quality of the engagement team, including sufficient resources.
- The quality of communication and interaction.
- Independence, objectivity and professional scepticism.

We will continue to assess the external auditors' performance on an annual basis in line with the Policy on External Auditors.

### ► SUSTAINABILITY-LINKED LOAN AND SUSTAINABILITY-LINKED ISLAMIC REVOLVING CREDIT FACILITY

In 2023, MISC financed its Net-Zero and GHG emissions intensity reduction goals through sustainable fundraising initiatives. AET secured a USD100 million sustainability-linked Islamic revolving credit facility. In 2022, we funded six VLECs through an 11-year sustainability-linked loan of USD527 million, with drawdown made in 2023. These KPI-driven loans ensure that MISC can benefit from annual adjustments of interest rates, based on its commitment to selected indicators over the course of each loan. MISC's adoption of these practices aligns the organisation with the IMO's 2050 decarbonisation trajectory and the Poseidon Principles.

### ► TAX

At MISC, we comply with tax regulations in the countries where we operate as part of our responsibility to our stakeholders. The following sections elaborate on our tax practices in line with our commitment to transparency and credibility.

#### TAX STRATEGY

MISC tax strategy has been approved by the Board and is implemented via the Tax Policy as below:

*MISC Group is committed to being a responsible taxpayer by:*

→ *Complying in good faith with all applicable tax laws, regulations, guidelines and international tax treaties and settling tax obligations when legally due, as company and employer.*

→ *Maintaining cooperative working relationships with tax authorities.*

*Adherence to this Policy is everyone's responsibility, by referring all tax-related matters to the appropriate parties.*

We strictly uphold our Tax Policy and continue to strive to ensure full adherence to all applicable tax regulations and pay taxes when legally due in localities where our businesses are conducted and operated.

Our goal is to always behave in a highly cooperative manner with all relevant tax stakeholders while creating a culture of mutual respect, aligned with MISC's corporate values and culture.

We strongly support and welcome efforts taken by the tax authorities or government agencies to improve the tax environment of the respective jurisdiction. To promote the enhancement of the tax environment, these opportunities are explored further by actively participating in dialogue sessions, forums and discussions with the tax personnel and/or relevant institutions and non-government organisations.

## Economic Value Creation

### TAX ROLES AND RESPONSIBILITIES

We are equipped with a team that is responsible for managing the Group's tax compliance and tax risks at the operational level. They serve as a strategic business partner and collaborate with all business segments across the Group towards this purpose, as well as provide support during the engagement of new projects.

We established the Tax Compliance & Control Assurance Framework. This framework serves as the Management's instrument to oversee the roles, responsibilities and accountability of the tax function.

To meet both direct and indirect tax requirements, Tax Manuals on various tax components have been introduced specifically to establish the tax-related roles and responsibilities of each stakeholder.

At the strategic level, the BAC, BSRC and the Board have oversight of the Group's strategic tax, tax governance and tax risks as part of the Group's financial reviews.

### TAX RISK MANAGEMENT

Group Tax is led by the Head of Group Tax, who reports to the Chief Financial Officer of Finance and is accountable for compliance with the Tax Policy as well as managing the overall tax risks of the Group, which includes (but is not limited to):

- New global tax laws/practices and changes in tax developments.
- Contractual, business structure and operational tax risks.
- Non-compliance events which may result in penalties imposed by tax authorities.

Key tax risks are reported to the ELT and the Board every quarter depending on the degree of risk to ensure that they are promptly monitored and addressed. Management oversight on tax risks is placed through the ELT and MRC. Ultimately, reporting is made to the Board, BAC and BSRC, respectively based on the nature and criticality of the tax risks.

We ensure that the tax function is well-equipped with updated tax knowledge to maintain and enhance the capability and necessary technical skillset of tax personnel through external training. In addition to managing the Group's tax risks, the tax function is also equipped with access to local and global tax databases.

### TAX REPORTING

For our income tax contribution, please refer to the Performance Data tables of this report.

### TAX ASSURANCE

As part of the statutory processes, an independent assurance is performed by our external auditor on MISC's financial reporting, including income tax, tax provisioning and tax accounting.

If any circumstances occur that could involve material monetary, regulatory and/or reputation risks as well as other compliance matters, external tax consultants will be engaged to provide advice and assurance to aid in the Group's decision-making process.

The Group complies with the respective tax jurisdictions and any financial or regulatory risks have been fairly and accurately reflected in the Financial Statements.

## Direct Economic Value Creation

The principal businesses of the Group comprise energy shipping and its related activities, owning and operating offshore floating solutions, marine repair and conversion, engineering and construction works, integrated marine services and maritime education. We serve to connect energy producers to energy consumers for electricity generation, heating, transportation and raw materials to produce other manufactured consumer goods.

As we grow our business to greater heights, we are closely tracking current and emerging trends in energy use globally and locally which could impact on our business operations including the global transition to a low-carbon economy and efforts taken towards climate change mitigation. With these developments, we foresee potential direct and indirect impacts to our business and subsequently to our customers, communities and environment.

Presently, we operate mostly within the conventional energy space where we continue to capitalise on our expertise and financial strength to ensure steady returns for our stakeholders and finance our next phase of growth. MISC is one of the world's largest single owners and operators of LNGCs that can call at more than 50 liquefaction terminals and more than 100 receiving terminals worldwide. MISC Group's fleet of LNG vessels transport an estimated 5% of the world's LNG cargoes. LNG has been used as a transition fuel primarily due to its economic and logistical advantages. We believe its use will complement the broader energy transition strategy that includes increased adoption of more sustainable technologies.

AET is a market leader in the provision of specialised ship-to-ship (STS) lightering services in the US Gulf and an established DPST owner and operator. We are also the only owner-operator of MCVs, which are capable of capturing hydrocarbons and other contaminations in the event of an oil well incident. We are a pioneer of LNG and ammonia dual-fuel vessels and operate a growing fleet of dual-fuel assets as part of the transition to a low-carbon economy.

Over the past years, we have remained on a steady growth trajectory to generate value for our customers, shareholders and employees including the provision of over 9,000 job opportunities for over 46 nationalities. We operate globally with a total of 2,660 business partners supporting us and connecting us with various value chains.

As part of our contribution to the community, we continued to provide quality maritime education and training through our maritime academy, ALAM. ALAM is tasked with ensuring a sustainable supply of maritime professionals for the maritime industry. ALAM has trained more than 14,000 seafarers since 1977 with a total of 160 types of courses being offered to date.



## Direct Economic Value Creation

### NEW ENERGY & DECARBONISATION

Driven by the global energy transition towards lower-emission fuel sources and renewable energy, MISC is actively adapting to evolving market expectations and exploring opportunities within the new energy economy.

NED leads the Group's decarbonisation strategy, driving strategic development and investments in carbon abatement and removal technologies. It is also responsible for expanding new business portfolios and assets, ensuring sustainable growth aligned with MISC 2030 Ambition and 2050 Vision.

As part of its mandate, NED focuses on advancing the development and commercialisation of new energy solutions across the Group, with a strategic emphasis on CCS and the future fuels value chain. Through these initiatives, NED reinforces MISC's commitment to accelerating the transition toward a low-carbon and sustainable energy future.

### CARBON CAPTURE & STORAGE

Venturing into CCS is aligned with MISC's 2050 target which is to achieve Net-Zero emissions in a low-carbon economy while providing a strong recurring income base for MISC's long-term business sustainability. MISC is actively identifying key areas of interest to strategically contribute to the development of the CCS value chain not just in Malaysia and the Asia Pacific, but also in other parts of the world. This includes identifying commercial and technical partnerships as the strategic entry into the CCS value chain, specifically in Liquefied Carbon Dioxide (LCO<sub>2</sub>) carriers. We do this through synergistic collaboration between PETRONAS Project Delivery & Technology (PD&T) and PETRONAS Carbon Management Division.

In addition, CarbonStrike, a consortium comprising PETRONAS PD&T, MISC, Samsung E&A, TechnipFMC, and Honeywell UOP, provides carbon capture services with a strategic focus on the Asia-Pacific region. The consortium collaborates on business opportunities across the carbon capture, utilisation, and storage (CCUS) value chain, leveraging collective expertise to drive innovation and scalability in decarbonisation efforts. Recognised as a potential growth area, CarbonStrike presents a viable business opportunity and new revenue stream, positioning the Group to achieve profitability in the emerging new energy sector.

### AMMONIA MARKET

As the shipping sector strives to reduce its GHG emissions to achieve the IMO's climate targets, ammonia has been identified as a potential low-carbon option. This includes being free of sulphur oxide (SO<sub>x</sub>) and particulate matter emissions. If ammonia is produced using renewable energy, a GHG emissions reduction of up to 90% can be achieved compared to fossil fuels when used.

At MISC, we are exploring opportunities in the ammonia market which include, but are not limited to:

- Ammonia carriers: Engagements with potential clients that produce ammonia for exports, where MISC can own and operate ammonia carriers, preferably running on dual-fuel ammonia engines.
- Ammonia floating production: MISC Group could be a provider of ammonia via a dedicated ammonia offshore floating production facility.
- Ammonia bunkering hub: MISC Group could be a potential user of this bunkering hub, in line with our transition to using ammonia dual-fuel engines. MISC could also support the operations of this hub by providing and operating ammonia bunker vessels.

With the goal of delivering seamless end-to-end solutions for sustainable energy transportation by 2027, MISC signed a strategic collaboration agreement with Gentari to develop integrated shipping and floating solutions for ammonia. This milestone underscores the synergistic collaboration between PETRONAS, Gentari, and MISC in advancing next-generation energy solutions. It also sets a new benchmark for sustainability and innovation within the maritime and energy sectors, reinforcing the Group's commitment to accelerating the global energy transition.

 [Read more in Decarbonisation Pathway.](#)

### GAS ASSETS & SOLUTIONS

#### LIQUEFIED NATURAL GAS CARRIERS

In March 2024, MISC signed a long-term TCPs with QatarEnergy for three newbuild LNGCs, which will be constructed by Samsung Heavy Industries Co. Ltd. These vessels will be chartered for 15 years starting in 2026 and will be equipped with the latest LNG shipping technologies to enhance efficiency and environmental performance.

The vessels will feature Selective Catalytic Reduction (SCR) for the generative engine and Integrated Compact EGR (iCER) Exhaust Gas Recirculation (EGR) for the main engine. These advanced systems are designed to reduce nitrogen oxide (NO<sub>x</sub>) emissions, ensuring compliance with the IMO NO<sub>x</sub> Tier III emissions standards, reinforcing MISC's commitment to sustainability and regulatory compliance.

In December 2024, MISC entered into TCPs with PLL, a wholly owned subsidiary of PLSB, for the charter of the two new LNGCs for a firm period of 15 years from 2027.

#### CONVERSION OF PUTERI DELIMA SATU INTO AN FLOATING STORAGE UNIT IN PENGERANG

MISC entered into an agreement with Pengerang LNG (Two) Sdn. Bhd. (PLNG2SB), a subsidiary of PETRONAS Gas Berhad (PGB), on 31 October 2023 for the supply, operation and maintenance of an LNG FSU intended to be deployed at the PETRONAS LNG Regasification Terminal Pengerang (RGTP) in Johor.

This project will see the conversion of MISC's LNGC *Puteri Delima Satu*, into an FSU designed to receive shore power to reduce emissions while improving operational efficiency.

In 2024, the FSU Special Purpose Vehicle (SPV) known as Southern Gas Terminal (Labuan) Private Limited was incorporated and MISC successfully obtained Labuan leasing license approval in Q1 2024. The engineering, procurement, construction, and commissioning (EPCC) contract and FSU Charter Agreement were executed in Q2 2024, whilst the detailed design engineering (DDE) was completed in Q3 2024. The vessel will undergo maintenance works and subsequently, conversion works at a yard.

### PETROLEUM & PRODUCTS

#### ULTRA-LOW EMISSIONS AMMONIA DUAL-FUEL Aframax

In April 2024, AET entered into TCPs with PTLCL for the world's first two ammonia dual-fuel Aframaxes. These vessels unlock opportunities for MISC to deliver more energy while supporting industry-wide decarbonisation efforts by using ammonia as a cleaner alternative to conventional bunker fuel.

To realise this project, AET signed shipbuilding contracts with Dalian Shipbuilding Industry Co., Ltd (DSIC), a subsidiary of China State Shipbuilding Corporation (CSSC), marking another milestone in the transition towards low-carbon shipping.

Furthering our efforts in this transition, we have commissioned a third ammonia dual-fuel Aframax which will launch in 2028.

#### LNG DUAL-FUEL VERY LARGE CRUDE CARRIERS

VLCCs are used to transport large quantities of crude oil across the world supporting customer demand and energy security. AET is among the top 20 players in this segment with 13 vessels trading globally with key routes covering the Middle East to the Far East, the Middle East to Singapore, West Africa to the Far East, US Gulf to the Far East, and Brazil to the Far East.

Committed to delivering more energy with less emissions, we have been progressively renewing our VLCC fleet with LNG dual-fuel capabilities since 2022. To date, we have introduced five LNG dual-fuel VLCCs, each designed with advanced technologies such as optimised hull forms and propellers, wake improvement ducts, and rudder bulbs to enhance energy efficiency. These vessels deliver significant environmental benefits, including up to 99% reduction in SO<sub>x</sub> emissions, 85% reduction in NO<sub>x</sub> emissions, 98% reduction in particulate matter, and 25% reduction in CO<sub>2</sub> emissions when operating on LNG compared to conventional bunker fuel, based on manufacturer data.

AET's LNG dual-VLCCs, *Eagle Veracruz* and *Eagle Ventura*, were awarded Green Ship status as part of MPA's GSP at the Singapore Registry of Ships Forum 2024. The GSP is a part of Maritime Singapore's initiative seeking to reduce the environmental impact of shipping and related activities to promote more sustainable shipping. This award recognises our contributions toward sustainable shipping in line with AET's Energy Transition Strategy.

## Direct Economic Value Creation

## Direct Economic Value Creation

### DYNAMIC POSITIONING SHUTTLE TANKERS

Our fleet of DPSTs was developed in partnership with our customers and they are designed to incorporate a wide range of efficiency solutions to optimise performance. For instance, the DPSTs are the crucial link between offshore production assets and the discharge port as they can utilise dynamic positioning technology to maintain a fixed position to load crude oil from offshore production facilities located in deepwater and/or under harsh weather conditions to transport to shore.

*Eagle Campos* and *Eagle Cambe*, and their sister vessels, are equipped with electrically driven variable frequency cargo pumps and high-powered thrusters to improve fuel efficiency. *Eagle Petrolina* and her sister vessel are equipped with smart technologies, which include a navigation decision support system with route optimisation features, an energy efficiency management system with trim optimisation and a ship performance monitoring system. Our LNG dual-fuel DPSTs, *Eagle Blane* and *Eagle Balder*, are fitted with volatile organic compound (VOC) recovery systems where captured VOCs can be reused as supplementary fuel, reducing emissions as well as operating costs.

### OFFSHORE

#### FPSO MARECHAL DUQUE DE CAXIAS SET SAIL FROM YANTAI, CHINA TO THE MERO FIELD

On 24 February 2024, *FPSO Marechal Duque de Caxias* set sail from Yantai, China to the Mero Field of the Santos Basin offshore in Brazil after 36 months of being in the shipyard for demolition, repair, life extension, and conversion (DRLEC).

Underwater cleaning was carried out for all submerged areas of the vessel before it sailed away, and the asset was confirmed as free of invasive species by a certified marine biologist.

The *FPSO Marechal Duque de Caxias* stands out as one of the cutting-edge FPSOs in the industry and is the Group's first ultra-deepwater asset and among the largest of its kind. This asset is equipped with advanced technologies for processing CO<sub>2</sub>-rich production from the pre-salt Santos basin, particularly at the Mero Field and it was built with a high production capacity of 180,000 bbls and 12 million m<sup>3</sup> of gas per day. This asset is equipped with Water Alternating Gas (WAG) reinjection technology, and during operations, this technology can strip and reinject CO<sub>2</sub> from fuel gas production, with a capacity to compress up to 48mmscf/d of CO<sub>2</sub>, emphasising our future-focused strategy in carbon capture capability.

#### ZERO-EMISSION POWER STATION WITH ADVANCED CO<sub>2</sub> MANAGEMENT TECHNOLOGY

MISC has signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc at the ONS Conference 2024 in Stavanger, Norway on 27 August 2024.

This MoU marks the commencement of a pilot project featuring ZEUS, a pioneering energy solution that utilises advanced oxyfuel combustion with immediate CO<sub>2</sub> capture and storage.

 [Read more in Decarbonisation Pathway.](#)

### FULL ACQUISITION OF FPSO KIKEH

On 6 September 2024, MISC entered into a Sale and Purchase Agreement (SPA) with SBM Offshore to acquire SBM's 49% stake in the joint venture companies of *FPSO Kikeh*. The transaction has since been completed.

MISC has assumed full ownership of *FPSO Kikeh*, aligning with its strategic objective to streamline business activities and maintain operational control over key assets within its portfolio. To ensure a seamless transition, MISC and SBM Offshore will collaborate for up to nine months post-completion, facilitating the transfer of personnel, systems, and processes under MISC's operational framework.

### MARINE & HEAVY ENGINEERING

#### LARGE-SCALE GREEN HYDROGEN PRODUCTION

MHB and FuelCell Energy, Inc. are collaborating to advance the development of upscaled Solid Oxide Electrolyser Cell modularisation systems, delivering unmatched efficiency, scalability, and cost-effectiveness. This collaboration focuses on addressing two of the most significant challenges in green hydrogen production, namely the cost of input electricity and the capital cost of the production facility.

This project positions MHB to enter and capitalise on the expanding green hydrogen sector through strategic partnerships and capability development, enhancing its value proposition to seize opportunities and drive business growth in the low-carbon economy.

#### OFFSHORE WIND SUBSTATION PROJECT

#### KASAWARI CARBON CAPTURE & STORAGE PROJECT

In 2022, MHB secured a contract from PETRONAS Carigali Sdn. Bhd. to undertake the EPCIC services for the Kasawari CCS project. The EPCIC contract includes the construction of a 14,000-metric tonne topside, a 15,000-metric tonne 8-legged jacket of the Kasawari CCS platform and a bridge linking to the Kasawari Central Processing Platform.

MHB is focusing on strengthening its position in new energy, securing green projects, and reducing GHG emissions. By leveraging its experience, particularly with the Kasawari CCS project, the Group aims to capitalise on the growing CCS offshore hubs domestically and internationally, supporting the transition to low-carbon solutions.

MHB has successfully secured a second offshore wind project, a subcontract to build an OSS HVDC platform, consisting of topside and jacket, from Petrofac. This significant project, named the Nederwiek 1, underscores MHB's commitment to sustainable energy infrastructure development. Serving as a vital component of TenneT's 2GW Programme in the Netherlands, this OSS reaffirms MHB's pivotal role in advancing energy solutions.

This OSS platform comprises a topside, weighing approximately 30,000 tonnes (including equipment) and a jacket, weighing approximately 10,000 tonnes. Under this project, MHB is responsible for the construction engineering, fabrication, mechanical completion, load out and sea fastening, and architectural works on an engineering, procurement and construction (EPC) basis.

### VESSEL RETROFITTING SOLUTIONS

Retrofitting and upgrading of vessels to comply with IMO regulations on Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) are important in the coming years. MHB believes that this is a good opportunity to partner with industry peers to fulfil demands and build experience in retrofitting vessels with energy-saving technologies.

MHB signed an MoU with HD Hyundai Marine Solution (HD HMS) to establish a close working relationship, spanning from marketing to the delivery of works related to vessel retrofit solutions. Through this collaboration, MHB will be HD HMS' strategic partner for the installation of vessel retrofit solutions within the Southern Asia region.

### MARITIME EDUCATION & TRAINING

ALAM is the flagship maritime academy and a leading institution in the region offering over 90 programmes with 29 new courses introduced in 2024. Among the new programmes are the Modular Combined Basic and Advanced Training for IGF ships (MCIGF), Engineering Knowledge Motor for Steam Engineer (AESM), Officer in Charge of Navigational Watch 500 GT or More Near Coastal Voyage, Medical Care Onboard Ship Refresher, and Officer in Charge of Engineering Watch on ships of 750 kW or More Near Coastal Voyages (WKNC).

This year, ALAM successfully secured a new programme under the Ministry of Higher Education (MOHE)—the Diploma in Marine Electro Technology, which is set to commence in September 2024. Marketing efforts for this programme will begin next year to attract prospective students. Additionally, ALAM is actively pursuing accreditation from the Malaysian Qualifications Agency (MQA) for its franchise programme, the Bachelor of Business Administration (Hons) in Management and Entrepreneurship, in collaboration with Universiti Kuala Lumpur. As part of its long-term strategic vision, ALAM is working towards attaining University College status

by 2026, reinforcing its commitment to academic excellence and industry relevance.

Most of ALAM's cadetship programme students are under sponsorship and records demonstrate high employment rates upon graduation. This year, ALAM successfully assisted 67 eligible cadets in securing ship berths with 10 shipping companies, while also helping 15 eligible ratings graduates find employment across various shipping companies.

### MEMORANDUM OF UNDERSTANDING BETWEEN MALAYSIAN MARITIME ACADEMY SDN. BHD. (MMASB) AND DARUSSALAM PILOTAGE SERVICES SDN. BHD. (DPSSB)

In May 2024, MMASB and Darussalam Pilotage Services Sdn. Bhd. (DPSSB) formalised their commitment to maritime academic and research excellence through the signing of an MoU. A key milestone of this partnership is the enrolment of 10 students in ALAM's Deck Officer programme as part of the first intake for 2024.

Aligned with SDG 4: Quality Education and SDG 17: Partnerships for the Goals, the MoU underscores a shared vision for enhancing maritime education and research. This collaboration seeks to create a dynamic learning environment that equips students to navigate the complexities of the maritime industry while fostering innovation and progress in the field.

### PARTNERSHIP BETWEEN MMASB & ALAM WITH YAYASAN SARAWAK & UTS

MMASB and ALAM have taken a significant step forward in advancing maritime education and training in East Malaysia through a strategic partnership with Yayasan Sarawak and the University of Technology Sarawak (UTS). This collaboration seeks to enhance the quality of maritime education, training, and research in Sarawak by leveraging the combined expertise and resources of all partners.

ALAM will play a pivotal role in contributing its expertise in curriculum development, training methodologies, and industry connections to uphold the highest standards of maritime education. Meanwhile, Yayasan Sarawak and UTS will provide invaluable local knowledge and academic resources, ensuring the programmes are tailored to the unique needs of the region. The partnership aims to address specific challenges faced by the maritime industry in Sarawak, fostering economic growth and promoting sustainability. This joint effort underscores a shared commitment to building a robust maritime ecosystem that supports the region's long-term development.

## Direct Economic Value Creation

# Indirect Economic Value Creation

# Indirect Economic Value Creation

## DIGITALISATION

In the era of digitalisation, we are committed to integrating digital systems into our operations to improve efficiency, productivity and safety. Among the systems installed are e-navigation systems, Internet-of-Things connectivity for real-time monitoring of shipboard systems, Internet-of-Services to connect with shore-based services and integrated ship control with big data capabilities. Other initiatives include:

- A digital platform designed for the marine and shipping industry, particularly for vessel inspections.
- Quality surveillance solutions offering real-time access to project data, particularly on inspection programme and status (MyPlexus).
- e-Procurement system to manage Source-To-Pay processes.
- e-learning platform for various training modules comprising Health, Safety, Security and Environment, Human Rights, Anti-Bribery and Anti-Corruption, Sustainability as well as career management, functional, technical and leadership modules.
- Permit-to-work processes digitalised through a system.
- Digital signatures for internal documents.

### MyPlexus

In the Offshore segment, we launched MyPlexus, a digital documentation platform designed to enhance data accessibility, streamline project management, and improve operational efficiency. MyPlexus provides real-time access to critical project data, particularly on inspection programmes and status updates, addressing key challenges such as data fragmentation, reliance on paper-based reporting, and delays in decision-making. By digitising and centralising project information, the platform ensures that stakeholders have immediate, reliable, and accurate insights, mitigating bottlenecks and enabling more informed, timely, and data-driven decision-making.

The inspection activities and data are now performed via mobile phone or tablet by inspectors and directly uploaded to MyPlexus. By integrating seamlessly with existing workflows, MyPlexus removes the manual hurdles typically associated with transitioning from project development to execution, creating a more cohesive and efficient process.

Notably, MyPlexus has already been successfully tested in one of our major recent conversion projects, particularly in the commissioning phase, demonstrating its potential to drive environmental sustainability, project efficiency and operational excellence.

### Smart Port

The Smart Port initiative, which was launched in 2021, aims to digitise port operations to improve data accuracy and resource management. In 2023, web-based Smart Port applications were deployed on heavy-duty tablets, allowing marine pilots to access real-time data and minimise manual interventions.

In 2024, the focus was to make the Smart Port system accessible offline and to enhance the current functionalities to adapt to the changes in operations. Among the benefits of the system are operational optimisation, downtime reduction, and resource allocation improvement which has led to cost savings and efficiency. Other than that, the offline accessibility to the system has improved working conditions for crew members, allowing them to continue operations in the absence of internet connectivity. This system also allows data integration, which ensures compliance and transparency and aids in decision-making processes.

Moving forward, MISC plans to scale these improvements across subsidiaries, driving greater operational efficiency across the organisation.

## EMPLOYEE RESKILLING AND UPSKILLING

MISC is committed to ensuring that employees are equipped with the latest knowledge and skills in the era of digitalisation and transition to a low-carbon economy. Employee reskilling and upskilling programmes are introduced at both the MISC Group level and operational level to ensure our workforce is future-ready.

### Reskilling And Upskilling Seafarers for Alternative Markets

Marine Services is responsible for managing our seafaring employees in which a structured and comprehensive capability development programme has been deployed for both sea and shore employees. The aim is to enhance our employees' competency levels as well as improve and expand their proficiency and capabilities across various business functions and operations through employee training and upskilling programmes and succession planning initiatives.

With the growing demand for the use of LNG, alternate fuels and dual-fuel vessels, we are cognisant of the need for employee reskilling and upskilling. We progressively reskill and upskill our employees for the management of alternate fuel vessels and transition from conventional vessels to gas fleets. Currently, our seafarers are operating and managing a wide range of vessels including VLEC, LBVs, LNGCs, LNG dual-fuel petroleum tankers, DPSTs, LNG FSUs and MCVs.

In 2024, Marine Services invested RM29.1 million for training and development programmes for our seafarers.

 [Read more in Our People, Our Strength.](#)

## SUPPLY CHAIN RISKS AND OPPORTUNITIES

At MISC, we believe our business partners, including suppliers, are integral to our success. These business partners are aligned with our expectations to comply with relevant laws and regulations and uphold the highest standards of business conduct.

MISC has taken various measures to ensure our suppliers are onboard in our supply chain programme and understand our requirements due to the increasing concern about ESG risks arising from the value chain. We have embarked on a Responsible Supply Chain Programme comprising a Supplier Self-Assurance Programme.

In 2024, 45% of our suppliers are local and USD276 million was spent on these local suppliers.

 [Read more in Advancing a Sustainable Supply Chain.](#)

## LOCAL EMPLOYMENT

As a global leader in the maritime industry, we recognise the importance of contributing to local economies by creating meaningful employment opportunities. Operating across multiple regions, we are committed to nurturing local talent and fostering inclusive workforce development.

In 2024, 68% of our total workforce comprised local employees, reflecting our dedication to empowering communities and strengthening local economies. By prioritising local employment, we not only enhance operational efficiency through regional expertise but also generate positive socio-economic impacts, supporting local businesses, skill development, and long-term economic growth in the regions where we operate.

## SPONSORSHIP

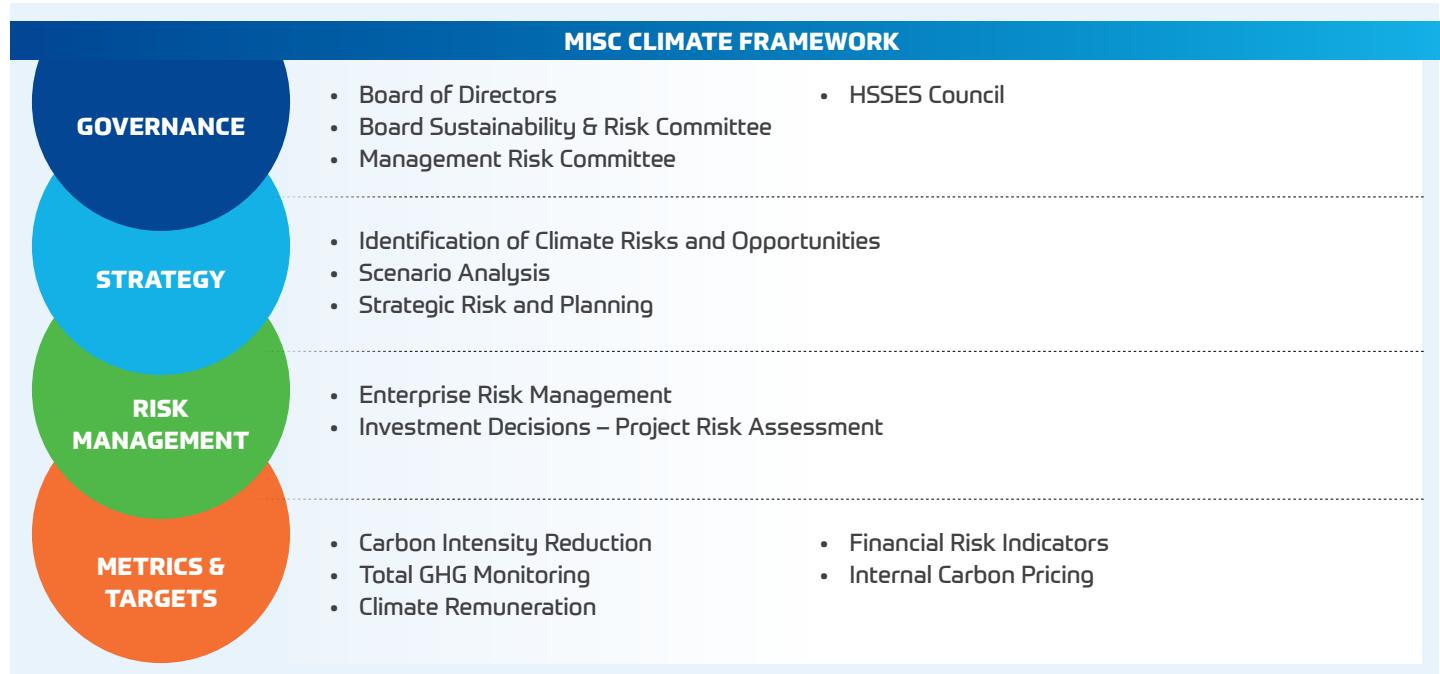
In ensuring a sustainable pool of maritime professionals, MISC is committed to investing in maritime education and training through ALAM. One of our initiatives is the Cadet Sponsorship Programme which is designed for local youth to provide them with the skills and opportunities needed to enter the shipping industry. This investment is not just about advancing maritime education and training, it is also about creating opportunities for the local communities to make lasting changes for their families.

 [Read more in Strategic Community Investment.](#)

## Climate-related Financial Disclosures

MISC's Climate-related Financial Disclosures provide a comprehensive assessment of how climate change scenarios may impact MISC's operations. This report presents our strategic roadmap for mitigating risks and capitalising on emerging opportunities.

The report is structured around the four core pillars of climate-related financial disclosures: Governance, Strategy, Risk Management, and Metrics & Targets.



### GOVERNANCE

MISC has established a Board and a Management-level governance framework to oversee, evaluate, and manage climate-related matters. This structured approach ensures that our climate strategy receives the appropriate level of attention from both the Board and Executive Leadership.

<b>Board of Directors</b>	Directs the group's strategic plan, oversees conduct and performance and identifies principal risks, including climate-related ones, while ensuring the implementation of appropriate systems to manage these risks. These risk management strategies include responsibility for succession planning and continuous development, the implementation of an investor relations programme and the review of the adequacy and integrity of internal control systems.
<b>Board Sustainability &amp; Risk Committee</b>	Reviews the adequacy and effectiveness of MISC's Risk Management Framework and ongoing activities in identifying, monitoring and mitigating risks (including climate-related risks) and the determination of MISC's sustainability strategy and governance structure in alignment with MISC's business strategy.
<b>Management Risk Committee</b>	Ensure all business risks, including climate-related ones, are prudently identified, evaluated and managed following acceptable international standards, principles and guidelines on risk management.
<b>HSSES Council<sup>1</sup></b>	Stewards and provides oversight on all HSSES matters, including the management of climate-related risks and opportunities such as GHG performance.

Note:

<sup>1</sup> Chaired by PGCEO. The members comprise Executive Leadership from each division and the Managing Directors/CEOs of MISC Group of Companies.

### STRATEGY

Sustainable business development is at the core of MISC's role in the maritime, shipping, and energy sectors, reinforcing the organisation's commitment to advancing new energy solutions. As the global energy transition accelerates, the industry faces critical challenges, including the availability and affordability of technology and alternative fuels, as well as the capacity-building and capability development required to support this transformation. While these challenges present complexities, they also unlock new opportunities for innovation, collaboration, and value creation.

To this end, MISC has made bold commitments in alignment with the IMO's climate objectives, ensuring synergy with its maritime and shipping value chain partners. MISC is actively pursuing the decarbonisation of its fleet, progressively transitioning to low-, ultra-low-, and zero-emission vessels. These efforts are aimed at reducing GHG intensity in shipping operations by 50% by 2030 and achieving Net-Zero GHG emissions by 2050, including reductions across its value chain emissions.

These commitments underpin MISC's short- and medium-term growth strategies, supporting a dual-growth approach that enables the organisation to maintain its presence in traditional markets while proactively addressing climate-related risks and opportunities. This strategy ensures business continuity and resilience, allowing MISC to secure stable cash flows through long-term contracts with premium clients, safeguard financial sustainability, deliver consistent returns to shareholders, and maintain access to capital for the transition towards a more sustainable and climate-resilient business model.

### TIME HORIZONS

MISC has established short-, medium-, and long-term time horizons to align with global decarbonisation goals and effectively manage climate-related risks and opportunities. These structured timeframes enable the organisation to assess risks in line with the commitments made by its ecosystem partners, including the IMO and other local and global regulators. By integrating climate considerations into its business planning cycles, MISC ensures that climate risk management and opportunity identification remain agile, forward-looking, and strategically embedded within its transformation plans, allowing for regular review, adjustment, and alignment with evolving regulatory and industry developments.

### Short-term (within the next 2-3 years)

- Any climate-related risks and opportunities that have or are expected to have material financial impacts, including:
  - current and emerging climate legislation and market transition to low-carbon assets.
  - achieving IMO targets, which are reducing emissions by at least 20%, and striving for 30% by 2030.

### Medium-term (by 2030)

- Any climate-related risks and opportunities that have or are expected to have material financial impacts, including:
  - achieving IMO targets, which are striving to reduce emissions by 80% by 2040.
  - the development of economically sustainable deep-sea vessels with ultra-low or zero carbon emissions by 2030 to fulfil IMO 2050 Net-Zero goals and achieve MISC's Net-Zero emissions target by 2050 and manage vessel lifespans.

### Long-term (by 2050)

- Any climate-related risks and opportunities that have or are expected to have material financial impacts in addressing the energy transition and global movement towards Net-Zero GHG emissions by 2050, including MISC's 2050 target.



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## CLIMATE SCENARIOS

MISC has identified three climate scenarios – a low, medium and high CO<sub>2</sub> concentration in 2100 from pre-industrial levels while considering the trajectory in 2050:

MISC'S SCENARIO ANALYSIS		
LOW FUTURE EMISSIONS (< 2°C)	MODERATE FUTURE EMISSIONS (2 - 3°C)	HIGH FUTURE EMISSIONS (3 - 4°C)
SSP1-2.6	SSP2-4.5	SSP3-7.0
CO <sub>2</sub> emissions remain constant until early this century, then decline, becoming negative by the end of the century. This scenario assumes a sharp decline in the use of fossil fuels, increased use of cropland for biofuel production, and reduction of methane emissions by 40%.	An intermediate scenario where CO <sub>2</sub> emissions remain at current levels until the middle of the century and only decline after. Moderate mitigation efforts are taken to gradually shift away from the use of fossil fuels towards renewables.	Business-as-usual where at the end of the century, CO <sub>2</sub> emissions will be roughly double from present levels. Countries are focused on protecting their interests and security with limited international collaborations.

These scenarios were sourced from the:

Intergovernmental Panel on Climate Change (IPCC)	Shared Socioeconomic Pathways (SSP)	International Energy Agency (IEA)	The International Renewable Energy Agency (IRENA)
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Projection of Temperature Rise From 2080 to 2100 (°C)			
MISC Scenario Analysis (°C)	Scenario	Mean	Range
< 2 (Low Emissions)	SSP1-2.6	1.8	1.3 - 2.4
2 - 3 (Moderate Emissions)	SSP2-4.5	2.7	2.1 - 3.5
3 - 4 (High Emissions)	SSP3-7.0	3.6	2.8 - 4.6



To understand and connect the political, business and social responses to climate change and associated global carbon budgets, SSP and the expected physical and transitional climate-related impacts, the climate analysis and scenarios were derived based on the following driving forces:

Driving Forces	Low Emissions Scenario (< 2°C)	Moderate Emissions Scenario (2 - 3°C)	High Emissions Scenario (3 - 4°C)
Environmental	<ul style="list-style-type: none"> <li>Sea level rise and higher sea surface temperatures are affecting coastal communities.</li> <li>Increase in wind speed and wave power in the Southern Hemisphere.</li> </ul>	<ul style="list-style-type: none"> <li>Climate-related risks are significantly affecting lower latitudes infrastructure and communities.</li> <li>Larger winter ocean waves and increase in wave heights.</li> </ul>	<ul style="list-style-type: none"> <li>Extreme sea level rise and intense impacts on ports and coastal infrastructure.</li> <li>Warmer sea surface with extreme heatwaves and intense tropical cyclones.</li> </ul>
Political & Legal	<ul style="list-style-type: none"> <li>Extensive international collaboration.</li> <li>Clear policies to support Net-Zero transition.</li> <li>Well-established carbon pricing.</li> <li>Industry environmental standards.</li> </ul>	<ul style="list-style-type: none"> <li>Growing international collaboration.</li> <li>Clear policies to support Net-Zero transition.</li> <li>Well-defined industry environmental standards.</li> <li>Moderate implementation of carbon pricing.</li> </ul>	<ul style="list-style-type: none"> <li>Large differences across regions and countries on environmental standards and policies.</li> <li>Continuing government incentives for the oil and gas sector in some countries.</li> <li>Carbon pricing is not widely adopted.</li> </ul>
Technological	<ul style="list-style-type: none"> <li>Collaborations between different industries and financial backing encourage the adoption of CCUS.</li> <li>Extensive investment in CCUS technology to bridge the transition towards a Net-Zero carbon economy.</li> <li>Utilisation of e-fuels in international shipping decarbonisation.</li> <li>Significant investor interest in the hydrogen economy.</li> </ul>	<ul style="list-style-type: none"> <li>Rapid technological development and extensive adoption of carbon-neutral fuels.</li> <li>Governments across the globe invest in CCUS.</li> <li>Leverage natural sources to offset remaining emissions.</li> <li>Supply of renewable energy is growing faster than electricity demand.</li> </ul>	<ul style="list-style-type: none"> <li>Focus is on process efficiency and a slower transition towards technological advancement.</li> <li>Lack of funding and incentives to deploy CCUS on a large scale.</li> <li>Limited CO<sub>2</sub> storage availability raises energy transition costs.</li> <li>Lower transition to renewables.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>Decrease in total energy supply is predicted due to strong implementation of policies and efficiency measures.</li> <li>Rapid transformation towards electrification and renewables as a large part of global energy systems.</li> <li>Significant global annual investment into the renewable energy sector.</li> </ul>	<ul style="list-style-type: none"> <li>Slight increase in total energy supply is predicted.</li> <li>Increased electrification with a moderate shift towards renewables with a focus on transitional fuels.</li> <li>Utilisation of bioenergy as a potential alternative to replace traditional biomass.</li> <li>Strengthened policy commitments to limit fossil fuel usage to balance Net-Zero ambitions.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in total energy supply for advanced economies, while this increases for emerging and developing economies.</li> <li>Slower transformation towards renewables with a preference for traditional sources of energy such as coal, oil, and gas in emerging and developing economies.</li> <li>Continued investment into upstream oil and gas.</li> </ul>
Reputation & Social	<ul style="list-style-type: none"> <li>Significant stakeholder pressure to reduce emissions across the value chain.</li> <li>Increased regulatory requirements for reporting and disclosing performance and targets.</li> <li>Creation of a new green economy and employment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Widespread social awareness about climate change which influences purchasing and consumption decisions.</li> <li>Shortage of skills in adaptation to climate change with many displaced workers.</li> </ul>	<ul style="list-style-type: none"> <li>Some pressure and urgency placed on companies for climate action.</li> <li>Unequal spread of job gains and losses between sectors and countries.</li> </ul>

## Climate-related Financial Disclosures

### IDENTIFYING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate change is a global challenge with far-reaching implications for communities, industries, and businesses, including MISC. Recognising its widespread impact, MISC integrates climate-related risks and opportunities into its strategic decision-making, ensuring that sustainability considerations are embedded across its operations and value chain. Acknowledging the interconnected nature of the maritime and energy sectors, MISC actively engages with key stakeholders, including customers, suppliers, and regulatory bodies, to develop collaborative and forward-thinking approaches to climate resilience. By fostering strong partnerships and aligning with industry best practices, MISC aims to drive collective action that supports sustainable growth, operational adaptation, and long-term decarbonisation objectives.

As MISC transitions to a lower-emissions economy, it has identified nine key climate-related risks and opportunities, spanning physical and transitional impacts across short-, medium-, and long-term horizons. These are assessed through key driving forces, including regulatory, market, technological, and environmental factors, ensuring strategic resilience and adaptability in the evolving energy landscape.

The risks are categorised as:

- Physical risks created by a changing climate.
- Transitional risks created by the world's transition to a low-carbon economy.

These risks could materially impact MISC's business and key stakeholders, with financial implications depending on the pace and trajectory of the transition. The expected timeframe reflects the broader global urgency of climate challenges and their evolving impact on industries.

Both physical and transitional risks are reviewed and assessed in terms of likelihood and severity:

- The likelihood of the climate issue impacting MISC's business objectives.
- The severity/financial impact of climate risks on MISC's business objectives.

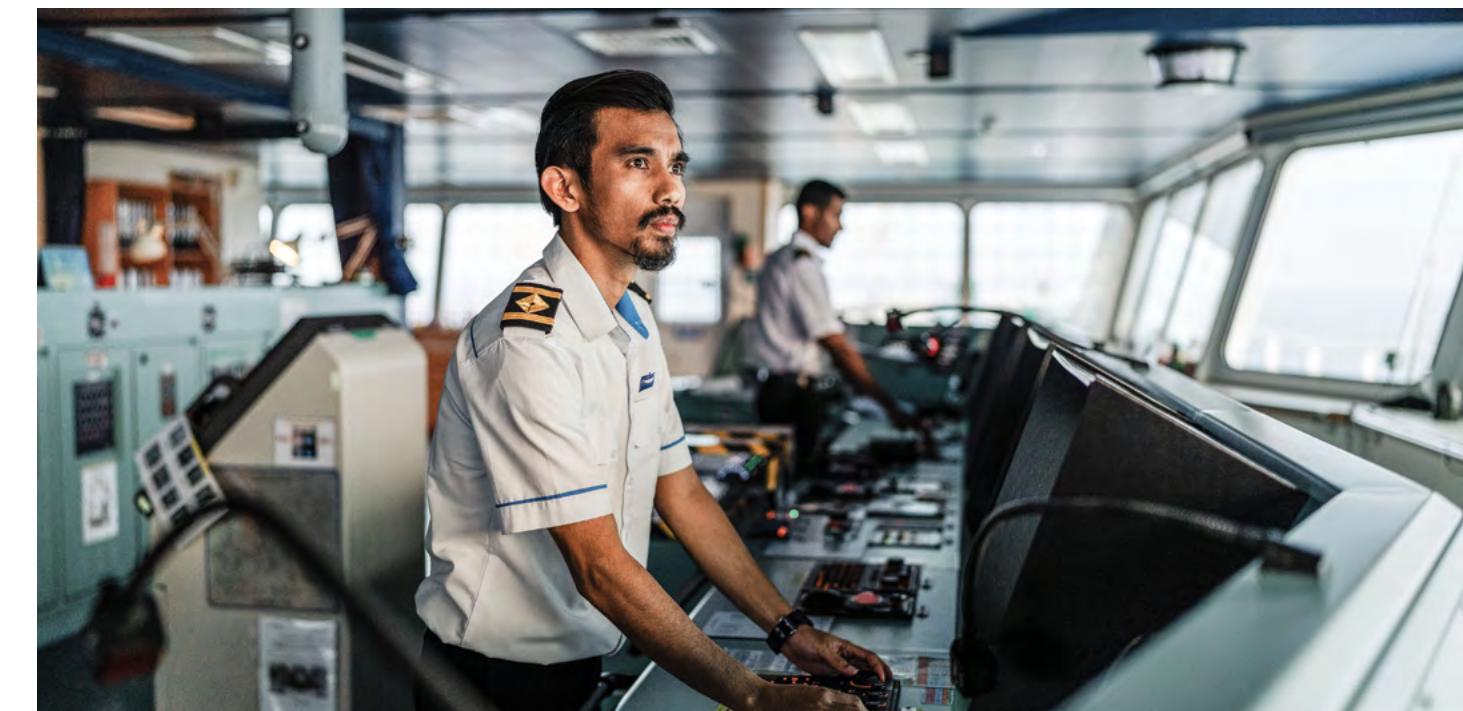
### OVERVIEW OF MISC GROUP CLIMATE-RELATED RISKS AND OPPORTUNITIES:

Physical	Regulatory	Technology	Market	Reputation and Social
<ul style="list-style-type: none"> <li>• Increase in extreme wind and precipitation (acute).</li> <li>• Sea level rise (chronic).</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing environment/carbon policies and legislation.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of new technologies for low-carbon solutions.</li> <li>• Training for the right expertise and skills required to manage new assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Market interest shift towards a low-carbon economy.</li> <li>• Changing capital providers trends.</li> <li>• Shift in customer expectations.</li> </ul>	<ul style="list-style-type: none"> <li>• Talent retention and attraction.</li> <li>• Being perceived as advanced or laggard in climate change action/ failure to comply with regulation.</li> </ul>

### DRIVING FORCES AND THEIR TIME HORIZONS

Risks are modelled across set time horizons that remain stable across each climate scenario.

Risk Category	Driving Forces	Risk	Time Horizons
Physical	Acute	Extreme Weather	ML Medium - long term
	Chronic	Sea level rise	ML Medium - long term
Transitional	Regulatory	Increasing environmental/carbon regulations	SM Short - medium term
	Technological	Development of new technologies for low-carbon solutions	SM Short - medium term
	Market	Training in the right expertise and skills to manage new assets	SM Short - medium term
	Market	Shift in customer and market expectations toward a low-carbon economy	ML Medium - long term
	Reputational & Social	Changing capital providers' trends	ML Medium - long term
Reputational & Social	Reputational & Social	Being perceived as advanced/laggard in climate change	SL Short - long term
	Talent Attraction	Talent Attraction	SL Short - long term



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## OUTCOME OF MISC GROUP CLIMATE SCENARIO ANALYSIS

The following is the outcome of our analysis using the three future scenarios identified and respective time horizons. We have systematically categorised climate-related risks and opportunities and identified risks of particularly high importance, considering the degree of impact and importance, as well as stakeholder interest.

Material risks and opportunities will be incorporated into our strategic priorities within our business plan. The risk or opportunity is deemed material if it has a high chance of occurrence and has a substantial financial impact on MISC's businesses.

 Insignificant to minor impact on MISC's current business objectives.

 Minor to moderate impact on MISC's current business objectives.

 Major or substantial impact on MISC's current business objectives.

Risk Category	Driving Forces	Risk	Low Emissions Scenario	Medium Emissions Scenario	High Emissions Scenario
Physical	Acute	Extreme weather	<ul style="list-style-type: none"> <li>Minimal impact as our assets are built to withstand certain extreme weather conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased OPEX to maintain and reinforce assets due to heightened extreme weather conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased CAPEX for designing and constructing new assets and OPEX to maintain and reinforce assets due to heightened extreme weather conditions.</li> </ul>
	Chronic	Sea level rise	<ul style="list-style-type: none"> <li>Additional incurred cost of property maintenance/reinforcements due to erosion from sea level rise/tidal wave changes.</li> </ul>	<ul style="list-style-type: none"> <li>Increased cost of property maintenance/reinforcements and reductions due to erosion from sea level rise/tidal wave changes.</li> </ul>	<ul style="list-style-type: none"> <li>Increased OPEX to relocate or implement adaptation measures for operations at coastal locations, such as upgrading sites/infrastructure or relocating to higher grounds.</li> <li>Increased costs from operational delays and disruptions related to coastal flooding and erosion.</li> </ul>
	Regulatory	Increasing environmental/carbon regulations	<ul style="list-style-type: none"> <li>Significantly increased compliance costs due to stringent carbon policies and legislation for more efficient assets – CAPEX and OPEX.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing compliance costs due to extensive carbon regulations – CAPEX and OPEX.</li> </ul>	<ul style="list-style-type: none"> <li>Increased compliance costs due to moderately increasing carbon regulations – CAPEX and OPEX.</li> </ul>
	Technological	Development of new technologies for low-carbon solutions	<ul style="list-style-type: none"> <li>Significantly increased investment costs in low-carbon solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment costs in low-carbon solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment costs in low-carbon solutions.</li> </ul>
	Training for the right expertise and skills to manage new assets		<ul style="list-style-type: none"> <li>Increased talent development and upskilling costs (OPEX).</li> </ul>	<ul style="list-style-type: none"> <li>Increased talent development cost (OPEX).</li> </ul>	<ul style="list-style-type: none"> <li>Increased talent development cost (OPEX).</li> </ul>
	Market	Shift in customer and market expectations toward a low-carbon economy	<ul style="list-style-type: none"> <li>Substantial reduction in market demand for oil and gas products and increased transportation assets and logistic services.</li> </ul>	<ul style="list-style-type: none"> <li>Costs of investment and risk of temporary business interruption in adapting to the uncertainties to transition and expand low-carbon solutions technology to meet customer expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Market trends toward profit-driven motives, showing less emphasis on environmentally conscious and low-carbon solutions.</li> <li>The global demand for fossil fuels is expected to decrease, potentially affecting export positions and revenues.</li> </ul>
	Changing capital providers' trends		<ul style="list-style-type: none"> <li>Lack of funding/increased interest rates for conventional marine-fuelled assets.</li> </ul>	<ul style="list-style-type: none"> <li>Shift in investor sentiment impacts the valuation and funding opportunities for traditional energy companies.</li> <li>Increased cost of borrowing and reduced capital availability.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funding/increased interest rates for conventional marine assets.</li> <li>Challenges in attracting the requisite capital for our operations and growth with increasing apprehension about committing capital to carbon-intensive industries.</li> </ul>
	Reputational & Social	Being perceived as advanced/laggard in climate change	<ul style="list-style-type: none"> <li>Increased costs, potential fines, and a negative impact on reputation from failure to meet stakeholder's increasing social awareness.</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs, potential fines, and a negative impact on reputation from failure to meet stakeholder's increasing social awareness.</li> </ul>	<ul style="list-style-type: none"> <li>More room for adjustments to expectations and requirements on reputation from customers with strict compliance requirements.</li> </ul>
		Talent retention and attraction	<ul style="list-style-type: none"> <li>Increased OPEX to attract and retain talent.</li> </ul>	<ul style="list-style-type: none"> <li>Increased OPEX to attract and retain talent.</li> </ul>	<ul style="list-style-type: none"> <li>Moderately increased OPEX to attract and retain talent.</li> </ul>

# Environment Pillar



## Our Approach

At MISC, our commitment to environmental stewardship is deeply ingrained in our operations. We have a robust environmental policy articulating our commitment to comply with applicable environmental laws and regulations, prevent pollution, and improve our environmental performance.

## Our Approach

This is captured as part of our Health, Safety, and Environment (HSE) Policy. Key policy elements of our commitment include:

1

Taking appropriate practicable measures to prevent and mitigate the risk of injuries, occupational illness, and damage to properties.

2

Ensuring that measures are taken to protect the environment and that natural resources are used sustainably.

3

Providing appropriate resources and organisation to achieve environmental objectives.

4

Communicating and engaging effectively with key stakeholders on relevant environmental matters.

5

Ensuring improvement in environmental practices and performance, leveraging people, processes, and technology.

To support the implementation of the environmental elements of our HSE Policy, we have established comprehensive supporting documents that outline specific roles and responsibilities. These documents detail our approach to setting environmental targets and defining training requirements to ensure compliance and continuous improvement.

Our environmental management approach is regularly reviewed and refined based on lessons learned, emerging regulations, industry best practices, and evolving environmental challenges. We actively engage with key stakeholders—including investors, employees, customers, suppliers, and local communities—to gain a holistic understanding of environmental risks and opportunities. The insights gathered through these engagements are integrated into our decision-making processes, ensuring that stakeholder concerns and priorities are effectively addressed in our sustainability strategy.

To support the implementation of our HSE policy, our Offshore, Marine & Heavy Engineering and Marine Services have been certified with the ISO 14001:2015 Environmental Management System and similarly, our Marine Services are also certified with the ISO 50001:2018 Energy Management System. These certifications ensure robust environmental management practices are integrated into our operations. As part of the certification requirements, regular internal and external audits and assessments are conducted to assess the effectiveness of environmental-related procedures and improve our environmental practices and performances. These audits are carried out through the integrated HSSE Management System (HSSE MS) assurances and internal and external audits for ISO 14001 and ISO 50001. The ISO audits ensure a systematic evaluation of practices including compliance with applicable regulations and opportunities for improvement.

As part of MISC's HSSE MS, we have established minimum environmental requirements for each of our businesses to comply with. Under each key area, prescriptive requirements have been established to strengthen governance in identifying environmental risks as well as to clearly define the scope for environmental assurance within MISC Group.

### 6 KEY AREAS OF THE GROUP'S ENVIRONMENTAL MINIMUM REQUIREMENTS PROCEDURE



# Decarbonisation Pathway

## Decarbonisation Pathway

**Our Commitment**

- Transition to a low-carbon economy
- Deploy zero-carbon emissions vessel latest by 2030
- Decarbonised shipping operations by 2050
- Net-Zero GHG emissions by 2050

**Our Initiatives**

**SHIPPING OPERATIONS**

**Short to Medium-Term (until 2030)**

- Continuous improvement in energy efficiency design and operations
- Progressive fleet renewal to low-carbon fuel
- Collaboration with strategic partners in developing zero-carbon emissions vessels

**Long-Term (until 2050)**

- Progressive fleet renewal to zero-carbon emissions vessels
- Beyond value chain mitigation (carbon removal, avoidance and reduction)

**NON-SHIPPING OPERATIONS**

- Improve energy efficiency in operations
- Increase usage of renewable energy mix

**Our Contribution to SDG**

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Design or retrofit sustainable assets which optimise resource-use efficiency with greater adoption and environmentally sound technologies

**13 CLIMATE ACTION**

Design and operate assets that can combat or reduce the effects of climate change

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

Ensure sustainable consumption by promoting efficient use of energy

**MISC'S CLIMATE COMMITMENT**

**Long-term Target**

Net-Zero GHG emissions by 2050

**Medium-term Target**

Reduce 50% GHG intensity from our shipping operations by 2030 (compared to the baseline year of 2008)

MISC Group operates in the maritime sector with key businesses in shipping energy and energy-related products, offshore assets, marine and heavy engineering, maritime services, and maritime education. We recognise that climate change is a global challenge, and the energy and shipping sector has contributed to climate change through our business activities. Hence, we are committed to ensuring we transition our business operations to reduce our GHG emissions by implementing the MISC Group Transition Plan. We also align our climate commitment to the IMO's GHG Commitment.

IMO'S GHG COMMITMENT	MISC'S CLIMATE COMMITMENT
2030: Reduce international shipping's total GHG by at least 20% compared with 2008 baseline	2030: Reduce shipping operation's GHG intensity by 50% compared with 2008 baseline
2050: Net-Zero GHG emissions by 2050	2050: Net-Zero GHG emissions by 2050

MISC is dedicated to advancing decarbonisation efforts within the shipping industry through a structured transition plan that includes the progressive renewal of existing vessels and the deployment of dual-fuel vessels. To accelerate this transition, we actively collaborate with industry peers and customers to foster and strengthen demand for low-emissions vessels. Beyond shipping, we have also initiated decarbonisation efforts across our non-shipping operations, focusing on the development of low- to zero-carbon offshore assets and investments in renewable energy solutions. These initiatives underscore our commitment to sustainability and our role in shaping a more energy-efficient future for the maritime industry.

We remain vigilant of the market outlook and are future-proofing our assets and people for the years ahead. We hope to see positive progress towards achieving our 2030 target, and 2050 Net-Zero target. The support from our stakeholders is paramount to ensure we are on track in our decarbonisation efforts.

### TECHNOLOGICAL ADVANCEMENTS FOR DECARBONISATION

Technology is an important solution for the shipping industry to successfully transition to a low-carbon economy. Technology adoption in the shipping industry has gained traction due to the targets set by the IMO.

To achieve this, optimising a ship's overall efficiency remains the top priority as this leads to an overall reduction in fuel consumption. Energy-saving devices such as propeller modifications and hull optimisation are used especially for older vessels.

In addition, shipowners are looking at technologies to improve efficiency and transition to alternative fuels. Alternative fuels such as LNG, ammonia and hydrogen are potential sources of fuels with lower carbon emissions compared to traditional fuels. However, infrastructure development and cost are the main challenges in this area, but we hope to see wider adoption of alternative fuels as demand rises. Carbon capture and storage is a growing area with a promising way to reduce CO<sub>2</sub> emissions. Onboard carbon capture (OCC) is potentially effective in supporting decarbonisation efforts as it allows the continued use of conventional fuels and technologies. However, the value chain and infrastructure for CO<sub>2</sub> still needs significant development.

With this, we are cognisant of the emerging technology advancements and the investment tied to them to ensure we meet regulatory requirements and deliver value to our stakeholders.



### OUR ONGOING EFFORTS AT DECARBONISATION

The 2023 IMO GHG Strategy outlined the IMO's commitment to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, compared to 2008 levels by 2030. Furthermore, the objective to attain Net-Zero GHG emissions by 2050 was also set.

Building on this, MISC established its set of targets comprising medium- and long-term goals aligned with the IMO targets. We created our decarbonisation plan with identified key milestones and KPIs to ensure we achieve these targets. The ELT and Board are regularly apprised of MISC's decarbonisation journey.

## Decarbonisation Pathway

## Decarbonisation Pathway

**MISC NET-ZERO TARGET**

In March 2022, the Science Based Target Initiative (SBTi) published the SBTi Fossil Fuel Policy, outlining restrictions on the extent to which companies involved in fossil fuel businesses can commit to climate targets. At present, SBTi does not accept commitments or validate climate targets for companies operating in the oil, gas, or fossil fuel sectors. This policy applies to companies engaged in exploration, extraction, mining, or production of oil, natural gas, coal, or other fossil fuels, regardless of revenue. It includes, but is not limited to, integrated oil and gas companies, integrated gas companies, exploration and production pure players, refining and marketing entities, oil products distributors, gas distributors and retailers, as well as traditional oil and gas service providers. However, SBTi is actively developing a target-setting standard for this industry. SBTi has published the Terms of Reference for the Oil and Gas Standard Development which describes the key information related to the standard development project.

MISC is keeping track of these developments, and we are committed to aligning our emissions target to the SBTi and IMO targets. We will continue to review our targets as necessary to ensure we adhere to industry best practices and demonstrate our unwavering commitment to sustainability. The diagram below presents MISC Net-Zero GHG Commitment against the SBTi.

SBTi (Near-Term And Long-Term Net-Zero Targets) Criteria	MISC Net-Zero GHG Commitment 2050
The boundary of long-term science based targets shall cover Company wide Scope 1 and Scope 2 emissions, as defined by the GHG Protocol Corporate Standard. Exclusions in the GHG Inventory and target boundary must not exceed 5% of total Scope 1 and 2 emissions.	MISC Net-Zero GHG Commitment is company-wide, covering both shipping and non-shipping operations. Our exclusions form less than 5% of our total Scope 1 and 2 emissions.
The targets must cover all relevant GHGs as required per the GHG Protocol Corporate Standard.	We cover all relevant GHGs (carbon dioxide, methane, nitrous oxide).
The use of offsets must not be counted as emissions reduction toward the progress of companies' science based targets.	We will deploy carbon abatement and removal technologies within our value chain and only unabated residual emissions shall be neutralised with carbon removals outside of MISC's value chain.

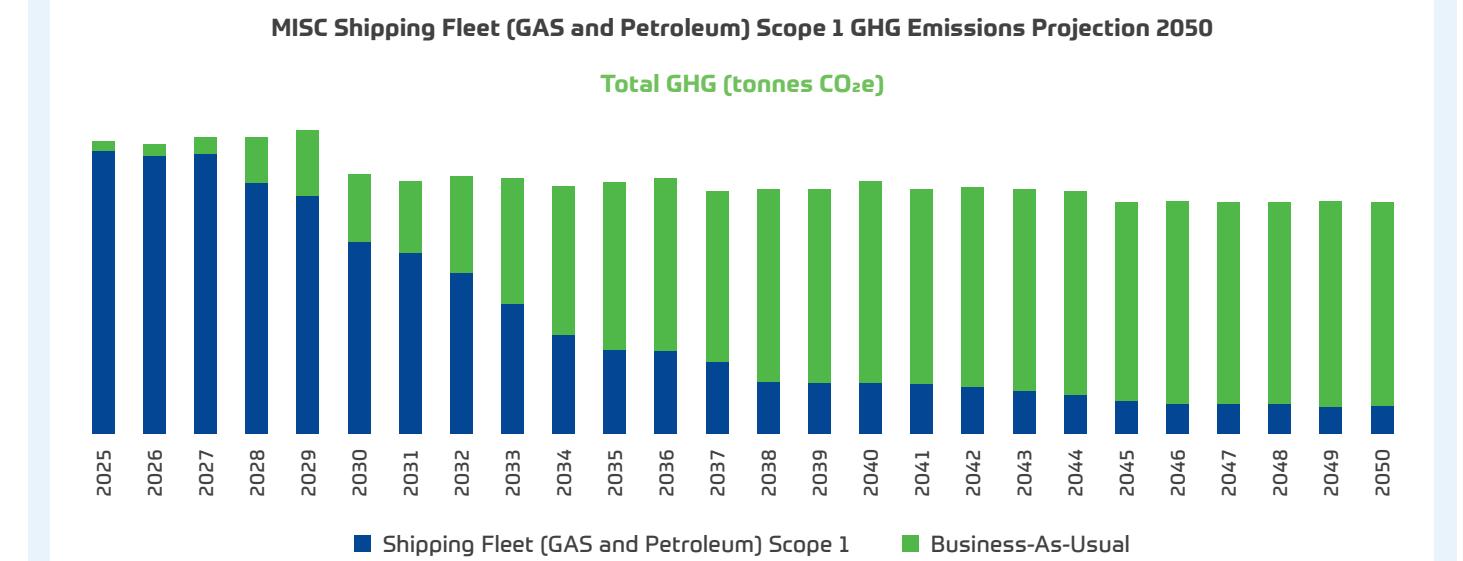
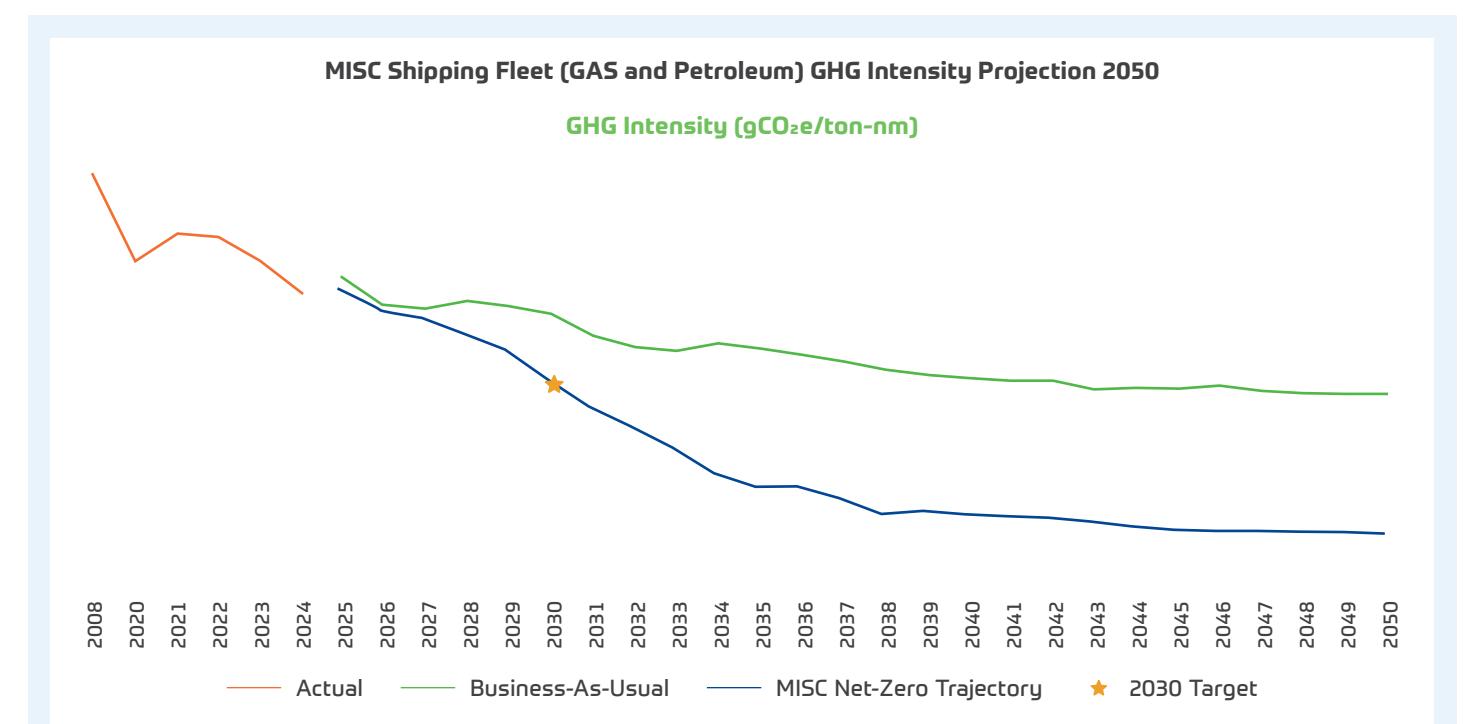
MISC's Net-Zero GHG emissions target is defined as reducing the volume of emissions produced to zero to mitigate climate change. To achieve this, we will explore and implement commercially viable technologies to progressively decarbonise our operations until we reach a state where we are left with unabated residual emissions. These unabated residual emissions will be compensated with GHG removal offsets (i.e., reductions outside our value chain).

Our Net-Zero Equation						
TOTAL GHG	- GHG ABATEMENT	- GHG REMOVAL	= RESIDUAL EMISSIONS	= GHG REMOVAL OFFSET		
<ul style="list-style-type: none"> <li>All GHG</li> <li>Unit: CO<sub>2</sub>e</li> </ul>		<ul style="list-style-type: none"> <li>Scopes 1, 2, 3</li> </ul>		<ul style="list-style-type: none"> <li>Abatement</li> <li>Removal</li> <li>Removal Offset (beyond value chain)</li> </ul>		
<b>GASES INCLUDE</b> <ul style="list-style-type: none"> <li>Carbon dioxide (CO<sub>2</sub>)</li> <li>Methane (CH<sub>4</sub>)</li> <li>Nitrous oxide (N<sub>2</sub>O)</li> </ul>		<ul style="list-style-type: none"> <li>MISC operations (Scope 1 &amp; 2)</li> <li>Upstream and downstream of MISC's operations (Scope 3 on material categories)</li> </ul>		<ul style="list-style-type: none"> <li>Abatement and removal pathways to reduce own operations and value chain emissions</li> <li>Beyond value chain carbon removal, avoidance and reduction to offset residual GHG</li> </ul>		
RATIONALE WHY NET-ZERO BY 2050						
<ul style="list-style-type: none"> <li>Investments in our newbuild assets generally last for 20 years on average</li> <li>Assuming zero-emission vessels (ZEVs) are commercially available only in 2030, we will need 20 years from 2030 to complete the transition from existing fleet to ZEVs</li> </ul>						

**DECARBONISING OUR OPERATIONS**

Shipping demands high energy density fuels for long-distance voyages and powering large, heavily laden vessels. Many alternative fuels with lower carbon footprints may not meet the energy density requirements, making it challenging to find suitable alternatives without compromising efficiency. Furthermore, ships typically have long lifecycles, often exceeding two decades, which means decarbonising operations for established shipping companies will require time due to the capital costs involved.

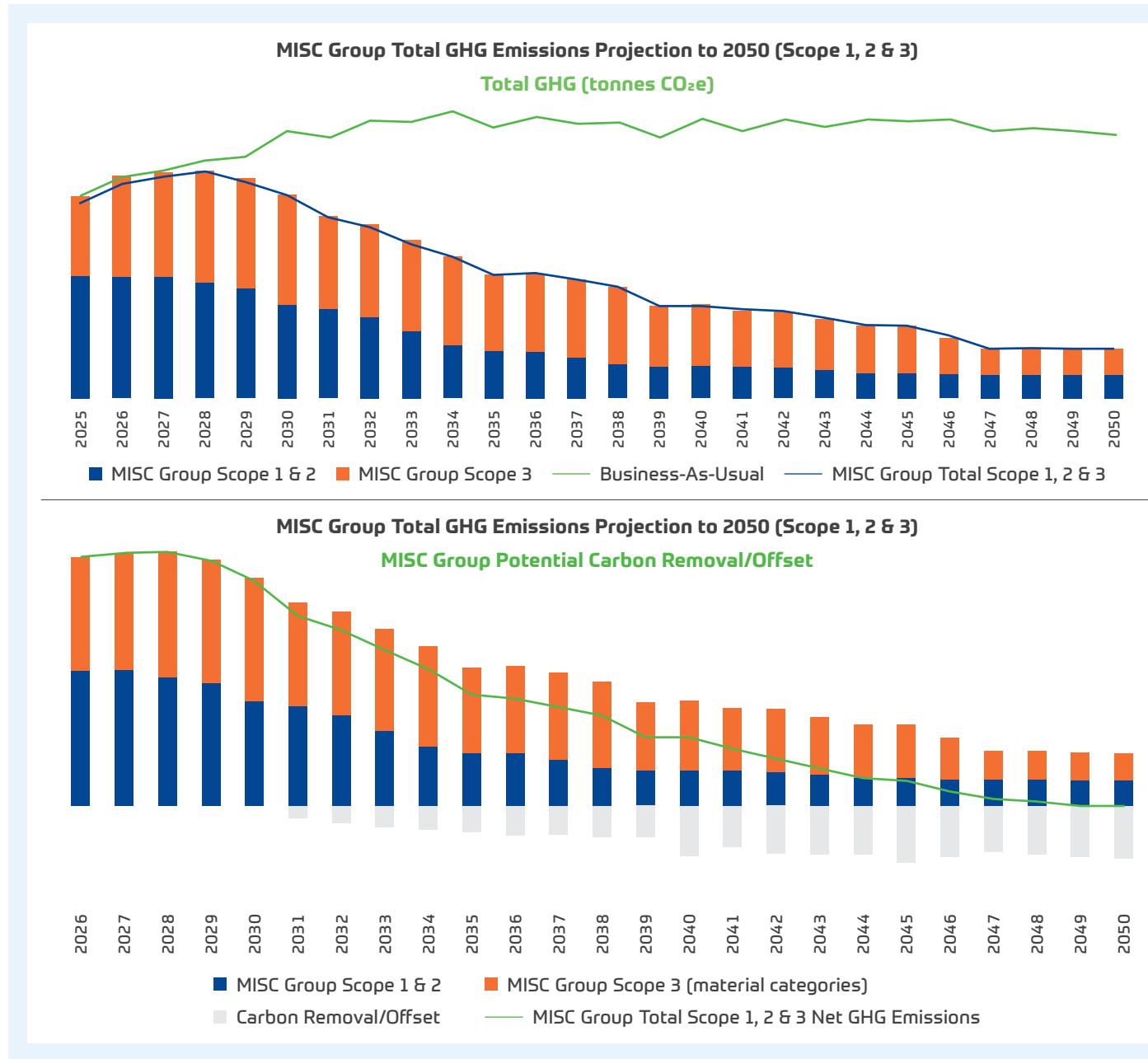
We conduct annual assessments to determine our GHG profile and potential pathways towards decarbonising our business, premised on our rolling business plan. These assessments consider our existing fleet, including individual vessel performance, as well as newbuilds and upcoming projects. We also consider potential operational and technological interventions that can be deployed on existing assets to further improve energy efficiency and reduce overall emissions.



## Decarbonisation Pathway

## Decarbonisation Pathway

## MISC GROUP GHG PROJECTIONS &amp; EMISSIONS PATHWAY



## MISC GROUP GHG TRANSITION PLAN

Our aspiration to reach Net-Zero emissions by 2050 represents our long-term commitment where having a well-defined transition plan is key to propelling us towards the goal. Our short to medium-term plans up to 2030 are focusing on operational and commercial optimisation and implementation of technological solutions, whereas our medium to long-term plans from 2031 to 2050 will focus on renewing our fleet with ZEVs, leveraging renewable energy and GHG removal.

## MISC GROUP TRANSITION PLAN FROM LOW-CARBON TO NET-ZERO BY 2050

Transition to low-carbon operations | Deploy zero-carbon emissions vessels latest by 2030 | Decarbonised shipping operations by 2050

Short-Term (within the next 2-3 years)	Medium-Term (current year up to 2030)	Long-Term (2031-2050)
	<b>Fleet Renewal and Newbuilds</b>	
	<ul style="list-style-type: none"> <li>Progressive fleet renewal of our shipping fleet to high-efficiency LNG dual-fuel engine vessels from now to 2030</li> <li>Methane abatement on selected vessels</li> </ul>	
	<b>Fleet Renewal and Newbuilds</b>	
	<ul style="list-style-type: none"> <li>Progressively renew the fleet with ULEVs and ZEVs latest by 2030</li> <li>Deployment of ultra-low emissions ammonia vessel in or after 2027 (except LNGCs)</li> <li>Methane abatement on selected vessels</li> </ul>	
	<b>Value Chain Reduction</b>	
	<ul style="list-style-type: none"> <li>Value chain emissions (Scope 3) reductions</li> </ul>	
	<b>Beyond Value Chain Mitigation (Carbon Removal, Avoidance &amp; Reduction)</b>	
	<ul style="list-style-type: none"> <li>Carbon avoidance, reduction and removal outside of MISC's value chain</li> </ul>	
	<b>GHG Removal</b>	
	<ul style="list-style-type: none"> <li>Explore and adopt commercially viable technologies for our existing fleet with methane and carbon capture technologies to safely capture and store away excess carbon</li> </ul>	
	<b>Technical and Operational Efficiency</b>	
	<ul style="list-style-type: none"> <li>Continuous exploration and adoption of technological solutions and improvements to optimise the operational efficiencies of our vessels</li> </ul>	
	<b>Low-Zero Carbon Offshore Assets</b>	
	<ul style="list-style-type: none"> <li>Explore and adopt commercially viable energy efficient, zero-flaring, GHG reduction and CCUS-ready technologies for offshore assets</li> </ul>	
	<b>Renewable Energy</b>	
	<ul style="list-style-type: none"> <li>Explore and adopt renewable energy for shipping and non-shipping assets</li> </ul>	

1. ZEVs refer to vessels that produce zero GHG emissions under continuous operations.
2. Ultra-low-emissions vessels (ULEVs) refer to powered by fuels such as ammonia with current engine technology that produce almost zero well-to-wake GHG emissions under continuous operations.
3. Low-emissions vessels refer to vessels powered by fuels such as LNG that produce lower carbon emissions compared to conventional bunker fuel.

## Decarbonisation Pathway

### Fleet Renewal and Newbuilds

Our shipping business segments support the IMO's aspirations to reduce emissions through investments in low-, ultra-low- and zero-emissions vessels. As part of our transition plan, we will progressively renew our fleet with high-efficiency LNG dual-fuel engine vessels until 2030 and deploy ultra-low and zero-emissions ammonia dual-fuel vessels no later than 2030.

Presently, LNG is the lowest-carbon emissions fuel available at scale to the shipping industry and it typically emits 20-25% less GHG emissions when combusted, and has significantly lower SO<sub>x</sub>, NO<sub>x</sub> and particulate matter emissions compared with conventional bunker fuels. MISC will be relying on LNG as a transitional fuel until other alternative fuels are available to the shipping industry at scale. However, we are cognisant that methane emissions are a key challenge associated with LNG-fuelled engines, particularly from unburned methane during combustion or known as methane slip. For this reason, MISC will continue to harness the latest engine designs and technologies that minimise methane slip on our newly built vessels.

### LNG Dual-Fuel Aframax

In April 2024, AET signed a long-term in-charters with shipowner Singfar for two LNG dual-fuel Aframaxes, which are expected to join our fleet by the end of 2027. They will contribute to MISC and AET's decarbonisation goals, bringing us closer to achieving our 2030 targets of 50% and 40% GHG emissions intensity reduction from our shipping operations, respectively, from a 2008 baseline.

### The Castor Initiative

As part of The Castor Initiative, MISC has strengthened its commitment to developing commercially viable deep-sea low-carbon vessels by 2030. Leveraging insights gained from this initiative, MISC has commenced the construction of ammonia-fuelled Aframax vessels.

### Ammonia Dual-Fuel Aframax

In April 2024, AET entered into TCPs with PTLCL for the world's first two ammonia dual-fuel Aframaxes. These vessels unlock opportunities for MISC to deliver more energy while supporting industry-wide decarbonisation efforts by using ammonia as an alternative conventional bunker fuel.

To realise this project, AET signed shipbuilding contracts with DSIC, a subsidiary of CSSC, marking another milestone in the transition towards low-carbon shipping.

Furthering our efforts in this transition, we have commissioned a third ammonia dual-fuel Aframax which will launch in 2028.

### Ammonia Engines

Through a collaboration between AET, ALAM, and WinGD, we continue to drive the development of ammonia engines for dual-fuel vessels. This partnership not only advances clean fuel technology but also ensures the ongoing training and development of mariners at all levels to safely operate vessels equipped with ammonia dual-fuel engines and emerging maritime technologies.

### Methane Abatement

To address methane slip in our LNG dual-fuel vessels and enhance the accuracy of vessel emissions monitoring, we made a strategic investment in Daphne Technology in 2021. Daphne Technology specialises in developing methane abatement solutions and real-time emissions monitoring systems, reinforcing our commitment to decarbonisation and environmental stewardship.

In 2024, we successfully commissioned the first deployment of PureMetrics™ technology on two selected AET vessels. This innovative solution enables us to capture precise emissions data from our LNG dual-fuel vessels, allowing us to assess methane slip levels and other emissions performance metrics. By leveraging these insights, we aim to optimise vessel operations and further advance our shipping decarbonisation.

## Decarbonisation Pathway

### Fleet Renewal and Newbuilds

#### Specialised Training on Future Fuels and Technologies

In October 2024, AET joined the Maritime Energy Training Facility (METF) to develop specialised training courses for future maritime professionals, focusing on future fuels and technologies. As one of 29 new partners, we will collaborate with the MPA to validate and shape METF's training courses, including the training curriculum and curriculum delivery of these courses, supporting maritime decarbonisation. This partnership underscores our commitment to nurturing talent in maritime and supporting the industry's shift to low- or near-zero emissions fuels, accelerating the path to decarbonisation.



## Decarbonisation Pathway

### Technical and Operational Efficiency

As part of near-term measures to reduce GHG emissions, we are adopting technical and operational efficiency improvements on our existing fleet to meet the IMO regulatory requirements, the CII. These measures include:

- Awareness and collaboration programmes with charterers to optimise speed to achieve greater distance, avoiding anchorage or drifting through effective voyage planning and maximising the use of boil-off gas;
- Internal awareness and engagement sessions on fuel optimisation and efficient voyage planning and execution with various groups namely the Marine Services engineering team and fleet operations, vessel crews and business units (AET and GAS);
- Retrofitting Energy Efficiency Devices (EED) and application of ultra-low friction paint (tributyltin-free) for underwater hull hydrodynamics improvement;
- Enhancing hull efficiency through hull cleaning and propeller polishing;
- Optimising deployment of vessels between STS trade to long-haul voyages;
- Adjusting vessel speed to ensure Just-in-Time (JIT) arrival; and
- Maximising the use of 100% gas-burning operations.

### Computational Fluid Dynamics

Computational Fluid Dynamics (CFD) studies are important as they help to assess and identify the right energy efficiency enhancements for our vessels. For our GAS fleet, Marine Services has successfully completed the CFD analysis for Mewis Duct retrofit on Seri A, Seri B, and Puteri Satu class LNGCs. Based on the positive results of reducing fuel consumption and GHG emissions, the retrofit of Mewis Duct on the LNGC's *Seri Alam* and *Seri Ayu*, has been planned during their scheduled drydocking in 2025.

For our AET fleet, AET collaborated with DNV to conduct a study which evaluated the feasibility of integrating energy-saving technologies, including propeller boss cap fins, ducts, advanced coatings, and other innovative solutions into its fleet. Based on the findings, a range of technologies were identified for implementation, along with projected fuel consumption savings for each vessel. These enhancements will be progressively installed across the fleet in the coming years, reinforcing our commitment to optimising energy efficiency and reducing emissions.

### Cold Ironing Initiative

At our facility in Galveston, Texas, our AET Offshore team continues to use onshore electrical power supply as an alternative fuel source instead of burning fuel onboard our LSVs when docked. This has resulted in an estimated 89% GHG emissions avoidance in 2024 and eliminated noise onboard, thereby helping to create a healthier working environment for our LSV crews.

### "Pay-As-You-Save" Pilot Project

AET collaborated with the Global Centre for Maritime Decarbonisation in a "Pay-As-You-Save" (PAYS) Pilot Project to accelerate the adoption of the energy efficiency technologies (EETs). The objective of this project is to address the data variability and uncertainty associated with EETs in reducing fuel consumption, which often discourages widespread adoption of such solutions.

### Conversion to LED Lights

MHB continued its efforts to replace conventional lighting with LED lights. In 2024, a total of 549 LED lights have been replaced from conventional ones in the yard area.

### Motion Sensors

At the ALAM campus, a total of 45 motion sensors have been installed in toilets across the campus to enhance user convenience, improve hygiene, and promote energy efficiency. These sensors automatically control lighting and ventilation, ensuring that energy is used efficiently while providing a more comfortable environment for users. This initiative reflects ALAM's commitment to sustainability and improving the overall campus experience.

### GHG Removal

As the shipping industry explores alternative and zero-emission fuels, GHG removal technologies are a way to offset emissions during this transitional phase in the global energy sector. These technologies for the shipping sector are an effective means for mitigating emissions, achieving regulatory compliance, supporting the transition to zero-emission fuels and contributing to global efforts to decarbonise the industry. These technologies work by capturing and storing GHG from conventional fuels until the industry can fully transition to zero-emission or low-carbon alternatives and contribute toward shaping a more sustainable future for maritime transportation.



### Carbon Capture and Storage

Venturing into the CCS business aligns with MISC's 2050 Vision to establish a low-carbon business model that ensures long-term financial sustainability and a strong recurring income base. As part of this strategy, we are actively exploring opportunities in emerging CCS markets, including carbon capture solutions onboard ships and onshore, LCO<sub>2</sub> carriers, and FCSUs. Leveraging MISC's extensive expertise in cargo handling, EPCIC, shipbuilding, and module fabrication, we are well-positioned to expand into the decarbonisation market.

In May 2024, MISC signed an agreement to establish a joint venture company with PETRONAS CCS Ventures and Mitsui O.S.K. Lines (MOL) to acquire and own LCO<sub>2</sub> carriers. Under this collaboration, the partners will explore potential business opportunities and jointly invest in the development of LCO<sub>2</sub> carriers to transport captured CO<sub>2</sub> to storage sites in Malaysia.

Additionally, MISC has identified several carbon capture technology providers and is currently assessing potential vessels for further evaluation and deployment. In parallel, we are collaborating with PETRONAS PD&T to adapt their carbon capture technology for maritime applications and develop an Onboard Carbon Capture Solution to enhance emission reduction efforts across the shipping sector.

Furthermore, MISC Group, in partnership with PETRONAS, has identified key focus areas to support Malaysia's pilot carbon capture project, which includes a steel company selected as an initial implementation site. This initiative underscores our commitment to advancing carbon capture technologies and contributing to Malaysia's low-carbon transition.

## Decarbonisation Pathway

## Decarbonisation Pathway

### GHG Removal

#### Zero-Emission Power Station with Advanced CO<sub>2</sub> Management Technology

On 27 August 2024, at the ONS Conference 2024 in Stavanger, Norway, MISC Berhad signed an MoU with Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc to initiate a pilot project for ZEUS—an innovative energy solution that integrates advanced oxyfuel combustion with immediate CO<sub>2</sub> capture and storage.

The ZEUS technology utilises oxyfuel combustion to convert high-CO<sub>2</sub> natural gas into dispatchable power while capturing 100% of CO<sub>2</sub> emissions. The captured CO<sub>2</sub> is then immediately injected into a reservoir for permanent storage or utilised for enhanced oil and gas recovery before being permanently sequestered. A key advantage of ZEUS is its ability to handle combustion at elevated pressures, allowing for more compact and simplified process equipment, which enhances cost efficiency and CO<sub>2</sub> management capabilities.

Additionally, oxyfuel combustion technology enables the direct burning of untreated gas straight from the well, including gas with up to 90% CO<sub>2</sub> content. This makes it possible to commercialise gas reserves that would otherwise be deemed uneconomical for development. As global energy demand continues to grow, ZEUS has the potential to serve as a crucial bridge technology in the energy transition, offering low-carbon power generation solutions.

The MoU signatories are committed to ensuring the successful execution of the ZEUS pilot project. Upon successful demonstration, the technology will be scaled up to meet rising energy demands and support the global shift towards a renewable energy mix. MISC is also actively working to adapt ZEUS for maritime applications, making the technology viable for deployment on dedicated floating units in collaboration with key industry suppliers.

### Low/Zero Carbon Offshore Assets

Low- and zero-carbon emissions offshore assets for the energy sector contribute to the overall decarbonisation of the energy industry. The implementation of low- and zero-carbon emissions technologies promotes innovation whilst ensuring optimum outcomes within the oil and gas sector. At MISC, investing in low- and zero-emission offshore assets positions us to adapt to changing market dynamics, ensuring the long-term resilience and competitiveness of our business operations.

### Conversion of Vessel into LNG FSU

The conversion of MISC's LNGC, *Puteri Delima Satu* into an FSU is still ongoing with the latest development of the establishment of the FSU SPV known as Southern Gas Terminal (Labuan) Private Limited where the Labuan leasing license approval was obtained in Q1 2024. Other than that, the EPCC contract and FSU Charter Agreement were executed in April 2024, and the Detailed Design Engineering (DDE) was completed in Q3 2024.

The FSU is designed to operate on shore power to reduce GHG emissions while improving operational efficiency. This project will be commercially operational by the second quarter of 2025 under a 20-year contract term. The repurposing and redeployment of our existing assets is a revenue-generating opportunity which draws on our experience from operating FSU Tenaga Satu and FSU Tenaga Empat at the existing PETRONAS LNG Regasification Terminal Sungai Udang (RGTSU), in Melaka.

By utilising our LNGC, we have extended its lifecycle, eliminating the need to recycle or scrap the vessel for another 20 years and further generating financial returns for MISC.

### Renewable Energy/Low-Carbon Fuel

The use of low-carbon fuels such as biofuels, ammonia, hydrogen, and renewable energy will significantly reduce GHG emissions associated with maritime activities. Incorporating a variety of low-carbon fuels and renewable energy sources allows for a diversified fuel mix in the shipping industry which reduces dependence on a single energy source, increasing the sector's flexibility and adaptability to future changes in energy markets and technology advancements.

#### Solar PV Installation at MHB

In Q1 2024, we completed the installation of 260 panels of solar PV at MHB's Centre Of Excellence. The solar PV has an estimated annual generation of 141.5 MWh of energy. This is in addition to the rooftop solar PV installed at MMHE West Yard in 2021, which generates up to 10,000 MWh energy.

#### Solar Street & Compound Lighting and Solar Panel Installation

At the ALAM campus, a total of 129 LED streetlights and compound lights have been installed to improve visibility for both pedestrians and drivers at night, enhancing campus safety and reducing the risk of accidents.

Additionally, solar panels are being installed to generate renewable electricity for campus operations, further contributing to energy efficiency and sustainability. The solar panel installation project is expected to be completed by February 2025, reinforcing ALAM's commitment to sustainable energy solutions and reducing its carbon footprint.

### Alternative Fuels

This year, we continued to increase the use of biofuel in our bunker mix as we transition towards low-carbon operations. At AET, approximately 12,900 tonnes of biofuel were utilised in 2024 allowing us to improve our vessels' CII ratings and achieve CO<sub>2</sub> emissions savings of approximately 7,400 tonnes.

We are also exploring the potential use of ethanol as alternative fuel for existing and newbuild DPSTs where our Marine Services conducted a joint study with Wartsila and Raizen to assess the feasibility of using ethanol as marine fuel for DPSTs.

### Hydrogen Market

MISC has identified the very large ammonia carrier (VLAC) and medium gas carrier (MGC) sectors as potential opportunities on the basis that low carbon ammonia will move in large volume in either trans-Pacific trades or transatlantic or intra-regional trades.

The Group is also working on potential partners and has identified suitable partnerships to accelerate entry and contribute to further the development of this new market.

## Decarbonisation Pathway

## Decarbonisation Pathway



### Beyond Value Chain Mitigation

Looking beyond our value chain is also a key building block for us to achieve our Net-Zero target. However, this will only be used as a secondary strategy to balance out our residual emissions. Only high-quality carbon credits certified by credible and internationally recognised standards will be used. We are developing a carbon offset strategy roadmap to outline our corporate ambitions and provide guidelines on offset preferences, including project types, preferred markets, co-benefits, timelines, and commercial considerations.

## DECARBONISING THE MARITIME INDUSTRY

MISC is fully committed and supportive of global decarbonisation efforts to combat climate change through the implementation of technological solutions. With new technologies still in a nascent stage, we recognise that establishing strategic partnerships is imperative to holistically drive this agenda forward.

### Our Support for Climate Action & Low-Carbon Economy Transition

MISC has been actively participating in several movements that promote decarbonisation in the shipping industry.

2018

#### Global Maritime Forum

MISC is a strategic partner of the GMF and sits on its Advisory Council. We play an active role in shaping future maritime trade through collaborations to reduce GHG.

2019

#### Getting to Zero Coalition

The goal of the Getting to Zero Coalition is to have commercially viable ZEVs operating along deep-sea trade routes by 2030. The ultimate ambition of the Getting to Zero Coalition is to reach the full decarbonisation of global shipping by 2050.

2021

#### The Call to Action (COP26)

Call to Action initiative was developed with more than 150 industry leaders and organisations urging governments and global shipping industry to commit to full decarbonisation of international shipping by 2050.

MISC conducts various collaborations and partnerships to boost engagement and identify viable solutions to address climate risks. These collaborations reinforce the Group's commitment to finding sustainable and safe transition pathways to ultra-low and zero-emissions shipping operations and training mariners to safely manage vessels built with new technologies and ammonia engines. The partnerships that took place in 2024 are listed below:

#### External Parties Involved

**Aker Solutions, PETRONAS Carigali Sdn. Bhd. and Clean Energy Systems Inc**

#### Collaboration Objectives

To establish ZEUS, a pioneering energy solution that utilises advanced oxyfuel combustion with immediate CO<sub>2</sub> capture and storage.

**PETRONAS CCS Ventures and MOL**

To own and operate LCO<sub>2</sub> carriers.

**WinGD**

To drive the development of ammonia engines for ammonia dual-fuel vessels and the enhancement of current syllabuses for training maritime professionals at all levels.

**Dalian Shipbuilding Industry Co., Ltd**

To build ammonia dual-fuel Aframaxes.

**Daphne Technology**

To test the PureMetrics™ system to track engine emissions.

**Maritime and Port Authority of Singapore**

To develop specialised training courses for future maritime professionals, focusing on future fuels and technologies.

## Decarbonisation Pathway

## Greenhouse Gas Management

MISC adopts effective GHG management which includes understanding emissions profiles and patterns, identifying emission reduction mechanisms to meet regulatory requirements, and recognising challenges and opportunities in emissions reductions. This is to ensure we comply with current and future regulations, and to avoid penalties and legal consequences. Staying ahead of regulatory developments is crucial for maintaining operational continuity. To support MISC's 2030 and 2050 emissions targets, MISC has been measuring, monitoring and reporting our Scope 1 and Scope 2 GHG emissions since 2016 in accordance with the GHG Protocol.

### MISC GROUP GHG INVENTORY

MISC Group's GHG inventory adopts the financial control approach in accordance with the standard set by the GHG Protocol. MISC has financial control over an operation if MISC can direct the operation's financial and operating policies to gain economic benefits from the operation's activities. More information can be found in Reporting Principles & Data Assumptions of this report.

#### SCOPE 1 & 2

All direct GHG emissions occurring on assets where MISC has financial control are accounted for under MISC's Scope 1 GHG emissions. All indirect emissions from energy purchased for consumption on assets where MISC has financial control are accounted for under MISC's Scope 2 GHG emissions.

#### SCOPE 3

MISC Group accounts for and reports material Scope 3 emissions according to the following definition:

- Top Scope 3 categories covering at least 67% of the total Scope 3 emissions. This threshold shall be applied at the business/entity level of MISC's core businesses i.e., shipping, offshore and heavy engineering.
- Operational emissions from assets not accounted as MISC's Scope 1 and 2, which fall under the following Scope 3 categories:
  - i. Category 8 - Upstream leased assets and facilities where MISC has no financial control.
  - ii. Category 13 - Downstream leased assets and facilities where MISC has no financial control.
  - iii. Category 15 - Investments not accounted for in MISC's Scope 1 and 2.

In 2024, we revisited our material Scope 3 categories to evaluate their relevance to our evolving operations. The following Scope 3 categories are material to MISC based on the updated materiality assessment:

- Category 1 (Purchased Goods and Services).
- Category 3 (Fuel-and Energy-Related Activities).
- Category 8 (Upstream Leased Assets) - In-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor has technical control).
- Category 13 (Downstream Leased Assets) - Leased offshore assets such as our FSOs and FPSOs which are owned by MISC but leased out to our customers.
- Category 15 (Investments) - Vessels which are jointly owned by MISC and other parties, where MISC has equity ownership but does not have financial control.

MISC Group Scope 3 GHG emissions account for 36% of the Group's total GHG (Scope 1, 2 and 3) in FY2024. Fuel-related activities (i.e., emissions associated with upstream fuel production and transportation) are the primary source of Scope 3 emissions for MISC. Other main activities driving our Scope 3 emissions include operational emissions of our offshore assets which are leased out to customers and purchased goods and services by Marine & Heavy Engineering.

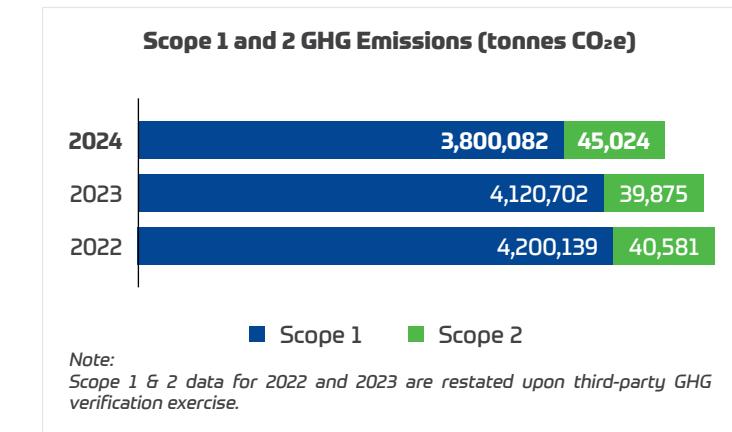
### CARBON INTENSITY MEASUREMENT METRICS

We measure our carbon intensity using the AER metric, which is aligned with IMO's mandatory scheme on operational CO<sub>2</sub> reduction known as CII. AER measures a vessel's total CO<sub>2</sub> per unit of transport work (unit: gCO<sub>2</sub>/ton-nm). Transport work is calculated by multiplying the vessel's deadweight by the distance travelled.

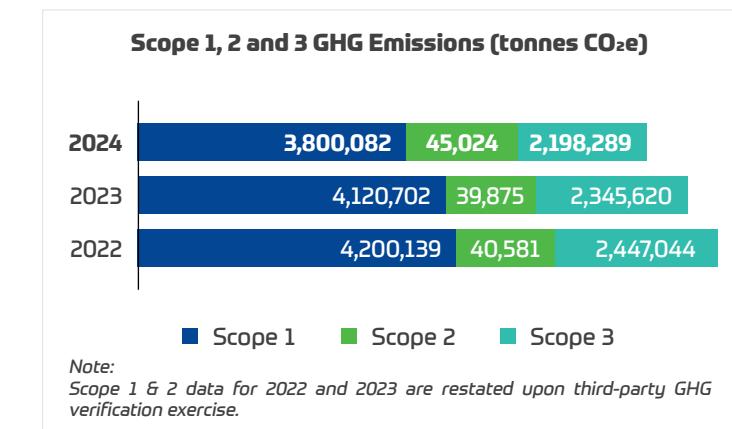
However, the AER metric only measures CO<sub>2</sub> and does not include other GHGs converted into CO<sub>2</sub> equivalent (CO<sub>2</sub>e). Therefore, in addition to AER, we also track and report our vessels' GHG performance in units of gCO<sub>2</sub>e per t-nm which includes all relevant GHGs from our operations, i.e., CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. For our VLECs which consume ethane as fuel, GHG from ethane (C<sub>2</sub>H<sub>6</sub>) is also included in the CO<sub>2</sub>e calculations.

### GHG EMISSIONS PERFORMANCE

Scope 1 accounts for almost 99% of MISC Group's total Scope 1 & 2 GHG emissions with most of the emissions, i.e., 98% emitted from MISC's shipping operations. Scope 2 GHG emissions are from purchased electricity by yard and building operations, mainly from our non-shipping operations.



MISC total Scope 1 and 2 GHG emissions was at 3.85 million tonnes of CO<sub>2</sub>e in 2024, which is lower by 0.31 million tonnes of CO<sub>2</sub>e, or 7% compared to 2023.

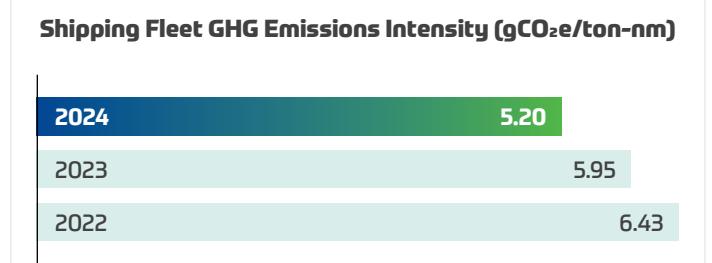


## Greenhouse Gas Management

In 2024, Scope 3 emissions on material categories accounted for 2.20 million tonnes of CO<sub>2</sub>e. In comparison to 2023, our Scope 3 emissions in 2024 decreased by 6% largely due to less fuel consumed.

### SHIPPING GHG INTENSITY

In 2024, we achieved a 13% reduction in our fleet average GHG intensity (GAS and Petroleum) compared to 2023 and 32% from 2008 levels.



The improvement was due to:

1. New, higher efficiency vessels were introduced
2. Phase out of carbon intensive vessels
3. Ongoing commercial and operational efficiency interventions on existing fleet

## Greenhouse Gas Management

### EMISSIONS TRAINING AND DEVELOPMENT

#### EMISSIONS LEARNING AND TRAINING WORKSHOPS

Marine Services' Energy and Innovation team organised the Emissions Learning and Training Workshops for GAS business and AET at Menara Dayabumi and Singapore office respectively. The collaborative sessions were also participated by our partners and joined by colleagues from across the globe.

A total of 36 participants attended the training at the Singapore office, and 60 participants at Menara Dayabumi. These workshops were specifically tailored for AET and GAS businesses, aimed at fostering teamwork and strengthening our support for both AET's commercial operations and GAS fleet operations team from Malaysia, Singapore and Japan. Participants were introduced to impending regulations and familiarised with the emissions monitoring tools used by Marine Services. Upon conclusion, participants had a better understanding of sector-specific strategies for complying with CII, EU ETS, and FuelEU Maritime regulations.

These workshops ensure our operations are well-prepared to navigate the evolving climate regulatory landscape.

#### ENERGY MANAGEMENT

The maritime sector requires significant amounts of energy to power vessels and support maintenance and upgrading activities. Effective energy management is critical to ensuring operational efficiency, cost optimisation, and minimising environmental impact. As the industry faces growing regulatory and stakeholder pressure to reduce its environmental footprint, adopting energy-efficient practices and transitioning to alternative fuels are key strategies for enhancing sustainability and regulatory compliance.

Optimising energy performance, monitoring and controlling energy consumption, and implementing best practices contribute to more reliable and efficient operations. Recognising its importance, we have identified energy efficiency as a core pillar of our sustainability strategy, with targeted measures to be implemented in the short and medium term.

One of our key initiatives is obtaining ISO 50001:2018 Energy Management System certification for our GAS and AET fleets. As part of this certification, internal and external audits are conducted annually to ensure compliance, identify improvement areas, and enhance operational efficiency. To support the successful implementation of energy efficiency initiatives, we regularly conduct energy efficiency-related training for both seafarers and shore-based employees.

Further details on our energy management initiatives are outlined in the section below.

### INITIATIVES ON ENERGY MANAGEMENT

#### Among the initiatives under our shipping operations are:

- Implementing controls under ISO 50001, including monitoring of energy consumption at discharge and loading ports and audits and corrective actions under ISO 50001
- Commercial and operational efficiency interventions as described in Decarbonisation Pathway are collectively aimed at reducing energy consumption while delivering the same or higher work outputs

#### For non-shipping operations, some initiatives undertaken are:

- Fuel consumption monitoring for Marine Services support craft to identify and correct inefficiencies
- Installation of LED lighting and motion sensor lighting at selected facilities at ALAM, MHB and FSUs

#### MISC Group Energy Consumption (GJ)

2024	56,084,855
2023	59,997,493
2022	61,670,834

## Promoting Circular Economy

### Our Commitment

- Promote the elimination of waste and the circular use of resources
- Increase the usage of renewable resources

### Our Initiatives

- Practise 4Rs – Refuse, Reduce, Reuse and Recycle (Waste-to-Value Concept)
- Practise ship recycling
- Greater utilisation of renewable resources

### Our Contribution to SDG



Ensure sustainable consumption by promoting a circular economy (eliminating waste and ensuring the circular use of resources) and sustainable procurement practices

MISC promotes the concept of circular economy through the implementation of the following key initiatives:

#### Ship Recycling

We are committed to the Hong Kong Convention.

#### Repurposing of Assets

We repurpose our tankers into FPSOs to extend the lifespan of our vessels where possible.

#### HOW MISC SUPPORTS THE CIRCULAR ECONOMY

#### 4Rs (Refuse, Reduce, Reuse and Recycle) on Our Waste

We are committed to eliminating waste by continually using resources and practising 4Rs throughout our operations.

#### Sustainable Procurement

We continuously drive sustainable practices with our suppliers through our Responsible Supply Chain strategic initiative.

### SHIP RECYCLING

The average life of vessels is usually between 20 to 25 years and when approaching the end of their operational lives, these vessels are not efficient nor cost-effective to maintain. At this stage, vessels will be required to be recycled or repurposed.

Ship recycling is crucial as it supplies the steel and iron industries with a significant amount of scrap metal and lowers the need to extract virgin metals to meet demand, decreasing the need for metal mining. Ships contain high-quality iron, which is recyclable to around 90%. Thus, using scrap metals instead of raw iron ore in steelmaking results in lower GHG emissions from the production process. On top of that, energy consumption decreases by 70% in steelmaking industries when scrap steel is used rather than iron ore. Recycling steel scrap from end-of-life ships plays a crucial role in promoting sustainability by reducing air and water pollution, minimising extraction of natural resources, and reducing energy consumption.

The Hong Kong Convention sets achievable, sustainable goals for ship recycling standards and is already making headway towards changing the industry. The Hong Kong Convention on Ship Recycling will enter into force on 26 June 2025. Upon implementation, it will establish a framework for the global regulations on safe and environmentally sound ship recycling including enforcement mechanisms for ship recycling processes and the operation of ship recycling facilities.

Furthermore, collaborations with suppliers across the value chain are essential to ensure the traceability of waste generated, recycled and/or reused. We work closely with our suppliers to prevent waste at source, reuse/recycle waste materials for other product use and eliminate waste only when necessary.

## Promoting Circular Economy

### MISC GROUP SHIP RECYCLING POLICY AND GUIDELINES

MISC Group established its Ship Recycling Policy and Guidelines to provide Group-wide guidance and requirements on safe and environmentally sound ship recycling activities. The MISC Group Ship Recycling Policy and Guidelines cover four areas:



#### Design and Construction Stage

- Constructing each ship with zero or minimal hazardous materials
- Documenting each vessel with an approved Inventory of Hazardous Materials (IHM)



#### Ship Operations

- Generating minimal hazardous substances and waste onboard each ship
- Removing hazardous substances in a controlled manner and replacing them with non-hazardous material if practical whenever repairs or maintenance are carried out on equipment
- Producing and maintaining a ship specific IHM for each existing ship in our fleet



#### Repurpose or Resell for Further Trading

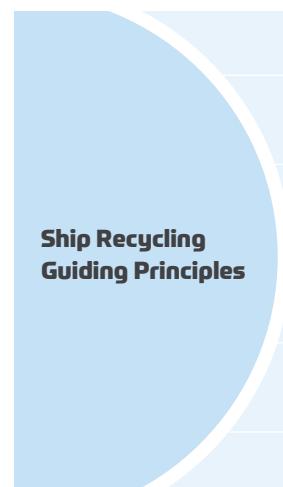
- Updating the ship's IHM and passing it with other documentation before the sale of the ships
- Complying with the Hong Kong Convention and/or all applicable national and international law selling ships directly or indirectly to a yard for recycling
- Requiring buyers or yards for all MISC sale contracts to undertake safe and environmentally sound recycling per the Hong Kong Convention including using approved shipyards and monitoring rights to the ship-breaking process whether directly or indirectly via appointed agents



#### Sold to Intermediary or Directly to HKC Approved Yards for Scrap

- Updating the ship's IHM and passing it with other documentation before the sale of the ships
- Complying with the Hong Kong Convention and/or all applicable national and international law selling ships directly or indirectly to a yard for recycling
- Requiring buyers or yards for all MISC sale contracts to undertake safe and environmentally sound recycling per the Hong Kong Convention including using approved shipyards and monitoring rights to the ship-breaking process whether directly or indirectly via appointed agents

Specifically, the MISC Group Ship Recycling Guidelines incorporated social and ecological responsibilities to ensure safe and responsible ship recycling activities. Several guiding principles should be adhered to when performing ship recycling, fostering sustainability to ensure workers' welfare, rights and safety including environmental protection. Responsible ship recycling activities are vital to prevent the release of hazardous materials during the dismantling which could severely impact the environment and biodiversity.



- 1 Comply with the requirements of the Hong Kong Convention
- 2 Ships going for recycling need to be delivered to the facility with proper IHM
- 3 Monitor vessel recycling activities
- 4 Request regular progress reports from yards and final Ship Recycling Completion Report
- 5 Only pre-approved ship recycling yards are to be used for ship recycling

We further enhanced the Ship Recycling Guidelines by including human rights requirements that are aligned with our enhanced Human Rights Policy.

### MISC GROUP SHIP RECYCLING YARD ASSURANCE PROGRAMME

MISC has voluntarily committed to supporting the Hong Kong Convention, reinforcing our dedication to responsible and sustainable ship recycling practices. With the Convention set to enter into force on 26 June 2025, it is crucial for us to proactively engage with ship recycling yards that adhere to its requirements, ensuring that end-of-life vessels are dismantled in a safe and environmentally sound manner.

In 2024, MISC conducted a comprehensive assessment of two ship recycling yards evaluating their ability to implement safe and sustainable recycling practices, maintain adequate facilities and infrastructure, and uphold worker safety standards. Based on this evaluation, we have shortlisted preferred ship recycling yards that fully comply with both the Hong Kong Convention and the European Union Ship Recycling Regulation (EU SRR 1257/2013).

To ensure ongoing compliance and best practices, we also periodically monitor the European List of ship recycling facilities, in line with EU SRR 1257/2013, further strengthening our commitment to ethical and environmentally responsible ship recycling.

#### WASTE MANAGEMENT

We operate on land and at sea and our waste management practices comply with regulatory requirements in the geographical areas we operate. A set of 4Rs (Refuse, Reduce, Reuse and Recycle/Recover) targets was developed in 2021 for hazardous, non-hazardous, paper and plastic waste.

At MISC, we are cognisant of managing waste generated on our vessels, assets, and premises. MISC established its 4Rs (Refuse, Reduce, Reuse and Recycle/Recover) targets for hazardous, non-hazardous, paper and plastic waste to achieve these targets by 2025.



#### TARGET 1

**27% reduction** in plastic waste generation per vessel in 2025 compared to 2019

Shipping Operations

**19% reduction** in plastic waste generation in 2025 compared to 2021 and 2022 average

Offshore Operations



#### TARGET 2

**40% reduction** in paper consumption per vessel in 2025 compared to 2019

Shipping Operations



#### TARGET 3

To maintain an annual 3R rate of **>95%** of hazardous waste generated

Shore Operations



#### TARGET 4

To increase the annual 3R rate of non-hazardous waste generated to **70%** in 2025 from 11% in 2018

Shore Operations

In order to achieve the set targets, various 4R practices are implemented as part of our efforts to reduce environmental impact and conserve natural resources. The programmes to support this commitment are elaborated in the following section.

## Promoting Circular Economy

## Promoting Circular Economy

### WASTE MANAGEMENT AT SEA

Waste management at sea is governed by the International Convention for the Prevention of Pollution from Ships (MARPOL) regulations. Most of the waste produced onboard our ships is delivered to reception facilities on shore for onward recycling, treatment, recovery, or disposal. However, waste that is not sent to shore is incinerated onboard using type-approved shipboard incinerators while food wastes are discharged to sea in compliance with the requirements of MARPOL Annex V.

In addition, for plastic waste management, we continue our efforts to reduce single-use plastic by implementing efforts such as replacing drinking water bottles with water filters and encouraging our employees onboard to use their reusable water bottles. Suppliers are also encouraged to supply bulk packaging and use reusable packaging materials. Other initiatives include:

- Replacing plastic shrink wrap used for boilersuit packaging with reusable woven fabric reusable packaging. The woven fabric can be reused by crew members to store other items.
- Revisiting purchase contracts to include clauses that encourage suppliers to reduce plastic packaging.
- Bulk purchases of cooking oil.
- Encouraging suppliers to change from plastic shrink wrap to biodegradable shrink wrap.
- Recycling of printer ink cartridges.
- Exploring a take-back system and reusing chemical containers.

Despite the various initiatives we have undertaken, we recognise the challenge posed by the limited alternatives currently available to replace single-use plastic packaging. We are dedicated to working closely with our suppliers to explore and implement effective strategies that minimise the use of single-use plastic packaging in the delivery of materials for our vessels.

In 2024, we recorded an average of 10% reduction in plastic generation per vessel per month compared with 2019.

#### Target 1: Plastic Reduction at Shipping Operations (m³/vessel/month)

2024	2.37
2023	2.45
2022	2.36
2021	2.20
2020	2.25
2019 (baseline)	2.63

For Offshore, we recorded a reduction of 49% in plastic generation compared to average generation in 2021 and 2022.

#### Target 1: Plastic Reduction at Offshore (kg/month)

2024	422
2023	299
2022	736
2021	825

For our paper reduction initiatives, we have introduced a digital system for our paper-based work processes onboard our vessels to reduce paper consumption. The permit-to-work (PTW) processes are digitalised through the implementation of the SOL-X system. As of December 2024, 78% of our vessels were installed with the application. With these ongoing initiatives, we have reduced the amount of paper used and simultaneously increased the effectiveness of our permit-to-work tracking and disclosure. Furthermore, we introduced electronic manuals, forms and checklists to our fleet through a system called the Integrated Document Management System. This initiative encourages our employees to minimise printing out of documents by referring to digital copies of manuals.

In 2024, we recorded a 13% and 20% reduction in paper consumption at shipping operations, compared to 2023 and 2019, respectively.

### WASTE MANAGEMENT AT SHORE

Waste management at our shore operations is managed according to the waste hierarchy. Waste avoidance and reduction practices are prioritised in operations and final disposal to landfills is the least preferred method.

#### Hazardous Waste

In 2024, 16,725.30 MT of hazardous waste was generated in MHB and about 99.77% was recycled, reused or recovered. With this, MHB has maintained its recycling rate above the minimum of 95% for its hazardous waste recycling target.

At MHB, a total of 11,395.59 MT of copper slag waste from blasting activity was generated where the use of copper slag as an abrasive material was largely based on project demand. Copper slag is a by-product of copper extraction by smelting, and it is used for various purposes such as a replacement of fine aggregate in the cement industry. MHB initiated a joint initiative with a local cement factory to purchase the copper slag from the cement factory, use it for our operations and the spent material is then sent back for co-processing. This initiative demonstrates the application of circular waste management principles in our operations.

Other types of hazardous waste sent for recycling/reusing are contaminated containers, contaminated rags/filters/containers, oil-water mixture, waste oil, oil tanker sludge, spent inorganic acid, metal hydroxide, and waste paints.

#### Target 2: Paper Reduction at Shipping Operations (ream/vessel/month)

2024	3.37
2023	3.87
2022	3.88
2021	3.96
2020	4.08
2019 (baseline)	4.19

#### Target 3: Hazardous Waste 3R Rate (%)

2024	99.7
2023	99.9
2022	99.1
2021	99.9
2020	99.7
2019	99.1
2018 (baseline)	74.2

## Promoting Circular Economy

## Promoting Circular Economy

## Non-Hazardous Waste



## DURAGRIT®

MHB continues to supply spent crushed glass abrasives known as DURAGRIT® to the construction industry as an alternative to sand for road construction. Prior to approval for reuse, DURAGRIT® was sent to the Standard and Industrial Research Institute of Malaysia (SIRIM) for hazardous, toxicity, and carcinogenicity testing in compliance with Regulation 7 (1) of the Environmental Quality (Scheduled Waste) Regulation 2005. The material was confirmed to be free of hazardous properties and granted exemption from classification as scheduled waste.

In 2024, we increased our non-hazardous waste 3R rate by 7% compared to 2023. However, we recorded a reduction of 1% compared to the 2018 baseline.

## Organic Waste

MHB has initiated a food composting project aimed at addressing food waste produced by its canteen operators and employees. Approximately 190 kg of food waste is generated daily, with an annual total of 61.60 MT. This project helps improve waste management practices in the premises and the organic compost generated can be used for in-house landscaping. The food composting machine has been operated in MHB's canteen since November 2024 and is estimated to increase the current estimated recycling rate of 3-6%.

In addition, MISC's two FSUs have begun composting their food waste, collecting approximately 1,000 kg per month.

At ALAM and Wisma MISC, landscaping waste is sent to a waste composting facility as part of our efforts to meet the MISC Group's 70% 3R target by 2025.

## Target 4: Non-Hazardous Waste 3R Rate (%)

2024	9
2023	3
2022	3
2021	3
2020	7
2019	7
2018 (baseline)	11

At MHB, we established the Trash-to-Cash Centre (TTC) to encourage non-hazardous waste recycling among employees. Since its implementation, non-hazardous waste management has improved significantly within our operations. Paper, aluminium, glass, and plastics are systematically segregated from general waste and collected at the TTC before being sent to external recycling centres.

## Wooden Pallets

Wooden pallets are repurposed for use in warehouses and workshops within the MHB yards, with an estimated 1.7 MT of pallets reused monthly. In 2024, MHB generated 2,256.66 MT of non-hazardous waste, of which 132.46 MT (approximately 6% was successfully recycled).

At AET's Offshore operations, wooden pallets continue to be reused whenever possible. Pallets that are no longer suitable for reuse are collected separately and sent offsite for recycling into other useful products. Currently, 100% of wooden pallets generated by AET Offshore operations are either reused or recycled.

## OTHER WASTE MANAGEMENT INITIATIVES

Apart from the waste management initiatives mentioned in the previous sections, we have also embarked on other initiatives as part of 4R efforts.

## Reducing Paper Consumption

At MISC, we use a digital signature application for internal documents and these documents are stored digitally. This initiative aims to minimise the use of hard-copy documents and ensure efficient processes in obtaining approvals.

## Resources Saved by Digital Signature Programme Since 2020 to Date



65,737 kg  
of wood



1,615 m³  
of water



154,300 kg  
of carbon  
emissions reduced



10,682 kg  
of waste eliminated

## WASTE AWARENESS CAMPAIGN

## World Cleanup Day Campaign

In conjunction with World Cleanup Day, MHB organised the Yard Cleanup Programme on 27 September 2024. This annual programme was participated by more than 200 volunteers from the yard community to enhance awareness of ocean and land pollution and collective responsibility. We have created slogans to promote this programme which are 'Each waste generated has its owner' and 'Trash to treasure'.

## Recycling of Unused Fabrics

As part of our initiatives to conserve natural resources, we installed a fabric recycling bin at our headquarters to provide an avenue for our employees and the public to recycle and/or donate their unwanted fabrics. As of December 2024, we collected 1,034 kg of fabric.

## Recognition for Race to Zero Waste Contest

On 3 October 2024, we organised the MISC Group HSSE Recognition Day 2023 where we awarded entities that performed outstandingly in the 'Race to Zero Waste' contest. The contest aimed to promote behavioural habits in practising 4Rs (Refuse, Reduce, Reuse and Recycle) among employees, at the workplace and at home.



## Promoting Circular Economy

## Promoting Circular Economy

### Household E-Waste Recycling

At Marine Services, an e-waste collection programme was organised from 15 to 25 October to address the growing concerns of improper management of discarded electronic devices. This programme encourages our employees to dispose of their e-waste in the collection bins located in our offices, before sending them to the approved recycling facilities.

### World Ocean Day Workshops

In conjunction with World Ocean Day 2024, we organised various workshops relevant to waste management. They include:

- GlazeCraft Workshop: How to upcycle glass into a planter pot
- Cloth Upcycling Workshop: How to upcycle used t-shirt into a tote bag
- Cooking Oil Workshop: How to upcycle used cooking oil into soap



## Conserving Marine Biodiversity

### Our Commitment

- Conserve and rehabilitate marine biodiversity by implementing the Group's Heart of The Ocean Programme

### Our Initiatives

We introduced two signature marine biodiversity conservation initiatives under the Heart of The Ocean Programme:

- Mersing Islands Reef Conservation Initiative
- UMT-MISC Marine Sea Turtle Conservation Initiative

### Our Contribution to SDG



Responsibly traversing and protecting marine ecosystems by strengthening their resilience and taking action for their restoration to maintain ocean health

We operate at sea to transport energy globally and our floating offshore assets are located in various fields all around the world. We acknowledge our operations have impacts on the ocean and its biodiversity, and hence we are committed to conserving marine biodiversity, which is crucial for maintaining ocean health. We aim to support the sustainable management and protection of marine ecosystems by strengthening their resilience and implementing restoration programmes to sustain ocean health. Our focus on conserving marine biodiversity contributes to SDG 14.

### OUR IMPACT ON MARINE BIODIVERSITY

With the increase in the utilisation of the seas, oceans, and coastal regions for economic activities such as marine shipping, fisheries, ocean tourism and offshore energy, ocean health has been inevitably impacted. Hence, the concept of the Blue Economy was introduced to ensure the sustainable use of the ocean and resources for economic growth, improved livelihoods and jobs, and the health of the oceans.

As such, we have implemented several measures to minimise our impacts on the marine ecosystem.

- Decarbonising our operations through various initiatives to achieve Net-Zero GHG emissions by 2050.

- Ensuring all vessel discharges comply with MARPOL regulations and discharges are tracked and recorded. For engine room discharges, a bilge water management programme is implemented to reduce oil contamination from leakages and subsequently reduce water/oil accumulation in the engine room.

- Ensuring all vessels comply with IMO's ballast water discharge standards to prevent marine alien species invasion into coastal areas through the use of Ballast Water Treatment Systems (BWTS).

- Ensuring oil spills are prevented and in case of an incident, the oil is contained.

- Ensuring careful navigation in Particularly Sensitive Sea Areas (PSSAs) as designated by the IMO.

- Responsible ship recycling which is guided by the MISC Ship Recycling Policy.

- Reviewing the environmental performance of each vessel in a structured manner through established processes. The implementation of environmental management plans (e.g., garbage, sewage, bilges and cargo residues) is regularly reviewed, and any issues raised from internal audits are discussed and tracked to ensure effective closure.

## Conserving Marine Biodiversity

### BIODIVERSITY IMPACT ASSESSMENT

We conducted a preliminary Biodiversity Impact Assessment covering both our shipping and non-shipping assets. This assessment utilised the Integrated Biodiversity Assessment Tool (IBAT) and Important Marine Mammal Areas (IMMA) data, courtesy of the IUCN Marine Mammal Protected Areas Task Force.

For shipping, vessel routes were overlayed with important biodiversity areas (e.g. Protected Areas and Key Biodiversity Areas) and an impact report was generated via IBAT. As the IMMA area is currently not included in IBAT, a separate assessment was conducted by overlaying IMMA data with vessel routes. For non-shipping assets, location coordinates were inputted into the IBAT, and an impact report was generated.

A full assessment of all the vessel routes and determination of potential high-risk areas will be conducted in 2025. Currently, MISC is in compliance of all regulations and requirements relating to biodiversity by IMO such as reducing speed at IMO designated PSSA and adhering to IMO Ballast Water Management Convention to battle invasive alien species. MISC will be conducting a full assessment of all the vessel routes and determine potential high-risk areas.

### Key Highlights of the HOTO Programme



#### Ecosystem and Organism

- Surveyed **36 coral reef sites** in 2024, contributing to a more holistic overview and database of reef health status in the Mersing Islands
- Established **3 coral rehabilitation sites**
- Installed **30 mooring buoys** since 2020 at the Mersing Islands for sustainable tourism
- Achieved a **63% sea turtle nest-hatching success rate** in 2024 against an 80% target
- Conserved an annual average of **1,700 sea turtle nests** since 2020
- Established **3 recycling programmes** at the Mersing Islands and **1 recycling corner** at Chagar Hutang
- Collected **11,390 kg of trash** from land and underwater since 2020



#### People

- Engaged **3,000+ individuals** through awareness and training programmes on marine resource management and tourism-based supplementary livelihood since 2020
- Significantly **improved the facilities** at the Turtle Research Station at Chagar Hutang
- Fostered the participation of **346 employees** in the Employee Participation Programme since 2021

### MISC GROUP HEART OF THE OCEAN PROGRAMME

The Heart of The Ocean (HOTO) Programme was initiated in 2020 under the Biodiversity Conservation strategic initiative, as part of the MISC Sustainability Strategy. The programme is aligned with our commitment to ensure the sustainable use of the ocean, and the preservation of marine diversity as outlined in SDG 14. This investment is above the operational measures we take to reduce our impact on marine biodiversity.

Under the HOTO Programme, there are two signature marine biodiversity conservation initiatives which are:

→ Mersing Islands Reef Conservation Initiative

→ UMT-MISC Marine Sea Turtle Conservation Initiative

### ESG POSITIVE IMPACT AWARDS 2023

MISC Berhad bagged the Silver Award under the Sustainable Ecosystems category in The Star ESG Positive Impact Awards 2023 for the second consecutive year. We were honoured to be recognised for our continuous efforts in conserving marine biodiversity through the HOTO Programme.



### MERSING ISLANDS REEF CONSERVATION INITIATIVE

Coral reefs are facing severe threats due to climate change and human activities. Rising ocean temperatures driven by increased GHG cause thermal stress leading to coral bleaching and increased susceptibility to diseases. Furthermore, human activities such as overfishing, pollution, destructive fishing and direct physical damage further exacerbate the decline of coral reefs. These combined factors are pushing coral reefs to their limits, threatening the biodiversity and ecosystem services they provide. Addressing these challenges requires concerted efforts including to reduce carbon footprints, protect marine areas, and enhance the resilience of coral species in order to mitigate the progressive decline of coral reefs globally.

## Conserving Marine Biodiversity

The Mersing Islands Reef Conservation Initiative under the HOTO Programme is a five-year collaboration with our partner, Reef Check Malaysia (RCM) which focuses on:

- Coral Reef Conservation and Management
- Plastic Waste

Our collaboration with RCM aims to improve ocean health by supporting coral reef conservation, increasing reef resilience and reducing plastic litter in the ocean. Our work on the Mersing Islands involves a multi-level collaboration with multiple stakeholders including local communities, tourism operators, academicians, local government, the Department of Fisheries and local businesses.

MISC has committed to contribute RM250,000 annually towards this initiative (2020-1H 2025)

#### Key initiatives implemented:

Reef surveys

Reef rehabilitation

Reef clean-up

Reef monitoring and maintenance

Reef mapping

Green fins engagement

Recycling programmes on islands

Stakeholder training in participatory management

Entrepreneurship training

Eco-snorkel guide training

Beach clean-ups

School and community awareness programmes

## Conserving Marine Biodiversity

### EMPLOYEE PARTICIPATION PROGRAMME

As part of the Mersing Islands Reef Conservation Initiative, we have integrated employee participation and volunteerism through the Employee Participation Programme (EPP). Launched in 2021, this annual initiative provides employees with an opportunity to engage in environmental conservation efforts, enhance environmental awareness, and contribute positively to local island communities.

In 2024, a total of 115 employees participated in three separate EPP activities across Pulau Sibu, Pulau Aur, and Pulau Tinggi in Mersing, Johor—reflecting a 21% increase in participation compared to 2023.

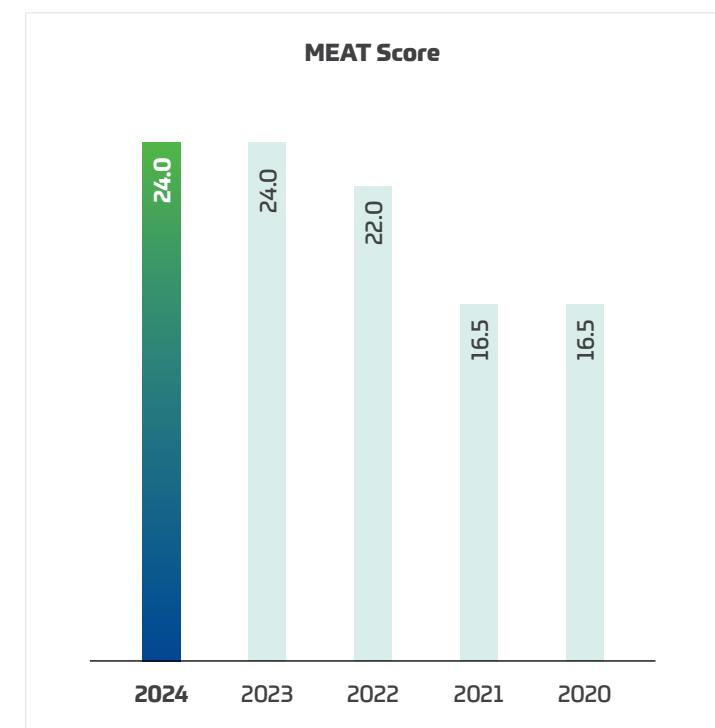
Additionally, participant safety remains a key consideration in determining the maximum number of volunteers for each programme. The continued increase in participation highlights the strong interest and enthusiasm among our employees in contributing to sustainability and community engagement initiatives.

EPP Activities	EPP Outcomes
<b>Reef Monitoring</b>	<b>3 sites of reef health monitoring</b>
Beach Clean-up	<b>550 m of beach distance travelled</b> <b>586 kg of waste collected</b> <b>12,281 pieces of waste collected</b>
Community Engagement	<b>10 island families engaged</b>
Feedback from Participants	<p>“ Learned proper snorkeling techniques, understood the importance of coral reefs for marine life, and had the opportunity to engage with MISC teams and the Pulau Sibu community. ”</p> <p>Nur Farah Syamimi Mohamad Fu'ad, MISC Berhad</p> <p>“ The programme impacted the staff and community in a very good way. Spirit of conservation burns brighter. ”</p> <p>Sazanizal Mohamad Salleh ALAM</p> <p>“ It was a great opportunity to learn about the importance of reef conservation and how our activities have impacted the marine life. The beach clean-up was not only productive but also a reminder of how crucial it is to protect our environment. ”</p> <p>Iliyana Mohd Sah MISC Berhad</p> <p>“ Personally, this programme was totally a mind blown experience for me! ”</p> <p>Nur Afiqah Md Samad MHB</p>

### MARINE PROTECTED AREA MANAGEMENT EFFECTIVENESS ASSESSMENT TOOL

Since 2020, the Management Effectiveness Assessment Tool (MEAT) has been used to measure the effectiveness of conservation activities implemented in the Mersing Islands' marine parks through MISC's sponsorship towards improving the management of Mersing Islands marine park.

This assessment evaluates areas such as governance policies, management structure, regulations, enforcement, performance monitoring, and assessment of ecological and socioeconomic impacts. The assessment helps us to understand gaps that require interventions. In 2024, the MEAT score maintained at 24. Moving forward, in-depth analysis and more engagements will be conducted to continuously improve this score and address all relevant issues identified to further improve the level of management effectiveness.



### UMT-MISC MARINE SEA TURTLE CONSERVATION INITIATIVE

Sea turtles are a threatened species and at risk of extinction mostly due to habitat alteration caused by humans. Sea turtles are also vulnerable to ocean pollution at all stages of life, from eggs to hatchlings, juveniles and adults.

Recognising the need to protect this critically endangered species, Marine Services has partnered with UMT-SEATRU (Universiti Malaysia Terengganu-Sea Turtle Research Unit) focusing on three strategic areas.

### RESEARCH STATION IMPROVEMENT/UPGRADING PROGRAMME

As part of the research station improvement and upgrading programme, we have successfully completed the renovation of living quarters and toilet facilities, achieving 100% completion of the enhancement of both existing and new facilities within the research station. This milestone reflects our commitment to providing improved infrastructure to support ongoing conservation efforts.

In addition, we have enhanced the Turtle Science Corner within the Research Station by developing weatherproof dry samples of turtle hatchlings, featuring specimens from three species: Green, Hawksbill, and Leatherback turtles, along with their eggs. These enhancements aim to increase public interest and engagement in marine conservation, encouraging more visitors to the Chagar Hutang Turtle Sanctuary and fostering greater awareness of sea turtle conservation efforts.

### AWARENESS AND OUTREACH PROGRAMME

In 2024, Marine Services successfully conducted several outreach programmes such as:

→ ESG Global Young Leaders Summit 2024

→ Ocean Hope – Outreach Sea Turtle Programme



## Conserving Marine Biodiversity

## Conserving Marine Biodiversity

## ESG Global Young Leaders Summit 2024

The ESG Global Young Leaders Summit 2024, organised by UMT, supported by the Ministry of Higher Education, MISC Berhad and other stakeholders took place from 22 to 25 August 2024 with the participation of 200 students. The summit focused on integrating ESG values into the future workplaces of the students and sharing sea turtle conservation field experiences at Chagar Hutang, Pulau Bidong, and Setiu Wetlands.



## EMPLOYEE VOLUNTEER PROGRAMME

In 2024, Marine Services continued to provide volunteering opportunities for employees across the Group, in which 16 employees participated. Through this volunteering programme, participants gained knowledge about sea turtles, their life cycle and ways to conserve their population.

Year	2020	2021	2022	2023	2024
No. of volunteers	11	6	25	38	16

## OUR ACHIEVEMENTS

Year	2019	2020	2021	2022	2023	2024
No. of nests protected	1,523	1,731	1,825	2,181	1,927	956
Hatching Success (%)	71	62	72	70	77	63



63% hatching success rate of sea turtle nests in 2024



956 turtle nests protected in 2024

## MISC HOTO ECO ACTION: FIGHT AGAINST DEBRIS

The HOTO Eco Action: Fight Against Debris programme was initiated to consolidate data from various clean-up activities to ensure efficient monitoring and management of data for reporting. Clean-up activities conducted by MISC Group employees aim to remove trash and debris from the environment such as within office and operation compounds, riverbanks, shorelines and coastal areas. The activity helps to protect the marine environment, wildlife, and human health from the harmful effects of pollution. It also raises awareness and inspires action to reduce waste and littering.

The waste data is recorded through the Clean Swell application which helps users to easily record the amount and/or quantity of trash collected. This app was developed as a part of a global movement by Ocean Conservancy to tackle ocean trash and keep beaches, waterways and the ocean trash-free. Ocean Conservancy is a science-based conservation organisation at the forefront of ocean conservation and believes that everyone can make a positive difference for the ocean. The recorded data by MISC employees will instantly be uploaded to Ocean Conservancy's global ocean trash database, contributing to global data collection efforts on ocean trash.

## Conserving Marine Biodiversity

## Ocean Hope – Outreach Sea Turtle Programme

The Ocean Hope – Outreach Sea Turtle Programme is a knowledge-sharing initiative to raise awareness about the importance of sea turtles and marine life. Jointly organised by Kertih Port Sdn. Bhd. (KPSB) and Institut Penyelidikan Perikanan, Rantau Abang, it aimed to educate students from Sekolah Kebangsaan Santong about essential conservation and protection efforts to prevent the extinction of turtles and other marine species. Held on 10 October 2024, 100 participants including 40 students and 7 teachers took part in interactive sharing sessions and hands-on activities designed to deepen their understanding of sea turtle conservation and the broader issues facing marine ecosystems.



## MISC CONTRIBUTION TOWARDS BIODIVERSITY CONSERVATION

## NATIONAL BUSINESS ADVISORY GROUP FOR THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK

MISC is a member of the National Business Advisory Group, a working group established by the Malaysia Platform for Business and Biodiversity (MPBB), to develop a national Strategic Roadmap and Business Biodiversity Action Plan. These documents are part of Malaysia's National Policy on Biological Diversity, to implement business-related targets for the Kunming-Montreal Global Biodiversity Framework at the national level. By participating, we are strengthening our position in the biodiversity agenda for and beyond the maritime industry.

The draft roadmap and action plan have been submitted to the Ministry of Natural Resources and Environmental Sustainability for review.

## CONTRIBUTING TO THE LATEST CORAL REEF RESTORATION AND REHABILITATION GUIDELINE

MISC contributed to and co-authored the latest guideline on reef restoration and rehabilitation led by the Reef Restoration and Adaptation Programme (RRAP) funded by the partnership between the Australian Government's Reef Trust and the Great Barrier Reef Foundation. The guideline was developed to assist coral reef or marine park managers globally, on the latest best practices in conducting coral reef restoration and rehabilitation.

## BIODIVERSITY AWARENESS PROGRAMMES

## COFFEE CHAT: SAILING TOWARDS NATURE &amp; BIODIVERSITY

On 19 June 2024, the GHSSE Division organised a talk, "Sailing Towards Nature & Biodiversity", in conjunction with World Oceans Day 2024. The talk was held to create employee awareness about biodiversity conservation efforts at the regional and national levels, as well as how MISC contributes to biodiversity conservation.

The panel speakers comprised representatives from PETRONAS, Environmental Resources Management (ERM) and the Ministry of Natural Resources and Environmental Sustainability shared about the latest developments in nature and biodiversity, the global movement to combat biodiversity loss, Taskforce on Nature-related Financial Disclosures (TNFD) and National Policy on Biological Diversity, among other topics.

## MHB RIVER REHABILITATION PROGRAMME

In 2022, MHB launched its long-term River Rehabilitation Programme with the adoption of Sungai Buluh, Pasir Gudang in Johor, Malaysia. The programme in collaboration with Majlis Bandaraya Pasir Gudang (MBPG), UTM, and local communities within the Sungai Buluh vicinity, aims to improve river health through ecological rehabilitation while raising local communities' awareness through engagement and environmental education and ensuring sustainable development and improvement in their quality of life.

Continuing its efforts from the previous years, MHB enhanced its River Rehabilitation Programme by empowering the local communities surrounding Sungai Buluh. They actively engaged and educated the local communities through awareness programmes that align with the SDGs.

In 2024, various activities were organised under the MHB River Rehabilitation Programme, including activities to support two core elements of the programme, i.e., Stakeholder Engagement and Awareness and Greening and Decarbonisation.

As part of Stakeholder Engagement and Awareness, an educational and awareness session was held with 30 students from SK Pasir Gudang 2 to equip them with the knowledge of data collection of the local flora and fauna at the boundaries of Laman Rekreasi Sungai Buluh.

For the second element on Greening and Decarbonisation, a tree planting session was held with 20 MMHE residents and 10 MHB River Warriors. This is to increase the local tree population, improve the surrounding ecosystems and mitigate climate change through carbon sequestration. Of the total 133 trees, 60 trees were planted in the MMHE residential areas, and 73 trees were planted in Laman Rekreasi Sungai Buluh to enhance greenery.

In addition, MHB conducted a "Train the Trainers" workshop for a total of 42 MHB staff and residents to learn various methods of environmental conservation from UTM experts, namely, Preparing Macrocomposites, Water Quality Testing and Microalgae Analysis.

The workshop equipped participants with essential skills in river rehabilitation and inspired them to take on an active role in managing water resources in their communities.

## MHB YARD IN THE GARDEN PROJECT

The Yard in the Garden project involved the planting of trees within MHB's West Yard, with the objectives to help purify the air, sequester carbon dioxide from the atmosphere and contribute to a cooler microclimate. This project aims to plant 500 trees annually until 2030. In 2024, MHB planted 1,901 trees within the yard compound which brings to a total of more than 2,500 trees planted since its inception.

## Other Environmental Matters

Apart from our initiatives on carbon emissions, energy management, waste management, and biodiversity conservation, we also carried out programmes to ensure we implement best practices and/or comply with other environmental requirements. This section provides information on how we are managing our air emissions, the phasing out of ozone-depleting substances from our operations, waste water management, and water resource management.

### AIR EMISSIONS

MISC's air emissions inventory indicates that our shipping business is the largest emitter, contributing significantly to MISC Group's SO<sub>x</sub> and NO<sub>x</sub> emissions. The IMO 2020 Global Sulphur Cap, effective from 1 January 2020, stipulates that the sulphur content in fuel oil used by ships must not exceed 0.50% m/m. Since its implementation, we have introduced several initiatives in our shipping operations to reduce SO<sub>x</sub> emissions and to comply with regulations, including:

- Ensuring newbuild ships run on high-efficiency dual-fuel LNG engines. LNG reduces SO<sub>x</sub> emissions significantly by about 99%
- Switching to low-sulphur fuel oil
- Retrofitting selected vessels with scrubbers

In 2024, we recorded a reduction in both total (3%) and intensity (9%) for SO<sub>x</sub> emissions compared to 2023, due to overall enhancements in the energy efficiency of our vessels (more transport work with less fuel consumption).



On the other hand, MISC also introduced several initiatives to reduce NO<sub>x</sub> emissions which include:

Equipping newbuild ships with low NO<sub>x</sub> emissions engines.

Implementing fuel and energy performance monitoring such as monitoring of fuel consumption of machinery/equipment on ships, vessel trim, draft speed and weather conditions which helps with the identification of inefficiencies and energy-saving measures, consequentially reducing fuel consumption and related emissions.

In 2024, we achieved a reduction in both total (9%) and intensity (13%) for NO<sub>x</sub> emissions compared to 2023, due to an increased ratio of vessels equipped with low NO<sub>x</sub> emissions engines. In addition, the improved performance was due to the overall enhancements in the energy efficiency of our vessels (more transport work with less fuel consumed).

#### Shipping Fleet Total NO<sub>x</sub> Emissions (tonnes)

2024	39,579
2023	43,266
2022	42,357

#### Shipping Fleet NO<sub>x</sub> Emissions Intensity (g NO<sub>x</sub>/1,000 ton-nm)

2024	55
2023	63
2022	66

## Other Environmental Matters

### OZONE-DEPLETING SUBSTANCES

We are committed to phasing out Ozone Depleting Substances (ODS), under the provisions of the Montreal Protocol. Almost 100% of the refrigerants used on our vessels are non-ozone-depleting with zero ozone-depleting potential.

We switched to non-ODS refrigerants on vessels and offshore floating assets, implemented Refrigerant Management Procedures onboard vessels and offshore assets and regularly monitored refrigerant consumption. In 2024, we recorded a 24% reduction in ODS compared to 2023.

For our non-shipping operations, our premises have a refrigeration equipment inventory with a phase-out plan established for refrigeration systems containing ozone-depleting substances and a phase-down plan for HVAC system which uses hydrofluorocarbons with high GWP values. The implementation of these plans is ongoing with target completion in 2030.

### WASTEWATER MANAGEMENT

#### SHIPPING OPERATIONS

For our shipping operations, we are subject to the IMO MARPOL Annex IV for sewage and wastewater discharges. To ensure compliance with this regulation, we treat the discharges using an approved sewage treatment system, before discharging it at sea, at a distance of more than 12 nautical miles from the nearest land.

Shipping Fleet Total SO <sub>x</sub> Emissions (tonnes)	
2024	3,735
2023	3,862
2022	3,570

Shipping Fleet SO <sub>x</sub> Emissions Intensity (g SO <sub>x</sub> /1,000 ton-nm)	
2024	6.1
2023	6.7
2022	6.5

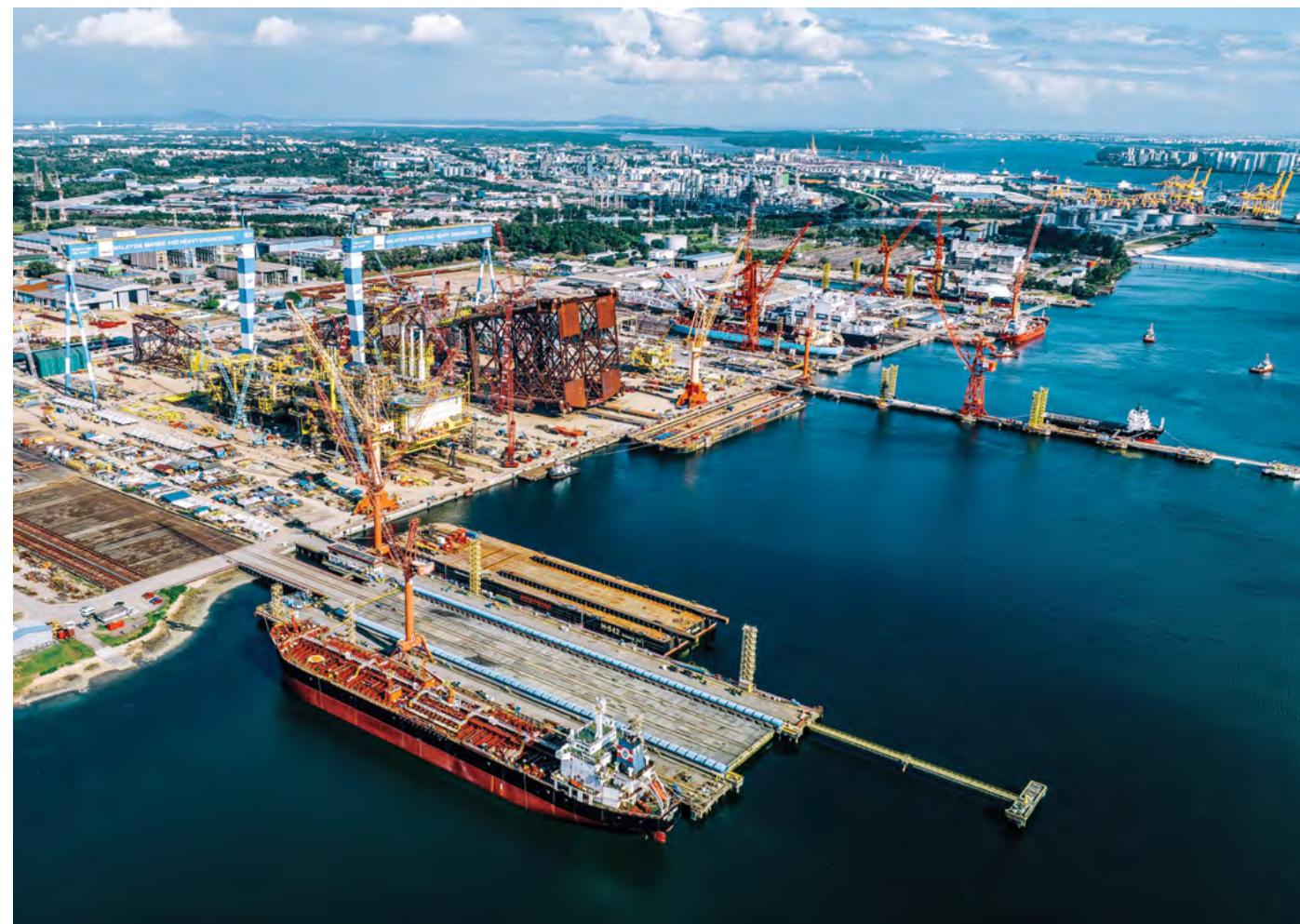
**Note:**  
 • The above-reported data exclude all vessels fitted with scrubbers due to ongoing system configuration.  
 • Data for 2022 and 2023 are restated due to updates in fuel consumption data upon third-party GHG verification exercise.

## Other Environmental Matters

### NON-SHIPPING OPERATIONS

At MHB, effluent and sewage discharges are strictly regulated under the Environmental Quality (Industrial Effluent) Regulations 2009 and the Environmental Quality (Sewage) Regulations 2009. To ensure full compliance with these regulations, we operate a Sewage Treatment System (STP) and an Industrial Effluent Treatment System (IETS), both of which are designed to effectively manage wastewater discharge in accordance with environmental standards.

These treatment plants are managed by competent personnel certified under the Certified Environmental Professional in the Operation of Effluent Treatment Systems (CePIETSO) for Biological and Physical-Chemical Processes and the Certified Professional Sewage Treatment Operator (CePSTPO) programmes. Their key responsibilities include ensuring that all wastewater discharges into the drainage system comply with the required standards while continuously monitoring the performance of treatment systems to prevent accidental discharges.



To maintain optimal operational efficiency and regulatory compliance, we conduct daily, weekly, and monthly performance monitoring of the IETS and STP through our in-house laboratory. These proactive and preventive measures ensure that all unit operations and treatment processes function effectively. Effluent quality is continuously monitored to meet the Standard B requirements of the Malaysian Environmental Quality (Industrial Effluent) Regulations 2009. Additionally, third-party accredited laboratories analyse final discharges every month, with laboratories results submitted to the DOE via the Online Environmental Reporting (OER) platform.

All monitoring parameters align with the Guidance Document on Performance Monitoring of Industrial Effluent Treatment Systems and Sewage Treatment Systems, ensuring compliance with best practices. In the event of a spill or accidental sewage discharge, the issue is escalated to internal safety and environmental teams for immediate corrective action. If the incident escalates to a higher-level emergency, the DOE Director must be notified within six hours of occurrence, in accordance with regulatory requirements.

## Other Environmental Matters

### WATER MANAGEMENT

We utilise water in our sea and shore operations and recognise that water use is tied to water withdrawals from the environment. However, as a Group, the consumption and management of water has not been identified as a material matter due to the nature of our operations.

#### WATER USE AT SEA

For our shipping operations, water used on our vessels is sourced primarily from seawater and processed by onboard freshwater generators to produce potable water. With this, we do not consider freshwater withdrawal material for our shipping operations.

#### WATER USE IN NON-SHIPPING OPERATIONS

Water use in our non-shipping operations is mainly for domestic consumption and operations. In 2024, our non-shipping operations recorded a 5% increase mainly contributed by Marine & Heavy Engineering and Maritime and Training.

#### MISC Group Total Water Withdrawal (m³)

2024	931,216
2023	883,033
2022	799,532

*Note:  
Data for 2024 is based on estimated values.*

#### BALLAST WATER MANAGEMENT

Ballast water is water that is used to stabilise vessels at sea to ensure safe and efficient shipping operations. Ballast water management is important to prevent adverse ecological and economic impacts due to the migration of bacteria, microbes, small invertebrates, eggs, cysts and larvae into new areas as invasive species. IMO's International Convention for the Control and Management of Ships' Ballast Water and Sediments governs the proper control and management of ships' ballast water.

In 2024, we fully completed the installation of BWTS on all our vessels. All our newbuilds are equipped with BWTS in compliance with IMO's ballast water discharge standards.



# Social Pillar



## Our Approach

**MISC has adopted a comprehensive approach to managing societal impacts arising from our business activities to demonstrate our commitment to responsible business practices, contribute to societal well-being and pave the way for a more inclusive environment. In line with this commitment, we have outlined the Group's initiatives, strategies and processes to ensure that our operations positively impact employees and communities, and are aligned with our broader sustainability goals.**

To achieve this, we regularly engage with our stakeholders to understand their expectations and concerns. This is carried out through robust stakeholder engagement processes, involving dialogues with employees, customers, local communities and others which enables us to identify and address relevant social issues that matter most.

In ensuring effective management of societal risks and opportunities, we employ various monitoring and reporting mechanisms to track the implementation of initiatives and performances. A set of KPIs related to social initiatives are regularly assessed and the results are transparently reported in the MISC's sustainability reports. We also monitor and actively work toward improving employee satisfaction through surveys and feedback mechanisms to reflect the Group's dedication to creating a great workplace for our employees.

In this section, we disclose our strategies and initiatives toward providing a conducive work environment, upholding human rights and ethical conduct and engaging with local communities.



# Operating Safely

## Our Commitment

- Provide a safe and healthy environment for employees, contractors and communities
- Achieve Generative HSSE Culture

## Our Initiatives

Reinforce the Health & Safety Culture by implementing the following:

- A comprehensive review of the HSSE culture across the MISC Group
- Promoting proactive engagement and continuous improvement in health, safety, security, and environmental practices towards Generative HSSE Culture
- Contractor HSSE Management
- Ensuring ongoing development of the necessary skills and expertise to uphold the highest safety standards

## Our Contribution to SDG



Promote good health and well-being of employees, contractors and communities

With a workforce exceeding 9,000, a safe and healthy work environment for our employees and contractors is a key priority for MISC. Our HSE policy serves as the cornerstone of our management approach, protecting the well-being of our people, contractors, and the broader community while safeguarding our reputation and ensuring compliance with legal requirements. MISC HSE Policy is an adoption of PETRONAS HSE Policy endorsed by the Board. The Policy is operationalised through the HSSE Management System (HSSE MS) that details the establishment of the targets.

We prioritise proactive risk management, ongoing training, and strict adherence to safety protocols to maintain a safe and secure work environment. By fostering a culture of 'care and comply', we aim to embed safety values in everything we do.

## ► HEALTH, SAFETY, SECURITY AND ENVIRONMENTAL MANAGEMENT SYSTEM

MISC's HSSE policies serve as the foundation for our internal HSSE MS. This system is designed in alignment with relevant international standards, legislative requirements, and recognised industry best practices to fulfil our commitments and provides a structured approach to managing the health and safety of our employees, contractors, communities, and the environment.

Demonstrating our commitment to health and safety excellence, our Offshore, Marine & Heavy Engineering, and Marine Services are certified with the ISO 45001:2018 Occupational Health and Safety Management System.

## KEY ELEMENTS OF MISC'S HSSE MS



Blending top-down and bottom-up management approaches helps to effectively foster a positive workplace culture and systematic management of HSSE.



Requirements for policy, strategic objectives and development of HSSE Plans, considering the overall risk levels of business activities, legal requirements, technological change, emerging issues and key stakeholder expectations.



Description of organisation structure, roles, responsibilities, authorities, accountabilities and interrelations (e.g., partners, contractors, regulators).



Identification of HSSE hazards and evaluation of HSSE risks for all activities, services and development of control and recovery measures to reduce HSSE risks to as-low-as-reasonably-practicable (ALARP).



Planning of work activities, managing changes and developing emergency response measures as well as ensuring systems are in place to verify that tasks and activities are carried out following procedures and work instructions.



The conduct of assurance programmes to review and verify the effectiveness of the management system.



Periodic reviews of the HSSE MS for suitability and effectiveness.

MISC's HSE Policy is available at <https://www.misctgroup.com/awcontent/Web/Documents/SustainabilityGuidelines/Health.-Safety-Environment-Policy-2024.pdf>

MISC's Security Policy is available at <https://www.misctgroup.com/awcontent/Web/Documents/SustainabilityGuidelines/Security-Policy-2024.pdf>

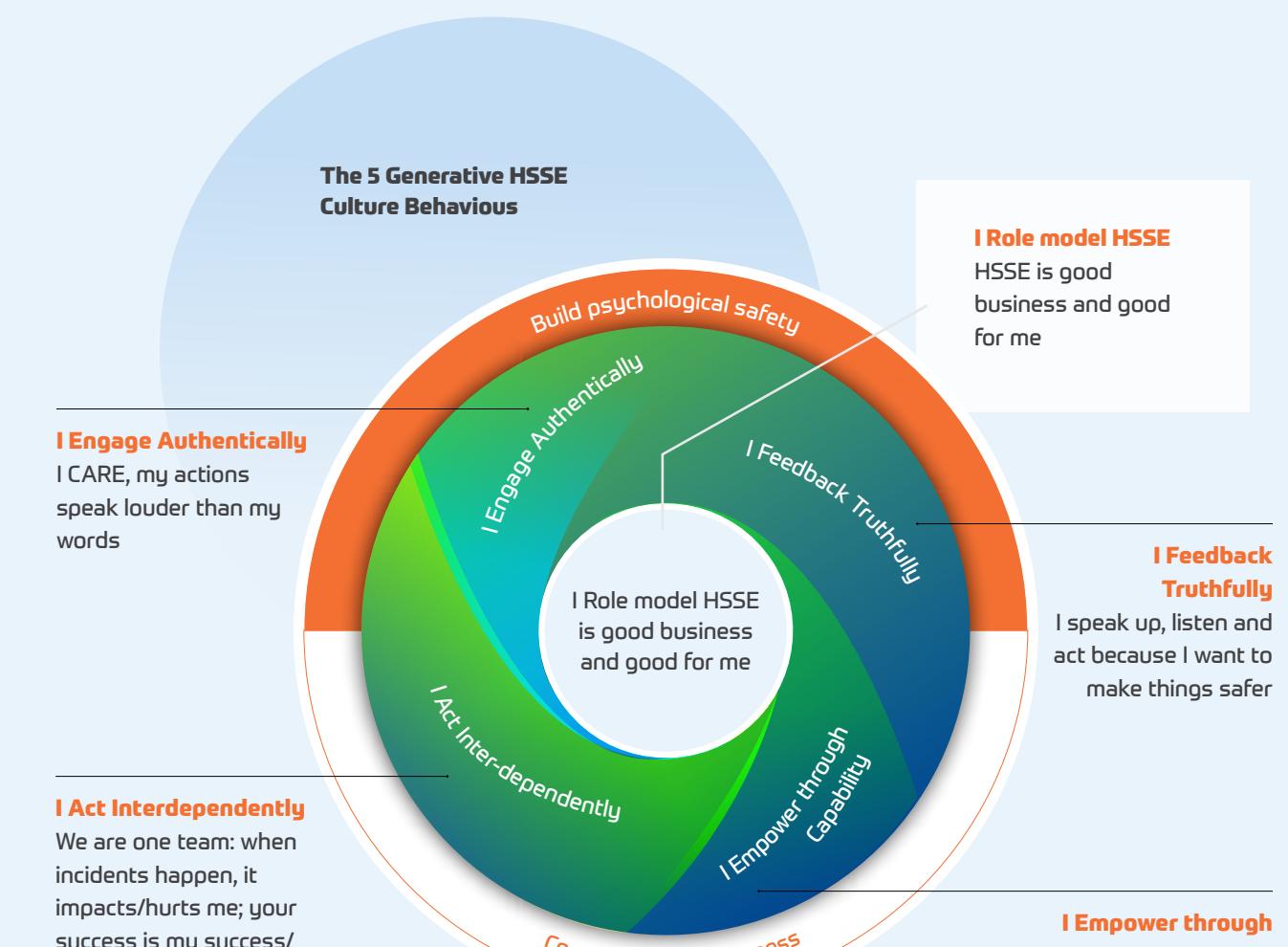
## Operating Safely

## Operating Safely

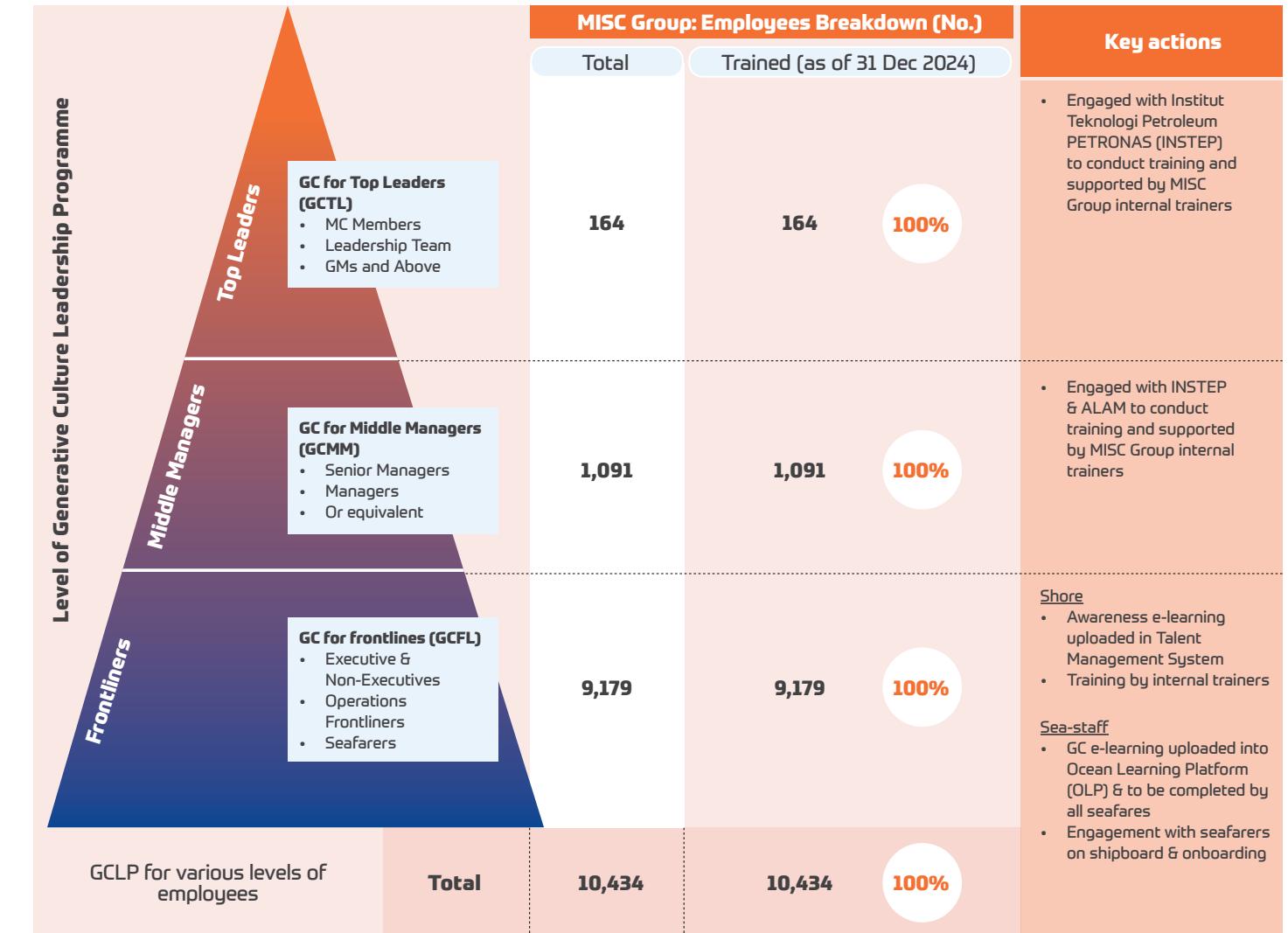
 GENERATIVE HSSE CULTURE

## TOWARDS GENERATIVE HSSE CULTURE

At MISC, we aim to embed a Generative HSSE Culture (GC) where everyone is doing the right thing, even when no one is watching. We believe that GC is key to achieving HSSE excellence. The GC model comprises three main focus areas namely Build Psychological Safety, Conscious Risk Awareness and Role Model HSSE. The model also focuses on five Generative HSSE Culture Behaviours (5GCBs), which are a set of behaviours that drive the actions of employees and contractors towards achieving zero HSSE incidents.



To ensure GC is institutionalised within the Group, the Generative Culture Leadership Programme (GCLP) was introduced to all levels of employees. This is vital to ensure that every employee is equipped with the knowledge and understanding necessary to contribute to GC in the pursuit of zero HSSE incidents. In 2024, all employees have attended the GCLP.



## GC NEXT

To enhance our efforts in embedding GC within MISC, the GC Network of Excellence (GC NeXT) programme, titled "Speak Up, You Can Save Lives," was organised in collaboration between PETRONAS and MISC on 30 September 2024. The session focused on fostering psychological safety through open conversations and sharing real experiences among leaders and frontline supervisors across subsidiaries, business units, and service units, guided by the 5GCBs. Attended by 862 participants, the programme underscored the critical importance of speaking up, particularly in cultivating a culture of psychological safety where every individual feels valued and protected.

 MISC HSSE PARTNERS SUMMIT 2024

The HSSE Partners Summit 2024 was aimed at strengthening the collaboration between the Group and its business partners towards enhancing HSSE, sustainability, quality, work efficiency and contractors' performance. It is a platform to highlight our expectations and commitments from our partners to uphold the highest standard of HSSE performance and operational excellence towards building GC.

 Read more in Our Stakeholders' Universe.

## Operating Safely

## Operating Safely

### SAFETY

Safety is a top priority in the maritime industry, ensuring the protection of human lives, the prevention of environmental harm, the safeguarding of property and cargo, the maintenance of infrastructure, compliance with regulations, and the preservation of the MISC's reputation. To minimise risks and ensure the well-being of all stakeholders, strict safety measures are implemented across MISC.

Our integrated safety approach focuses on two key areas namely occupational safety and operational safety.

#### This approach is guided by the following principles:

- Compliance with all applicable laws, regulations, standards and procedures, which often go beyond legal requirements.
- Adoption of the International Association of Oil & Gas Producers (IOGP) Life-Saving Rules, along with the introduction of HSSE Rules and HSSE Commitments designed to prevent the most common causes of serious injuries and fatalities in our industry.
- Continuously monitor and measure safety performance based on leading and lagging indicators.
- Learn from incidents and near misses and share lessons learnt internally and with our vendors and suppliers.
- Foster a culture of care and intervention to speak up and stop work during unsafe or potentially hazardous conditions.
- Engage with our stakeholders to understand their expectations and concerns and to collaborate on improving safety outcomes.
- Improve our safety performance through the adoption of best practices, new technologies and enhancing training and development. We participate in industry initiatives and forums to share and to learn from others.
- Demonstrate our commitment to safety to earn the confidence of our stakeholders and society.

### MISC SAFETY CULTURE ASSESSMENT

The human factor has been identified as a key contributor to workplace incidents. To address the root cause of the issue, the MISC Safety Culture Assessment, conducted by an appointed third party, was carried out to review and evaluate the HSSE culture across the Group.

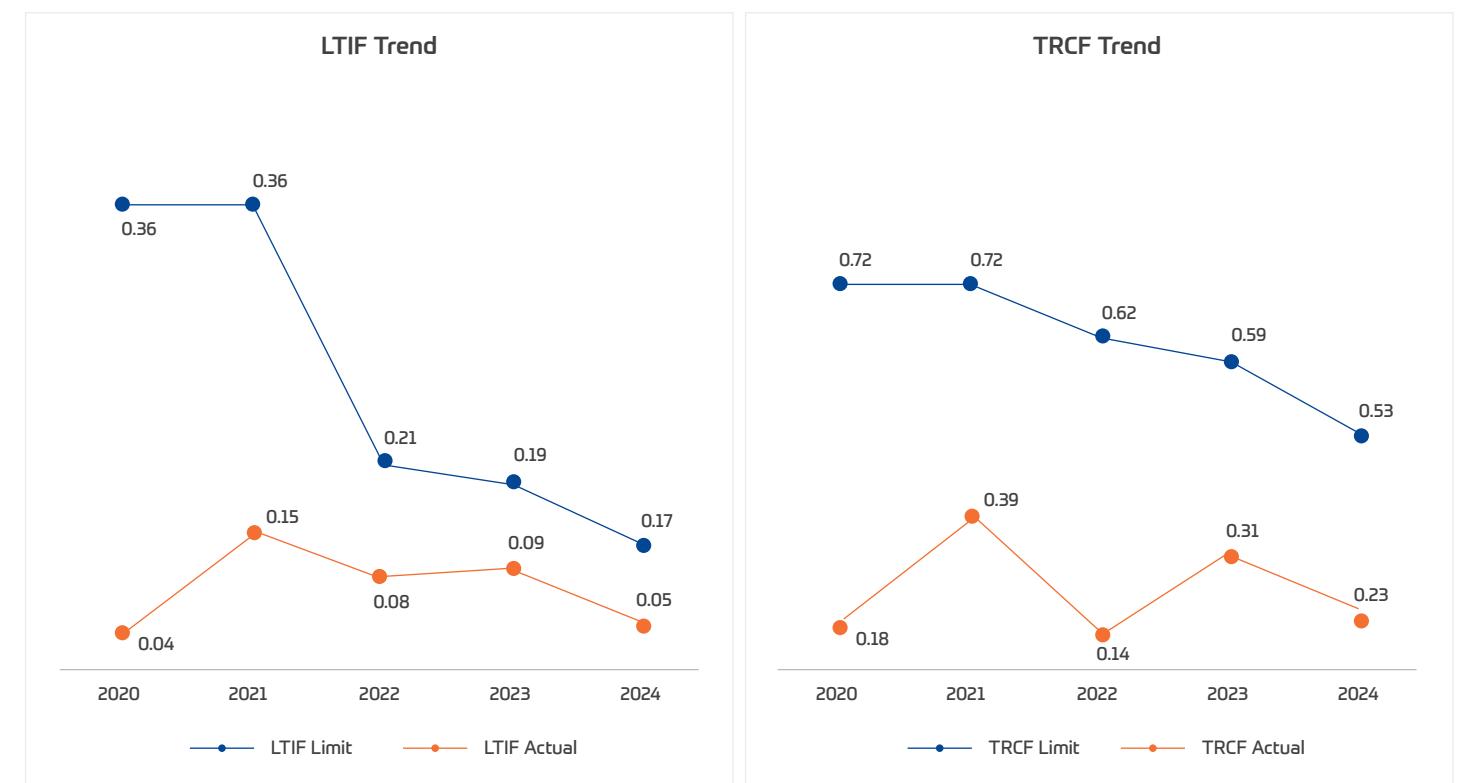
From the assessment, findings were analysed, and action plans were derived to address the gaps identified. The timeline for action plan closure is expected to be in the next three years.

Main Findings
<ul style="list-style-type: none"> <li>• Lack of visible felt leadership</li> <li>• Normalisation of deviance</li> <li>• Perception of lack of adequate recognition</li> <li>• Inconsistent implementation of Life-Saving Rules (LSR)</li> <li>• Low emphasis on HSSE performance prior to contract award/employment</li> <li>• Over-reliance on HSSE function</li> <li>• Under-reporting of incidents</li> <li>• Communication barrier and silo work culture</li> </ul>

Action Plans
<p>Formation of a workstream to transform MISC HSSE Culture focusing on the following areas:</p> <ul style="list-style-type: none"> <li>• LSR and HSE conditions have been embedded in the vendor selection process and vendor contracts and LSR violation clauses in employment contracts</li> <li>• Rapid Serious Injury and Fatality Reduction Programme</li> <li>• Operating Model and Governance: Revised KPIs and leadership compensation based on overall MISC HSSE performance</li> <li>• Leadership Development</li> <li>• Branding and Communication</li> </ul>

### MISC GROUP SAFETY PERFORMANCE

MISC Group recorded a LTIF of 0.05 and a TRCF of 0.23 which were well below the set limits of 0.17 and 0.53, respectively. Compared to 2023, results in 2024 indicated a decrease in the number of lost time injuries and recordable cases.



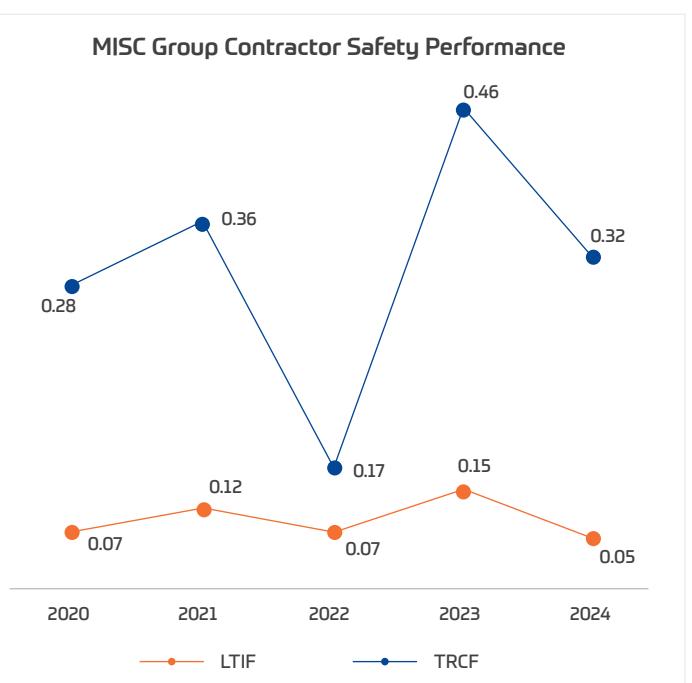
### MISC GROUP CONTRACTOR SAFETY PERFORMANCE

Our primary objective for contractors' safety is to ensure a secure work environment that prioritises the health and well-being of everyone involved. We establish stringent safety targets and require our contractors to comply with our safety standards and practices.

Safety compliance is embedded within contractual agreements, providing a clear framework for adherence to safety procedures. This reflects our unwavering commitment to a safe workplace and shared responsibility for upholding safety measures.

To maintain a secure work environment, we adopt a comprehensive safety approach that includes regular training, assessments, and audits for our contractors.

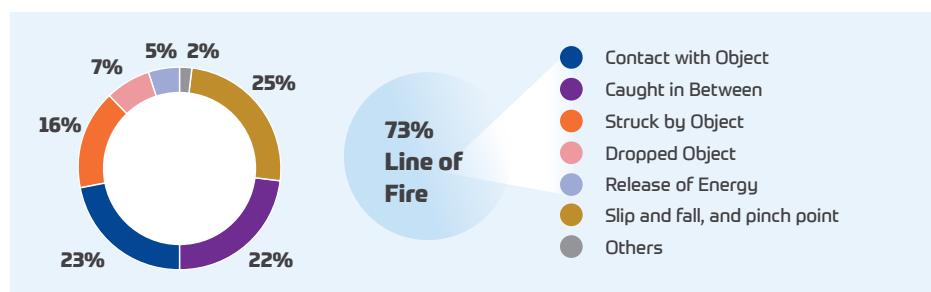
In 2024, contractors' LTIF and TRCF stood at 0.05 and 0.32, respectively. These figures represent a decrease in both lost time injuries and total recordable cases compared to 2023.



## Operating Safely

### MAIN TYPE OF WORK-RELATED INJURY

In 2024, MISC Group recorded one fatality and two Lost Workday Case (LWC) bringing the total number of LTI incidents to three. The fatality was due to a fall from height, and the LWC case resulted from a slip and fall, and pinch point.



Incident investigations are conducted by Subject Matter Experts (SMEs) to ensure that not only direct causes, but root causes of incidents are identified. This allows for effective action items to be developed, which minimises the possibility of incident recurrence. For the past year, these include:

- 1 To conduct comprehensive hazard identification and risk assessment before initiating work.
- 2 To enforce strict PTW procedures with daily updates, validations, and periodic audits to ensure that all risks are addressed, and shortcuts are not tolerated.
- 3 To reinforce the importance of effective supervision and monitoring at the worksite.
- 4 To enhance emergency preparedness through regular drills and scenario-based training.
- 5 To establish clear communication channels and enhance the handover process between teams with joint walkabouts.
- 6 To adopt engineering controls and automation where possible to reduce human exposure to risks.
- 7 To develop specific assessments for adverse weather, electrical hazards, and other high-risk tasks, ensuring any changes or abnormalities to work areas and equipment are evaluated before starting any activity.
- 8 To stringently manage contractors, assess supervisors' and technicians' competencies, and apply consequence management for non-compliance with safety standards.
- 9 To practice Advanced Safety Communications (ASC) to keep all personnel informed of safe work practices and hazard controls.
- 10 To emphasise immediate incident reporting and reinforce Stop Work authority, to ensure adherence to established safety guidelines.
- 11 To promote a strong safety culture by recognising and rewarding safe behaviors.

### INCIDENT PREVENTION

An incident mitigation plan is a strategic approach designed to minimise the likelihood and impact of incidents occurring. The plan focuses on key safety fundamentals, including enhancing onsite leadership visibility, prioritising thorough risk evaluations, ensuring clear and effective communication, encouraging timely interventions, halting work in the presence of unsafe behaviours or conditions, and fostering greater employee engagement.

MISC has taken a proactive stance on incident prevention, implementing a range of measures to address potential risks and promote a safer work environment.

#### Focus Areas in 2024

- HSSE Leadership and Contractor HSSE Management**
  - Leaders to demonstrate HSSE care through Management HSSE Visit
  - Inclusion of ASC for HSSE engagement
  - Roll out Contractor HSSE Management Guideline
  - Audit and assurance for HSSE compliance and improvement
- Build Psychological Safety and Conscious Risk Awareness**
  - Safety intervention at work site
  - Life-Saving Rules and HSSE Rules & Commitments and Toolbox Talk
  - Stop Work Authority at Toolbox Talk
  - GC Leadership Programme at all levels
  - Mental health, stress management and physical wellness
- Effective HSSE Supervision**
  - GC Training for all leaders
  - Deploy HSE Take-5
  - Regular safety intervention rally
  - HSSE Consequence Management
- Effective HSSE Communication**
  - Guideline in HSSE Induction Module for frontliners
  - Dissemination of HSSE infographic, alerts, lessons learnt, and HSSE Moments
  - Streamline UCUA and near-miss reporting



In 2023, MISC enhanced its commitment to safety by adopting the IOGP Life-Saving Rules. This initiative aims to raise safety awareness, prevent accidents, and ultimately save lives by fostering strict adherence to industry-standard safety practices.

The MISC Life-Saving Rules apply to all employees across the MISC Group, with a particular emphasis on frontliners who are directly involved in high-risk activities. These rules reinforce MISC's dedication to maintaining a culture of safety and accountability throughout its operations.

TOGETHER TOWARDS GENERATIVE HSSE	
Life-Saving Rules	HSSE Rules
<b>Bypassing Safety Controls</b> Obtain authorisation before overriding or disabling safety controls	Do not look at mobile devices while walking
<b>Confined Space</b> Obtain authorisation before entering a confined space	Do not use mobile phone while driving. Wear seatbelt and follow speed limit
<b>Driving</b> Follow safe driving rules	Comply with Substance Misuse Policy
<b>Energy Isolation</b> Verify isolation and zero energy before work begins	Do not smoke outside designated areas
<b>Hot Work</b> Control flammables and ignition sources	Comply with workplace cybersecurity requirements
<b>Line of Fire</b> Keep yourself and others out of the line of fire	
<b>Safe Mechanical Lifting</b> Plan lifting operations and control the area	
<b>Work Authorisation</b> Work with a valid permit when required	
<b>Working at Height</b> Protect yourself against a fall when working at height	
HSSE Commitments	
	Ensure our workplace is safe and hazard free
	Report unsafe conditions, unsafe acts and incidents
	Segregate and dispose waste responsibly
	Adopt behaviours that promote stress management and mental health
	Practise journey management

The HSSE Rules and the HSSE Commitments were introduced in 2023 and aimed at fostering a safe and healthy workplace, preventing accidents, protecting the environment, and ensuring compliance with relevant workplace policies and regulations. These are specifically tailored for all MISC Group employees working in office settings, reflecting our holistic approach to safety and sustainability across all aspects of our operations.

Reflective learnings are carried out for high-risk incidents to ensure lessons are effectively learnt and recurrence is prevented. The HSSE Incident Management process has been integrated into a mandatory e-learning module, required for completion by all employees to enhance their understanding of the implications of HSSE incidents. Additionally, the HSSE Lessons Learnt process has been enhanced through the creation of interactive learning tools, including a series of engaging videos.

## Operating Safely

### HSSE NON-COMPLIANCE MANAGEMENT

The HSSE Non-Compliance Management has been implemented to consider human factors in the incident and safety rules violation investigations. It intends to identify the failures and provide support in terms of training and mentoring, or rectification of behavioural concerns to prevent the recurrence of incidences. Major incidents are reviewed at the HSSE Council, chaired by the PGCEO and subsequent actions to be taken for any identified non-compliance by employees and contractors are endorsed.

As an outcome of major incident investigations, 17 personnel from both MISC and third-party contractors were subjected to HSSE Non-Compliance Consequence Management, including corrective counselling and temporary restriction of entry to worksites.

### PROCESS SAFETY

Process Safety Management (PSM) is a critical framework for managing risks in operations involving hazardous materials, focusing on preventing incidents like fires, explosions, and chemical releases. A vital element of PSM is addressing the Loss of Primary Containment (LOPC), which involves the unintentional release of hazardous substances due to equipment failures, operational errors, or maintenance issues. LOPC prevention and response mechanisms include real-time monitoring systems, automated alarms, and defined response protocols to escalate incidents effectively.

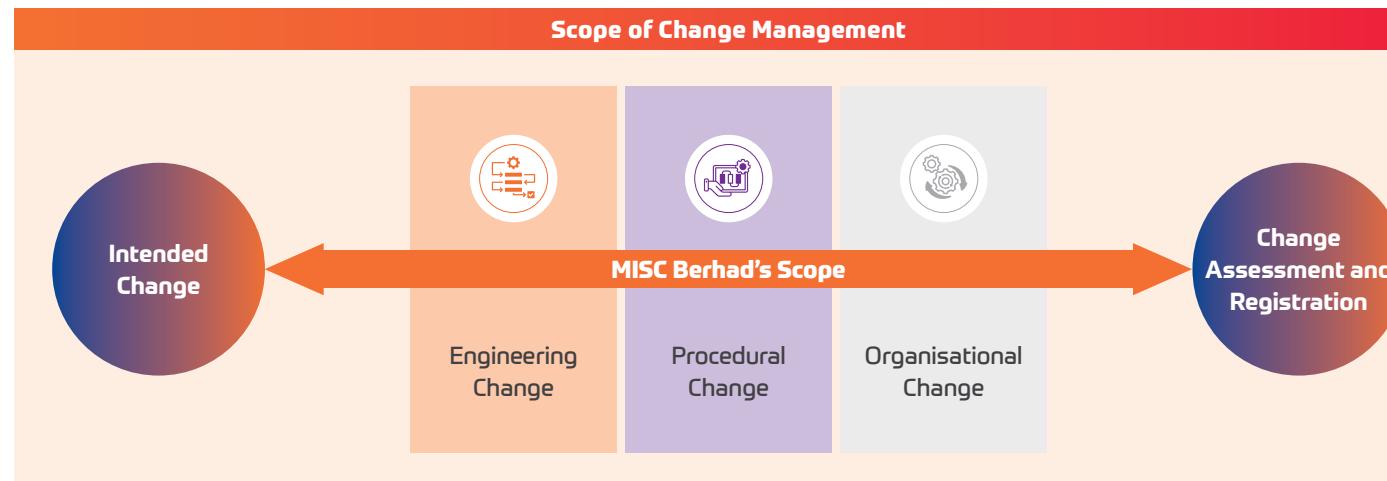
Safeguards such as engineering controls (e.g., fail-safe valves, robust process designs), administrative measures (e.g., detailed operating procedures, permit-to-work systems), and emergency systems (e.g., fire suppression and shutdown mechanisms) are in place. Regular audits, inspections, and compliance checks further enhance safety.

In Q2 2024, PETRONAS conducted a review of the Fire Prevention and Mitigation Framework (FPMF) on Marine Services operations, focusing on the design, operation, and maintenance of marine vessels and port terminals. The review confirmed that these operations are aligned with the FPMF standards and highlighted the consistency of MISC's practices with industry benchmarks.

### MANAGEMENT OF CHANGE

MISC Group operates in a dynamic business environment characterised by evolving requirements that can range from minor adjustments to major transformations. To address these challenges, an integrated MISC Group Management of Change (MOC) Guideline has been developed. This guideline aligns with the principles outlined in the MISC HSSE MS and the PETRONAS HSE Mandatory Control Framework (MCF) while incorporating the unique approaches of MISC entities for managing site-specific changes.

Beyond addressing operational risks, the MOC practice is being extended to corporate change initiatives at MISC's headquarters. This implementation involves structured layers of organisational and facility management, ensuring that corporate-level changes are systematically managed. The focus is on mitigating potential risks and ensuring seamless transitions while maintaining the efficient operation of the headquarters.



### ENHANCING SAFETY CULTURE THROUGH EFFECTIVE COMMUNICATION

Effective communication is a cornerstone of building a strong safety culture within an organisation. It promotes regular and open dialogue, fostering understanding, awareness, and adherence to safety rules and regulations. This proactive exchange of information not only enhances compliance but also creates a safer work environment, prioritising the well-being of all individuals.

#### HSSE Committee

Employees across the MISC Group are encouraged to raise any HSSE concerns through their respective HSSE Committees, which are established across the Group. These committees play a crucial role in ensuring that appropriate measures are implemented to address concerns, investigate and resolve issues raised by employees, and regularly review HSSE performance and initiatives. The committees, which meet quarterly, are chaired by the respective business heads. Any significant matters are escalated to the HSSES Council at the Group level for further deliberation and action.

#### Unsafe Condition Unsafe Act

MISC has implemented the UCUA reporting channel to empower employees in effectively raising HSSE-related concerns. The digital UCUA application offers several advanced features that streamline the reporting and management of HSSE issues across the MISC Group, enhancing overall workplace safety and compliance.

This unified reporting platform ensures that reports are automatically compiled at the Group HSSE level, thereby reducing administrative workload and improving efficiency. To encourage proactive reporting, the platform allows anonymous submissions, ensuring that employees can raise concerns without requiring user identification. The application performs daily live data analysis, enabling real-time trend identification and immediate response to potential risks. Additionally, the reporting format is customisable, allowing users to tailor reports to their specific requirements.

To further enhance functionality, additional features such as notification alerts, action tracking, and real-time status updates are currently under development to improve user experience and system efficiency.

In 2024, MISC received 80,771 UCUA reports from employees and contractors, all of which have been reviewed and addressed by the relevant onsite functions. Findings from UCUA analysis are communicated to employees through daily Toolbox Talks and targeted HSSE campaigns. Furthermore, HSSE Alerts and Lessons Learnt are regularly disseminated through workplace portals and email notifications, reinforcing a culture of continuous safety awareness and proactive risk management.

#### Stop Work Authority

The Stop Work Authority is one of several initiatives developed to promote safe behaviour amongst all employees both at sea and shore. In 2024, we recorded a total of 5,362 stop work and all concerns were resolved before the recommencement of work.

#### MISC Group HSSE Recognition Day 2023

The MISC Group HSSE Recognition Day 2023 was organised with participation of over 925 employees both physically and virtually from across the world to honour team and individual HSSE achievements. The HSSE Recognition Day was the main event of the HSSE and Sustainability Month organised in October 2024. During the event, we celebrated excellence in various categories such as the Walking Challenge, Race to Zero Waste, UCUA Best Submission and HSSE Personality of the Year. These achievements underscore the multifaceted approach we take to fostering GC.



## Operating Safely

## Operating Safely

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### SAFETY TRAINING

The work within the maritime industry involves various hazards, including heavy machinery, handling of hazardous materials, adverse weather conditions and navigation challenges. Regular, targeted and comprehensive safety training equips personnel with the knowledge to identify and mitigate these risks effectively.

#### Advanced Safety Communication Train-the-Trainer Programme

The ASC Train-the-Trainer programme was conducted by the MISC Group HSSE and AET personnel based in Singapore and the United States. The programme's objectives included enhancing safety leadership through improved engagement and communication skills, fostering genuine conversations about risks with the workforce, and applying behavioural safety principles to address unsafe acts and conditions while reinforcing good practices. It also aimed to increase understanding of risk control from both personal and technical safety perspectives, encouraging both line management and workforce involvement.

Key AET personnel are now trained in the ASC module, enabling them to train others and implement the programme at AET sites and onboard vessels. The adoption of ASC is expected to positively influence overall safety culture by promoting effective communication, encouraging the execution of Stop Work Authority, and fostering the identification and reinforcement of both positive behaviours and the awareness of unsafe acts and conditions.

#### Basic Occupational First Aid, CPR and AED Training

The 2-day Basic Occupational First Aid, cardiopulmonary resuscitation (CPR), and AED Training for the MISC Floor Safety Managers was successfully conducted from 18 to 19 September 2024. The training session included 13 participants from MISC Dayabumi and Wisma MISC.

The objective of the training was to equip Floor Safety Managers with the necessary skills to respond effectively to medical emergencies as first responders. The training focused on basic life support skills such as CPR and choking relief techniques. In addition, participants were trained in First Aid for managing various emergencies such as bleeding, burns, shock, fractures, and spinal injuries. This competency is essential for ensuring a safe working environment and it also reinforces the importance of making safety a shared responsibility among all employees.

### SAFETY AWARDS AND RECOGNITIONS 2024

We have been working tirelessly to embed the highest safety standards within our business operations through the implementation of a safety management system and various intervention programmes. In 2024, our efforts to enhance safety culture were recognised through several awards and platforms.

#### 42<sup>nd</sup> Malaysian Society for Occupational Health and Safety Awards 2024

MSOSH Award is an annual award presented to organisations in Malaysia that have achieved commendable OSH performance and have demonstrated continuous improvement in their OSH management system. The award assesses the implementation of the HSE Management System in managing safety and health risks within the workplace. Participating organisations will undergo rigorous document and site verification by MSOSH-appointed auditors and be further evaluated by the MSOSH Technical Committee for the respective awards. There is a total of seven categories where the highest is Platinum, followed by Grand, Gold Merit, Gold Class 1, Gold Class 2, Silver and Bronze.



Awards 2024		
<b>Grand</b>	<b>Gold Class 1</b>	<b>Gold Class 2</b>
<b>Entity:</b> MISC Maritime Services Sdn. Bhd. (Sungai Udang Port Sdn. Bhd.)	<b>Entity:</b> Malaysia Marine and Heavy Engineering Sdn. Bhd.	<b>Entity:</b> MISC Berhad - Malaysia Deepwater Production Contractors Sdn. Bhd. - <i>FPSO Kikeh</i>
<b>Sector:</b> Petroleum, Gas, Petrochemical & Allied Sectors	<b>Sector:</b> Petroleum, Gas, Petrochemical & Allied Sectors	<b>Sector:</b> Petroleum, Gas, Petrochemical & Allied Sectors
<b>Gold Merit</b>	<b>Gold Class 1</b>	<b>Gold Class 2</b>
<b>Entity:</b> MISC Berhad – FPSO Ventures Sdn. Bhd. ( <i>FSO Puteri Dulang</i> )	<b>Entity:</b> MISC Berhad - Malaysia Vietnam Offshore Terminal (L) Limited - <i>FSO Orkid</i>	<b>Entity:</b> MISC Berhad (Dayabumi)
<b>Sector:</b> Petroleum, Gas, Petrochemical & Allied Sectors	<b>Sector:</b> Petroleum, Gas, Petrochemical & Allied Sectors	<b>Sector:</b> Petroleum, Gas, Petrochemical & Allied Sectors
<b>Gold Class 1</b>	<b>Gold Class 1</b>	<b>Gold Class 2</b>
<b>Entity:</b> Akademi Laut Malaysia	<b>Entity:</b> Akademi Laut Malaysia	<b>Entity:</b> MISC Berhad (Dayabumi)
<b>Sector:</b> Educational Sectors		

#### PETRONAS Generative Culture Community of Practice Award

MISC Offshore's *FPSO Marechal Duque de Caxias* Project achieved an impressive milestone by securing second place in the Generative Culture Excellence Award. This prestigious recognition, part of PETRONAS' initiative to foster a culture of safety, integrity, and continuous improvement, recognised Offshore's dedication to exemplary HSE practices. It celebrates teams and individuals who embody the Generative HSE Culture Framework, which focuses on accountability and proactive safety measures tailored to the unique needs of business units and operating sites.

#### British Safety Award 2024

In June 2024, our Offshore's *FPSO Marechal Duque de Caxias* Project was honoured at the prestigious International Safety Awards by the British Safety Council, recognising the exemplary health, safety, and well-being practices put in place during the development of the FPSO unit. The project stood out for its advanced safety management system, featuring real-time monitoring, predictive analytics, and comprehensive training programmes, alongside a collaborative approach involving stakeholders through safety drills and feedback sessions.



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### Jones F. Devlin Safety Award

In 2024, MISC was awarded the CSA Jones F. Devlin Safety Award for 47 of its vessels, where 38 vessels in our Petroleum & Products fleet operated a total of 282 years with no lost-time injuries, six vessels in our GAS fleet operated a total of 13 years with no lost-time injuries and three of our lightering support vessels operated a total of 30 years with no lost-time injuries.

### Outstanding Partnering Award from Chevron

MOFT, a subsidiary of MISC, along with FVSB, was awarded the 2023 Outstanding Partnering Award by Chevron. The award was presented at Chevron's annual Contractor Operations Excellence Forum, acknowledging excellent teamwork and commitment to fostering leadership, operational excellence culture, continuous learning and improvement, and psychological safety among their business partners.

Chevron highlighted the teams' dedication and collaboration as key factors in their decision. As MOFT, MISC, and FVSB continue to innovate and expand their capabilities, fostering cross-learning and knowledge sharing, we remain committed to building strong partnerships and delivering exceptional value to our clients.

### Malaysian Industrial Safety and Health Association National Excellence Award

MHB was honoured at the MiSHA National Excellence Award 2024 with the Prime Award Platinum and Specific Award Gold, for the Kasawari CCS project. These awards signify our efforts to elevate the safety and health culture within our operations through the implementation of various innovative measures. This achievement reinforces our commitment to occupational safety and health excellence.



### Safety Programmes

#### MDPC's HSSE Contractors Forum

MDPC, the former joint venture company between MISC and SBM Offshore for *FPSO Kikeh*, successfully conducted its HSSE Contractor Forum, marking a significant milestone in strengthening the partnership between MDPC and its contractors in pursuit of safety excellence. The event brought together key stakeholders from various organisations including PTTEP, MISC, and SBM, demonstrating a unified commitment to elevating HSSE standards across operations and setting the way forward for 2024.

The forum effectively addressed three core objectives:

- Enhancing contractor management frameworks through shared experiences and best practices
- Cultivating a Generative HSSE Culture that goes beyond compliance
- Strengthening collaborative partnerships between MDPC and its contractors

The event concluded with recognition of exemplary HSSE performers, reinforcing the message that safety excellence is not just an expectation but a celebrated achievement. As the industry continues to evolve, the insights and commitments established during this forum will serve as a cornerstone for sustained HSSE excellence across MDPC's operations and its contractor network.

### Safety Programmes

#### FPSO Bunga Kertas HSEQ Appreciation Day

On 25 November 2024, the *FPSO Bunga Kertas* Redeployment Project achieved a significant milestone at the MMHE Yard in Pasir Gudang, Johor, with a commendable 2 million man-hours without any LTI. It stands as a powerful testament to our shared commitment to putting Health, Safety, Environment, and Quality (HSEQ) at the heart of everything we do.

In celebrating this milestone, the HSEQ Day was held, and was officiated by Vice President, Offshore, Vice President of Operations, Chevron Thailand and Project Director of MHB. The top awards given were the HSE Champion Worker Award, HSE Champion Supervisor Award, and Quality Champion Award.

After the ceremony, the Management team took a walkabout onboard the *FPSO Bunga Kertas*, engaging with the crew, inspecting facilities, and observing the operations and safety measures behind this achievement.

### Lateral Learning Session

In May 2024, a Lateral Learning session was conducted by PETRONAS, bringing together participants from the HSSE fraternity across all entities to share insights from major incidents within the organisation. This session focused on understanding root causes, identifying preventative measures, and reinforcing best practices to avoid the recurrence of similar incidents.

To ensure the dissemination of these critical lessons learned, subsequent Lateral Learning sessions were held across individual entities within the MISC Group. These sessions aim to embed the insights gained into the operational and safety practices of the Group, fostering a culture of continuous improvement and proactive risk management.

### Community Safety

Beyond ensuring the safety of our employees, MISC remains steadfast in its commitment to protecting the well-being of local communities where we operate. In 2024, this commitment was demonstrated through two rescue operations involving *Seri Daya* and *Seri Emperor*, both of which played a crucial role in saving distressed individuals at sea.

During the first incident, the crew of *Seri Daya* encountered a boat in distress while navigating the rough seas of the Straits of Florida, approximately 60 nautical miles from the nearest land. Responding swiftly, they rescued five individuals who had endured eight arduous days at sea. The crew provided immediate care and support before safely transferring the survivors to the US Coast Guard Cutter for further assistance.

In the second incident, *Seri Emperor* diverted from its course in response to a distress call in the Pacific Ocean. The crew successfully assisted a mother, her child, and their pets as Hurricane Gilma intensified, posing an imminent threat to their safety. Through vigilant watchkeeping and coordination with the Joint Rescue Coordination Center Honolulu, the crew ensured their safety until the USS William P. Lawrence arrived to complete the rescue operation.

These heroic efforts were formally recognised by the MPA, reaffirming MISC's unwavering commitment to safeguarding lives at sea. The crew's actions exemplify professionalism, vigilance, and an enduring sense of responsibility, reflecting MISC's core values in upholding maritime safety and humanitarian efforts.



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### OCCUPATIONAL HEALTH

MISC recognises the physically demanding and mentally challenging nature of work faced by its sea and shore employees. Tasks such as manual handling, heavy lifting, and navigating difficult conditions require significant physical effort, while the isolation, confinement, and prolonged durations at sea can affect the mental health of seafarers. To address these challenges, occupational health considerations include the ergonomic design of workspaces, seating arrangements, and equipment to ensure the well-being of employees.

Guided by the HSE Policy and the MISC Substance Misuse Policy, MISC's occupational health management framework focuses on preventing and controlling accidents and work-related diseases. These measures are designed to create a safe and healthy working environment, prioritising both physical and mental health to support employees in performing their roles effectively and safely.

#### OCCUPATIONAL HEALTH AND INDUSTRIAL HYGIENE PROGRAMME

At MISC, our Occupational Health and Industrial Hygiene (OHIH) Programme is our commitment to fostering a safe and healthy work environment for all. Through this programme, we have implemented key initiatives that cover a spectrum of measures aimed at preventing occupational hazards, managing infectious diseases and enhancing the overall well-being of our workforce.

##### NURSING ROOM



We provide mothers room in Menara Dayabumi. These accommodations are available throughout the day for nursing mothers.

##### GYM



Working out at the gym releases norepinephrine hormones which results in reduced stress, enhanced mood and better brain function. In 2022, we reopened our newly revamped gym in our Menara Dayabumi office. We also have a dedicated instructors to help guide our employees in their workout routine.

##### JAMMING ROOM



Another way of destressing is through music. Our jamming room in Menara Dayabumi is accessible to our employees, complete with a jamming equipments such as guitar, drum, sound systems and others.

In 2024, we have significantly advanced our commitment to OHIH through a series of strategic initiatives and new guidelines as follows:

#### Occupational Health - New Guidelines in 2024

##### MISC Noise and Hearing Conservation Internal Programme

This programme provides the minimum requirements of noise and hearing conservation measures and initiatives within the Group. The guideline was developed to ensure the programme is implemented and complies with corporate standards, and industry best practices and within the relevant legislative requirements.

##### Guideline on Health Protection Against Air Pollution

The guideline provides measures to safeguard workers' health from air pollution and to ensure that the programme is carried out systematically across the entire organisation.

### Substance Misuse Programme

In 2024, a total of 5,362 substance misuse test, 4,252 alcohol test were administered. From this, five employees tested positive and were consequently managed according to established protocols.

### Health and Well-being Programme

#### Health Passport Programme

The Health Passport Programme is a health screening programme to assess employees' risk of cardiovascular disease using Framingham's score. This voluntary initiative is open to shore staff at three locations which are ALAM, MMHE and Dayabumi.

In 2024, a total of 859 employees across the Group participated in this programme.



#### MISC Group Walking Challenge

MISC Group Walking Challenge is a team-based activity designed to promote active lifestyles and encourage employees to achieve 10,000 steps every day. This challenge engaged team members in a collective step-counting target, involving 90 teams and 360 employees across the Group.



#### AET Global Steps Challenge

In September 2024, the Global Steps Challenge was launched by AET as part of its commitment to promoting physical well-being and encouraging healthy habits among its global workforce. With a weekly target of 30,000 steps, the challenge aimed to highlight the numerous health benefits of walking, including enhanced cardiovascular health and a stronger immune system.

#### AET Water for Wellness Challenge

In August 2024, AET launched the Water for Wellness Challenge, a month-long initiative promoting hydration, physical well-being, and team camaraderie. Colleagues used smart water bottles and a mobile application to track their hydration progress, engaging in a fun and friendly competition. This challenge highlighted the critical link between well-being and productivity while strengthening the global AET community.



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### Health and Well-being Programme

#### Mind Guardian Programme

Marine Services takes pride in maintaining its steadfast commitment to employee well-being through the successful continuation of the Mind Guardian programme. This distinctive in-house programme aims to empower our Top 4 officers and shore employees with the knowledge and skills needed to identify signs of depression and anxiety among colleagues. Through this programme, participants learn essential counselling skills to enable them to act as first responders onboard.

Additionally, our seafarers are provided with 24/7 access to the Psychological Counselling Programme (PCP) offered by Mental Health Support Solutions. This interactive training brings together a diverse group of participants from both sea and shore, focusing on the well-being of the seafarer community. To date, we have successfully engaged 89% of our Fleet Senior Officers and shore-based personnel in the programme.

#### Workshop and Engagement Session for Medical Examiners of MISC's Seafarers

A workshop was held on 13 December at Wisma MISC, organised by the OHIH team of Group HSSE for our medical examiners. It was aimed at sharing the details of our recent revision of the seafarers' Pre-Employment Medical Examination to strengthen our partnership with medical examiners and contribute to MISC's mission to uphold the highest standards of health and safety for our seafarers. The workshop saw the attendance of around 60 attendees comprising stakeholders from Marine Services, our medical panel provider and doctors.



#### Women At Sea by Global Maritime Forum

Marine Services is actively participating in the Women At Sea programme, which aims to enhance the well-being of female personnel in the maritime industry. By nominating the *Puteri Firus Satu* as a pilot vessel with five females onboard, Marine Services is taking significant steps to create a safe and supportive working environment for women at sea. We have implemented key measures to ensure equal access to professional success, providing fair processes and practices for career advancement.

Additionally, Marine Services is promoting the use of inclusive language and behaviour to foster a respectful culture onboard. Comprehensive employment practices, including detailed contracts, career planning resources, and maternity packages, are also being established to support female employees. Furthermore, the physical conditions on board are being improved to ensure it is conducive for female crew members. To address safety concerns, Marine Services is enforcing strict policies to prevent abuse, bullying, and harassment, particularly regarding sexualised behaviour. Through these initiatives, Marine Services is committed to creating a more inclusive and equitable maritime industry for women.

### Health and Well-being Programme

#### Health Risk Assessment

Health risk assessment is integral towards ensuring employee health and safety at the workplace. The assessment helps MISC to assess health risks that may present in our facilities and operations and ensure appropriate controls are identified and put in place to safeguard our employee health. Key health elements assessed are chemical, physical (includes noise, radiation, vibration, lighting, etc.) psychosocial, ergonomic and biological risks. MISC completed the health risk assessments in 2024 for the following locations:

Wisma MISC

Sungai Udang Port Sdn. Bhd.

Sabah Oil and Gas Terminal

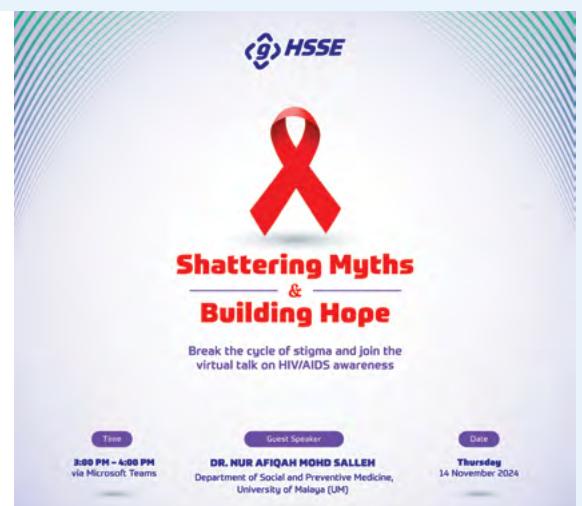
Recommendations under these reports have helped us to improve the health and well-being of our employees and contractors in our facilities.

#### Tuberculosis Awareness Programme

An awareness programme on tuberculosis was also held for all MISC's employees where information was shared on how to prevent and treat the disease.

#### HIV/AIDS Awareness Talk

A virtual health talk on HIV/AIDS was held on 14 November for all MISC employees, led by a consultant physician for the World Health Organisation (WHO), the United Nations Development Programme (UNDP), and the International Drug Policy Consortium (IDPC). It was designed to deepen understanding of the disease, address stigmas, explore prevention strategies, and provide guidance on supporting those affected.



#### Nothing to Hide Programme

Nothing to Hide Programme (N2H) is a programme focusing on identifying potential gaps at our worksites before it could lead to incident or reputational damage to MISC. SMEs from Group HSSE visited sites to identify opportunities for improvement.

#### Food & Water Safety Programme

During the N2H, the OHIH team visited ALAM and MMHE to assess food preparation and handling processes and areas, including dining areas. From the assessment, some findings were identified, and recommendations have been made for further improvement.

ALAM and MMHE have obtained the BESS (Bersih, Selamat & Sihat) certifications from the local health authorities, strengthening our commitment to maintaining a clean and hygienic environment for food preparation.

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### Health and Well-being Programme

#### Mental Health Awareness Programme 2024

In conjunction with World Mental Health Day in October, a series of activities promoting mental wellness were organised throughout the month including:

1 **Health promotional materials (Video and Poster)**

2 **Launching of Mental Wellness Toolkit 2.0**

3 **Mental Health Talk:**

Health Podcast entitled *Navigating the Mind, A Mental Health Exploration*

### Building Mental & Emotional Strength Through Resilience & Creating a Psychologically Safe Culture

In 2024, a total of 23 sessions were held for our cadets at ALAM to strengthen their mental and emotional resilience and promote a psychologically safe culture. The programme focused on equipping our cadets with the skills to manage stress, adapt to challenges, and support each other in an inclusive environment. By encouraging open communication and prioritising emotional well-being, we are dedicated to creating a safe environment where everyone can thrive.

### Abridged CadetPlus Programme

Marine Services, Wavelink Maritime Institute (WMI) Singapore, and ALAM collaborated to organise the Abridged CadetPlus Programme which was held in ALAM from 17 to 18 September 2024. Thirty cadets participated in this programme where they gained knowledge about the necessary safety leadership skills and mental health awareness to prepare them for shipboard service and the unique challenges of life at sea.

## SECURITY

### SECURITY CHALLENGES IN 2024: NAVIGATING UNCHARTED WATERS

In 2024, MISC encountered numerous security challenges that highlighted the complexity and unpredictability of maritime operations. As a leading shipping company, our unwavering commitment to the safety and security of our people and assets was put to the test. This year, we faced significant threats, particularly in High-Risk Areas (HRAs) such as the Red Sea and the Indian Ocean.

The Red Sea remains a hotspot for maritime security threats, primarily due to the ongoing conflict involving Houthi rebels. These insurgents have intensified their attacks on commercial vessels, posing a severe risk to international shipping lanes throughout 2024, underscoring the persistent danger in this region. The unpredictability and frequency of these attacks necessitate constant vigilance and robust security measures.

### REDEFINING MARITIME SECURITY IN HIGH-RISK AREAS

The rise in drone-related incidents has added a new and complex dimension to maritime security. Unmanned Aerial Systems (UAS) are capable of carrying out explosive strikes and deploying electronic warfare attacks, which can severely disrupt the navigation and communication systems of vessels. The sophistication, versatility, and potential scale of these threats demand advanced detection systems and mitigation technologies to protect maritime assets effectively. Addressing these emerging threats requires enhanced international cooperation, with a particular focus on improving intelligence-sharing and developing robust regulatory frameworks. Additionally, Man-in-the-Middle (MITM) attacks, where communications between ships and ports are intercepted and altered, have become increasingly common.

### FORGING ALLIANCES FOR A SAFER MARITIME ECOSYSTEM

Addressing these multifaceted security challenges requires a comprehensive and collaborative approach. MISC is committed to working closely with its internal business units, subsidiaries, international organisations, governments, and industry partners to enhance maritime security. In 2024, MISC has made significant strides in the following areas:

Strategic engagement and collaboration with internal and external stakeholders

Programmes, workshops, and awareness initiatives

Developing necessary guidelines and assessments through current threat analysis

### Engagement with the Royal Malaysian Navy

Our continued strategic engagement with the Royal Malaysian Navy (RMN), has been pivotal in enhancing maritime security. Through courtesy calls, formal agreements, joint exercises, and documentation collaborations, we have fostered robust relationships and facilitated effective information exchange.

We signed a Term of Reference (TOR) with RMN in August 2024. The TOR is the outcome of decades of collaboration in maritime security and operational excellence between both parties, establishing a formal framework for future engagements. It solidifies the strong ties between both organisations and is set to be a benchmark in maritime intelligence and security, further strengthening our shared commitment to regional maritime security and supporting national interests.

A highlight of this partnership is the annual security exercise, Naga Emas, which took place in October onboard our vessel, *Puteri Zamrud Satu*. This exercise, now in its 70<sup>th</sup> iteration, allows RMN special forces to train with merchant Navy vessels, improving engagement with our ship management team and enhancing onboard security monitoring. This year's exercise was a collaborative effort involving Gas Assets & Solutions and Marine Services, showcasing our internal capacity to work together seamlessly as one unit to organise a successful and impactful exercise.

In addition, the RMN's Sea Power Centre (RMN SPC), the esteemed intellectual hub of the Navy, conducted a courtesy call to MISC on 21 October 2024. Through this partnership, RMN SPC will document key milestones to preserve our shared maritime heritage via research, seminars, publications, and strategic engagements. This collaboration is grounded in the historic 2008 Op Fajar mission and has been further reinforced through initiatives such as *Bunga Mas Lima*, *Bunga Mas Enam*, and PALAPES-Laut at ALAM. This visit also highlights the enduring collaboration between MISC and the RMN. Together, MISC and RMN form an exemplary alliance united in their commitment to protecting lives and securing Malaysia's maritime interests for future generations.



### Engagement with Royal Malaysian Police

MISC continues to foster strategic collaboration with key national security agencies, including the Royal Malaysian Police (RMP), as part of our ongoing efforts to strengthen the MISC's security resilience and operational readiness. These engagements play a pivotal role in ensuring the smooth execution of security operations across our global footprint, and enhancing MISC's intelligence-gathering capabilities and crisis management preparedness.

In November 2024, MISC had the privilege of hosting a delegation from the RMP at our Crisis Management Centre (CMC), providing an opportunity to showcase our security framework and exchange valuable insights. These ongoing

engagements not only facilitate access to reliable intelligence sources but also enable MISC to benefit from expert advisory support in conducting comprehensive risk assessments and enhancing our ability to proactively address emerging security challenges across the maritime domain.



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### Engagement with National Central Bureau

In September, to proactively ensure the safety and security of our people and assets onshore, we began our first engagement with the National Central Bureau (NCB) INTERPOL Malaysia. This potential partnership between MISC and INTERPOL kicked off with our participation in the Chemical and Explosives Terrorism Prevention (CHEMEX) Programme. INTERPOL's CHEMEX Programme aims to enhance the ability of law enforcement agencies to prevent, detect, respond to, and investigate criminal or terrorist

incidents involving chemical and explosive materials. The operating model has been designed to ensure that all activities adequately reflect the identified needs of countries while offering maximum potential to develop knowledge and skills, and thus close capability gaps. Building a long-term relationship with the RMP ensures we have access to fast assistance in all security-related matters, particularly onshore.

### Engagement with International Fusion Centre of Singapore

Similarly, we have extended our strategic engagement with international agencies. During the escalation of security incidents in the Red Sea, the International Fusion Centre of Singapore (IFC) has been invaluable in providing crucial firsthand information. This support has been pivotal for conducting risk assessments, making informed decisions, and offering constant guidance to our mariners. IFC's expertise was also showcased in our maritime security awareness programme, "Bridging Borders – Collaboration Solutions for Maritime Security," where they shared valuable insights on maritime security.

We further strengthened this relationship by hosting the IFC's visit to the MISC Group office at Menara Dayabumi. This engagement has established a strong connection and

trust with a key enforcement agency that plays a vital role in monitoring and surveillance across Southeast Asia and the Indian Ocean. Such strategic engagements are essential in fostering effective partnerships that enhance maritime security and operational readiness. Through initiatives including meetings, visits, and joint programmes, MISC is committed to building a network of reliable partners with strategic agencies. These efforts not only ensure mutual support during emergencies or crises but also contribute to the overarching objective of maintaining maritime safety and stability. The relationships and collaborative efforts developed through these engagements provide MISC with strategic assistance, expert guidance, and a foundation for continuous improvement in maritime operations.

### Engagement with Maritime Institute of Malaysia

In addition to our collaborations with enforcement agencies, MISC is dedicated to extending our partnerships with organisations that play a crucial role in fostering international cooperation and enhancing maritime security. MIMA has been instrumental in ensuring the safety, security, and sustainability of Malaysia's maritime domain. Our partnership with MIMA was highlighted by their expert

participation in our maritime awareness programme, "Bridging Borders: Collaboration Solutions for Maritime Security." This engagement has facilitated valuable information sharing and built long-term trust, enabling us to conduct more accurate risk assessments and significantly enhance our overall security posture.

### Engagement with the Malaysian National Security Council

To mitigate emerging security threats in the Middle East HRA, MISC took a proactive approach by initiating a coordinated meeting with various inter-agency stakeholders, led by the Malaysian National Security Council (NSC). This initiative was implemented to prevent MISC vessels from becoming unintended targets amid escalating tensions, particularly following attacks by the Houthi group on vessels linked to Israel in the Red Sea, Bab Al-Mandeb, and the Gulf of Aden. Given the substantial financial and operational losses suffered by multiple shipping companies, MISC underscored the vulnerabilities faced by commercial vessels transiting these high-risk areas.

In response, the NSC issued a directive to MISC on maritime security, focusing on ensuring Safe Conduct and Safe Passage for vessels navigating HRAs, including the Red Sea, Bab Al-Mandeb, and the Gulf of Aden. This directive emphasised the necessity for coordinated efforts among

various agencies, including ship masters and crews, MISC, the Prime Minister's Department, the Ministry of Foreign Affairs, the Royal Malaysian Navy, and the Malaysian Marine Department. The directive sought to ensure that all deployed resources were aligned with national security interests while reinforcing MISC's commitment to the safety of its operations.

Beyond benefiting MISC, this directive also provided strategic guidance for other commercial shipping entities that may require government support, particularly in receiving real-time intelligence on evolving security threats beyond publicly available sources. Furthermore, the directive included a strong focus on human rights, particularly regarding the safety and well-being of seafarers transiting HRAs. This indirectly reinforced the protection of ship crews and upheld their fundamental right to life and security, ensuring that maritime security measures prioritise both operational resilience and humanitarian considerations.

## STRATEGIC ENGAGEMENTS AND COLLABORATION WITH INTERNAL STAKEHOLDERS

In addition to our collaboration and engagement with external stakeholders, MISC maintains consistent engagement with internal stakeholders, including PETRONAS, to ensure the effective execution of security operations at the MISC entity level. In August 2024, we successfully hosted a Security Management System (SeMS) workshop, which brought together participants from across the Group, subsidiaries, and key stakeholders. The workshop emphasised the importance of integrating SeMS into MISC's operations, ensuring that security practices adhere to both domestic and international standards. The primary objective of SeMS is to establish consistent and standardised technical practices across all aspects of MISC's operations, with a strong emphasis on promoting human rights and safeguarding the well-being of employees.

The workshop emphasised governance, risk assessment, and investigation. Governance directly addresses human rights for employees within the Group, while the investigation syllabus highlights the critical role of protecting human rights by allowing violations to be identified, documented, and addressed. Furthermore, employees identified as witnesses are given the freedom to participate in providing information to the investigation team voluntarily.

SeMS provides a well-defined process where investigations are conducted independently, free from conflicts of interest or undue influence that could compromise the integrity of the process. This ensures the integrity of the process and guarantees that the rights of employees are protected.

By integrating SeMS into its operational framework, MISC has created a comprehensive system that addresses both security concerns and human rights. The SeMS workshop and its ongoing implementation reflect MISC's commitment to ensuring that security practices align with the principles of respect, fairness, and dignity for all employees. As MISC continues to enhance its security measures and human rights initiatives, the Group is reinforcing its commitment to a safe and supportive workplace that upholds the rights of its people while maintaining high standards of operational excellence.

### Pioneering Security Awareness

Apart from the workshops meant for security fraternities across the MISC Group, we worked to enhance employees' awareness from security perspectives through the following activities:

#### 1 "Bridging Borders: Collaboration Solutions for Maritime Security"

In March, we organised a maritime security awareness programme titled "Bridging Borders: Collaborative Solutions for Maritime Security". Esteemed speakers from MIMA and the IFC of Singapore were invited to share their insights and expertise on ensuring safe navigation and countering emerging threats. This programme successfully highlighted the critical importance of collaborative efforts and collective action in addressing the multifaceted challenges of maritime security.

#### 2 Malaysia Maritime Week: "Navigating New Threats: MISC's Strategic Rerouting and Security Measures in the Red Sea"

We also participated in Malaysia Maritime Week 2024 (MMW) on 30 July 2024, emphasising the integration of human rights principles into maritime operations. The forum highlighted the importance of protecting workers from exploitation, forced labour, and human trafficking, as well as promoting safe and fair working conditions across the maritime industry. In addition, MISC showcased its ongoing efforts to implement sustainable practices, ensuring that the welfare of seafarers and other maritime workers remains a top priority.

#### 3 Drone Awareness Programme: "Eye of the Sky"

MISC GHSSE successfully hosted the Drone Awareness Programme – Eye of the Sky, which showcased the role of advanced surveillance technologies in enhancing maritime safety and security. The programme demonstrated how drones can improve monitoring capabilities, facilitate real-time data collection, and enhance response times in emergencies. By adopting innovative solutions like drones, MISC can reduce risks, optimise resources, and contribute to a safer maritime environment. Moreover, the use of drones aligns with global sustainability goals by reducing the need for traditional, resource-intensive surveillance methods, thereby minimising environmental impact.

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The Human Factor in Security
<p>In September 2024, MISC GHSSE issued the latest security guidelines for handling and monitoring personal valuables and MISC assets registered under employees' names. These guidelines are designed to help mitigate the risk of threats and security incidents in the workplace, ensuring the security of both personal valuables and other assets, including workplace property.</p> <p>These guidelines emphasise the responsibility of employees when handling personal valuables, including company assets, whether they are in the office, onshore, offshore, or carrying out company official duties. By mitigating risks related to personal valuables and company asset security, these guidelines support the broader human rights elements to a safe and healthy workplace, free from harm or threats.</p>

Charting the Course Ahead
<p>As the maritime sector continues to face security challenges, MISC remains steadfast in its mission to navigate these complexities with confidence and foresight. By embracing innovation, strengthening alliances, and prioritising the safety of our people, we are not just responding to threats but actively shaping the future of maritime security. Through our efforts in 2024, MISC has demonstrated that resilience is not just about withstanding challenges but about adapting, innovating, and leading with purpose.</p> <p>Looking ahead, we remain committed to continuous improvement. With proper planning and well-prepared measures, we can further refine our security procedures, embrace emerging technologies, and foster a culture of vigilance and preparedness.</p>

## AUDIT AND ASSURANCE

MISC's HSSE practices are subjected to rigorous internal audits and assurance processes conducted by GHSSE. These efforts aim to emphasise the importance of safety for ships and floating assets, verify and evaluate risk controls, and identify any challenges that may impede their effective implementation. The activities of our group entities, business partners and third-party service providers are also included in these audits to foster transparency and drive business excellence.

The audit and assurance processes further assess the adequacy and efficiency of implemented controls and ensure compliance with relevant laws and regulations. Insights gained from these exercises enable us and our partners to identify potential areas to address, reinforcing our commitment to operational integrity and continuous improvement.

### GROUP HSSE AUDIT AND ASSURANCE

Through an independent HSSE MS Assurance, the audit established a standardised approach for managing risks associated with business entities and partners, including third-party involvement in vessels and offshore assets operations. This process, ensure safety, regulatory compliance, and alignment with HSSE standards. Effective management of third-party risks strengthens operational integrity, safeguarding personnel assets including environmental and reputational risks.

Category	Description	No. of Audits and Assurances Conducted in 2024
<b>Marine Asset Assurance (Floating Assets)</b>	<ul style="list-style-type: none"> <li>Conducted for FPSO, FSO and Floating Storage Regasification Unit (FSRU).</li> <li>Audits are conducted at two-year intervals and the scope of the inspection is based on the 12 elements of the OCIMF Guidelines on the marine assessment of F(P)SO, the Group's Operations Manuals and all relevant legislations applicable to the assets.</li> </ul>	2

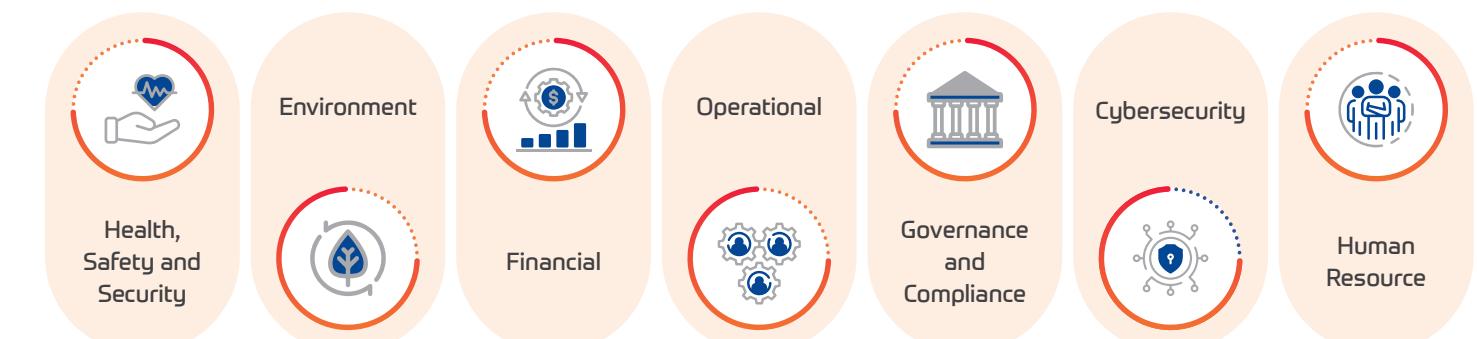
Category	Description	No. of Audits and Assurances Conducted in 2024
<b>HSSE MS Assurance</b>	<ul style="list-style-type: none"> <li>Audits conducted on MISC Group Entities, Business partners/suppliers every two to three years rotationally.</li> <li>Covers topics such as: <ul style="list-style-type: none"> <li>Leadership and Commitment</li> <li>Policy and Strategic Objectives</li> <li>Organisation, Responsibilities, Resources, Standards and Documents</li> <li>Hazards and Effects Management Process</li> <li>Planning and Procedures</li> <li>Implementation and Monitoring</li> <li>Assurance</li> <li>Management Review</li> </ul> </li> </ul>	25
<b>Ship Recycling Yard Assurance</b>	<ul style="list-style-type: none"> <li>Conducted to assess conditions and suitability of ship recycling yards that comply with health, safety and environmental standards including workers welfare and rights.</li> </ul>	2

*Note:*  
Total including Group Entities, Business Partners, and Third-party Ship Managers.

From the audit and assurance exercise conducted, a total of 189 findings were generated. The findings are systematically tracked and monitored until they are effectively closed out.

## CRISIS MANAGEMENT AND BUSINESS CONTINUITY PLANNING

The Strategic Crisis Management Guideline (SCMG) was established in 2023 to ensure that MISC can effectively respond to and recover from operational and non-operational crises, while also reducing the potential impact on the organisation's reputation and operations and maintaining financial stability. This guideline also promotes preparedness, response coordination and continuous improvement in crisis management practices. The SCMG covers the following seven categories of risks that could escalate to a crisis:



Apart from the SCMG, the HSSES Council has approved the MISC Business Continuity Management Framework (BCMF) to set expectations for clear and consistent Business Continuity Management (BCM) practices throughout the Group. Through the BCM process, the Business Continuity Plan (BCP) is developed to enhance MISC's readiness to recover and restore essential business functions within a reasonable time to sustain business activities and minimise stakeholder disruption. Annual Business Impact Analysis (BIA) and recovery plan strategy reviews are carried out to ensure changes in the Group are risk-assessed, analysed and mitigated. Prior to this, MISC had adopted the PETRONAS BCMF and their guidelines on BIA and Business Recovery Strategy (BRS) which we have incorporated into the BCMF.

## Operating Safely

In 2024, we conducted various programmes and training such as:

1	Training on PETRONAS Crisis Management Information System (CMIS): Held on 9 to 11 July 2024, attended by 20 participants
2	Training on PETRONAS Emergency Crisis Management (ECM) (PTS 18.40.01): 5 participants
3	MISC Crisis Management Familiarisation Session with Alternate CMT Members: Held on 17 October 2024, attended by 12 participants
4	Rollout of MISC BCMF: MISC Crisis Management Drill (Tier-3): Held on 2 December 2024
5	MISC CMC Tech Refresh and Room Upgrade – in progress, target completion March 2025

### INTEGRATED CRISIS MANAGEMENT TABLETOP EXERCISE

In December 2024, we successfully conducted the Integrated Crisis Management Tabletop Exercise to strengthen our preparation for managing maritime incidents. This exercise involved the MISC Crisis Management Team (CMT) (Tier-3) and Emergency Management Team (EMT) (Tier-2) from Marine Services and AET offices in Kuala Lumpur and Singapore.

The exercise which spanned 5.5 hours, simulated a collision between a container vessel and a large tanker from AET's fleet, resulting in an oil spill and significant damage to the tanker within the Malacca Straits. The exercise provided valuable insights into our crisis response capabilities and highlighted areas for improvement. We have identified recommendations for improvement to enhance our crisis response and preparedness.

### ASSET INTEGRITY MANAGEMENT

At MISC, there are two types of critical assets: vessels (AET and GAS) and offshore facilities. Due to the different nature of these assets, the asset integrity is managed differently, as elaborated in the following section.

### INTEGRITY OF VESSELS

MISC is subject to applicable IMO Conventions such as SOLAS, MARPOL and the International Convention of Load Lines. We are also guided by the contract terms to manage our assets. Vessel integrity management is under the purview of Marine Services and other appointed ship managers.

Part of ensuring vessel integrity is through risk management which is managed through the vessel's annual Planned Maintenance System (PMS). The PMS also acts as the asset management plan where the PMS on all our vessels is approved by the appointed Classification Societies. This enables our ship manager to plan, perform and document vessel maintenance at intervals complying with Class and manufacturer requirements, in ensuring safe and reliable vessel operations.

We ensure the robustness of vessel integrity management through various regulatory and industry audits such as:

#### Mandatory regulatory surveys:

1

- Conducted by the appointed Classification Society on behalf of the flag state where the frequency is specified according to relevant regulations

Tanker Management and Self Assessment (TMSA) Programme and Ship Inspection Report (SIRE) Programme developed by the OCIMF, which our customers are also members of:

2

- TMSA assesses our ship manager's safety management system against set KPIs and minimum standards
- SIRE assesses shipboard quality and safety standards

#### Audits by ship managers:

3

- Conducted annually for all our vessels per the regulatory requirements by the vessel's flag state and relevant ISO standards on quality, environmental, safety and energy management

Findings from these audits and assessments are used for continuous improvement in ensuring the integrity and efficiency of our vessels.

### INTEGRITY OF OFFSHORE FACILITIES

The Offshore segment is certified with the ISO 55001 Asset Management System. To maintain compliance with this standard, we established the Asset Management Policy and Asset Management System Manual. These documents guide us in ensuring compliance with relevant regulatory requirements, meeting customer expectations and industry standards and enhancing safety and security measures. The offshore facilities integrity management is under the purview of the Director of the Asset Management Department Offshore.

To ensure identified risks are managed and minimised for our offshore facilities, we conduct Project Risk Assessment (PRA) to identify risks and develop mitigation or corrective action plans. The PRA processes and outcomes are reviewed by the Offshore Business Council. Furthermore, any risks arising from our Offshore operations are also monitored through the ERM platform.

Through the ISO 55001 certification, yearly surveillance audits are conducted, and recertification audits are conducted in three-year intervals, by an external auditor. Internal audits are also performed before these audits to ensure readiness for surveillance and recertification. Findings from these audits are used for continual improvement in ensuring the integrity of our offshore facilities.

#### FPSO Marechal Duque de Caxias Received Provisional Acceptance Upon Arrival in Brazil

The FPSO Marechal Duque de Caxias arrived in Brazil on 27 May 2024, after sailing from Yantai, China, heading for the Mero field in the pre-salt Santos Basin.

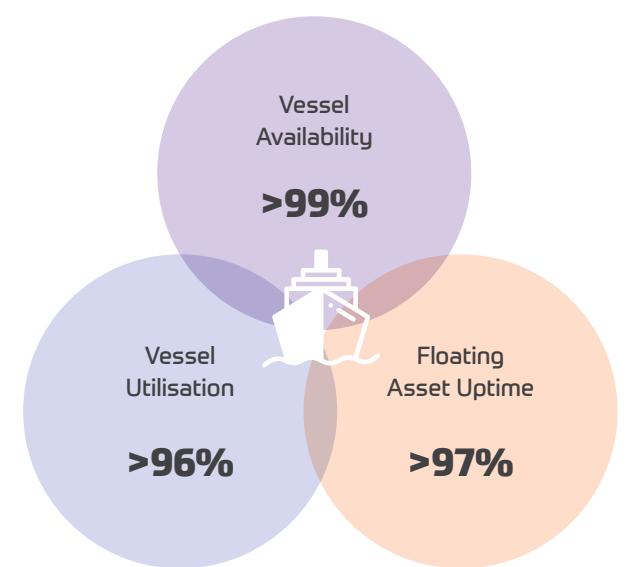
Provisional Acceptance Certificate for the FPSO Marechal Duque de Caxias was completed only 18 hours after it entered Brazilian waters. Signalling that the unit was acceptable for the commencement of the next phase.

The last towing vessel had handed over her bridle to the installation vessel on 30 May 2024 and this marks the safe handover of FPSO Marechal Duque de Caxias by the towing tugs to the station keeping tugs at Libra Field, Brazil. The towing operations had successfully handed over the unit in safe manner and with zero LTI.



### OPERATIONAL EXCELLENCE PERFORMANCE

In navigating a competitive business landscape, we are committed to providing excellent service quality for our customers and securing business growth for our shareholders. This is achievable through efficient management of vessels, robust maintenance of assets and strategic planning of fleet renewal and newbuilds to meet customers' demand.



## Operating Safely

# Our People, Our Strength

Our People, Our Strength

## Our Commitment

- Futureproof talents and drive leadership agenda by accelerating talent potential in a high-performing organisation

## Our Contribution to SDG



Promote female participation in the maritime industry and ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making



Promote equal opportunities in the workplace irrespective of age, gender, nationality and cultural background

At MISC, our people are the key drivers in delivering our strategies as well as realising our 2050 Vision. We are dedicated to fostering strong employee engagement within a diverse workforce and creating an engaging and inclusive work environment. Our focus is on futureproofing our talent and building a continuous leadership bench strength to support a Just Transition while ensuring our employees are safeguarded against climate risks.

We prioritise the well-being and development of our employees through robust human resource policies, fair labour practices, and ensuring a safe and inclusive workplace. By offering ongoing training programmes and career development initiatives, we enhance the skills and capabilities of our workforce, promoting a culture of continuous learning and professional growth. Additionally, we are committed to advancing diversity and inclusion, valuing diverse perspectives, and celebrating differences to create a great workplace.



## HUMAN CAPITAL VALUE CREATION FRAMEWORK

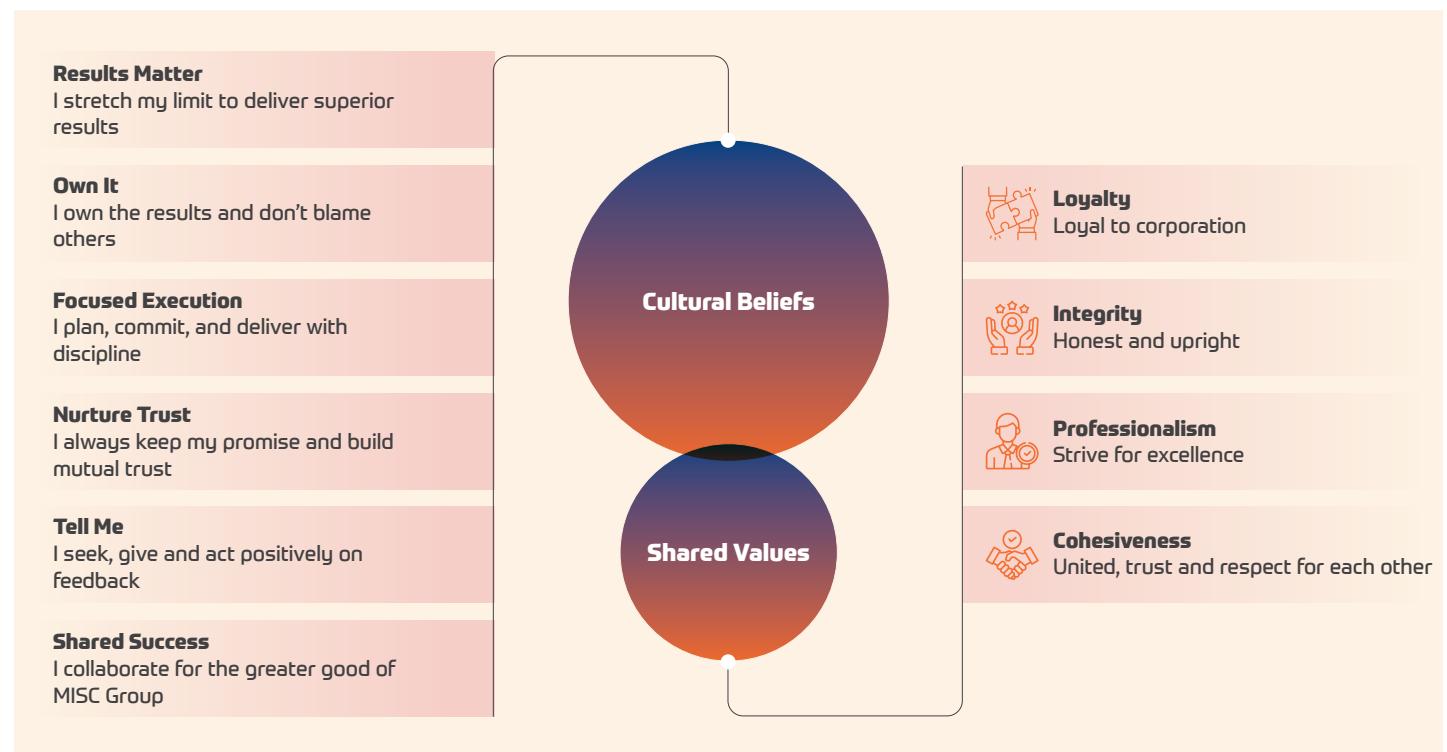
### HUMAN CAPITAL VALUE CREATION



## Our People, Our Strength

### CULTURAL BELIEFS AND SHARED VALUES

Our Cultural Beliefs and Shared Values influence individual and team behaviours which sustains a solid and committed workforce. In addition to being results-driven, these Cultural Beliefs also establish principles of shared success, accountability, collaboration, trust, and transparency. Our Shared Values define our talent's unique characteristics, one that embodies Loyalty, Integrity, Professionalism, and Cohesiveness.



### ORGANISATIONAL CULTURE SURVEY

The Organisational Culture Survey is one of MISC's key engagement tools that was initiated to help us understand what matters to our people and what drives them. This is important for us to identify opportunities for improvement to successfully develop a robust, cohesive and conducive workplace culture that will enable us to achieve our business aspirations and targets.

As part of our engagement initiatives, the survey was conducted in October 2024, with a 97% response rate. The survey results demonstrated an engagement favourability score of 83%, surpassing global benchmarks in areas such as a sense of larger purpose and inclusive leadership. The overall engagement score improved to 81, a three-point increase compared to 2023. High scores were observed in the aspects of fostering inclusivity, facilitating work-related improvements, and ensuring a discrimination-free environment. These insights demonstrate our progress in fostering a purpose-driven and supportive workplace culture towards achieving business performance and ensuring employee satisfaction.

### STRATEGIC WORKFORCE PLANNING

Workforce planning and recruitment at MISC are integral in aligning our human resources strategies with our overall business and sustainability objectives. By proactively managing our talent needs, we enhance the Group's agility and adaptability to evolving demands, while managing potential talent risks.

Our strategic workforce planning aligns human capital needs with business objectives and optimises our manning requirement and manpower cost. The five-year strategic plan allows us to look at future resource requirements, skill gaps, and developmental needs. In addition, we can determine the right intervention plan to ensure manning continuity, specifically whether to build, buy, borrow or bridge talents. It helps us assess strategic workforce decisions, ensuring that our talents are effectively positioned to support our long-term goals.

We collect and analyse data to identify skill gaps, evaluate recruitment channels, screen candidates, and assess talent supply and demand, while also monitoring attrition rates and gathering competitive intelligence. Additionally, various human resource metrics, such as recruitment efficiency, attrition rates, manpower cost utilisation, and learning and development, are tracked through our quarterly HR Dashboard, which transforms data into interactive and actionable insights. This structured approach is aimed at enhancing the employee experience, informing targeted training and development initiatives, and promoting fair treatment by reducing bias in decision-making processes.

All our hiring policies comply with both local and international labour regulations, including the Employment Act 1955, the Industrial Relations Act 1967, the International Labour Organization (ILO) standards, and the Maritime Labour Convention (MLC). We uphold a zero-tolerance approach to child labour and forced labour, as outlined in our Human Rights Policy and Modern Slavery Statement. Furthermore, all third-party entities conducting work for or on behalf of the Group are required to adhere strictly to these regulations, reinforcing our dedication to ethical labour practices and the protection of human rights.

### CAREER AND MOBILITY

MISC is committed to cultivating an inclusive workplace that embraces equal opportunity, celebrates diverse talents, and empowers employees to take ownership of their career progression. We believe our organisation's success lies in the strength of our people, and as such, we continuously invest in developing our workforce. Through a variety of comprehensive training programmes, both functional and leadership skills are developed, ensuring employees are equipped with the expertise needed to excel in their roles.

Additionally, we provide opportunities for growth through short-term and long-term assignments, such as the Executive Assistant and Developmental Assignees programmes, which provide employees with new challenges and learning experiences. This is complemented by internal and external mobility opportunities, encouraging the movement of talent across the many roles within and around MISC. By fostering a dynamic and flexible career path framework, we aim to unlock the full potential of our employees, helping them thrive while advancing the achievement of the organisation's overall goals.

### SUCCESSION PLANNING

Succession planning is especially important for MISC to continuously have a consistent and dependable pipeline of talented professionals ready to fill critical roles. Our robust succession planning exercise and talent development earmark potential successors and high potentials, which enable business continuity.

Among the initiatives implemented in 2024 were leadership competency assessments to evaluate capabilities, complemented by targeted learning interventions using online platforms to address gaps. Assessments for senior leaders were also initiated to support succession planning and validate potential talents for key roles.

We ensure that our pool of talent is equipped with the necessary leadership and functional competencies, through our Leadership and Functional Competency Framework. Successors are identified and intervention plans are carried out to ensure gaps are closed to future-proof key critical positions within the organisation.

## Our People, Our Strength

## Our People, Our Strength



### LEARNING AND DEVELOPMENT

Our Capability Building agenda is premised on the following three foundations:



#### LEADERSHIP AND FUNCTIONAL COMPETENCY FRAMEWORK

We thoroughly map the competency requirements for each role and evaluate each incumbent employee. Each position requires leadership and functional competencies, resulting in a comprehensive approach to quality that we seek for each role. The competency assessment outcomes are translated into learning and development programmes to fulfil current and future developmental needs.

#### LEADERSHIP PATHWAY-SIGNATURE AND LEADER+ SERIES

MISC has also introduced the Leadership Pathway programme, a structured leadership development programme based on the established Leadership Competency. The programme aims to build and develop a pool of enterprise leaders and strengthen leadership bench strengths in MISC. Leadership Pathway was developed in collaboration with renowned learning providers and business schools such as INSEAD, Leaderonomics and the Asia School of Business, consisting of two unique tracks – Leader+ Series and Signature Series.

- Leader+ Series, a six-month accelerated development programme that aims to equip MISC Group's Successors and High Potentials with new skills, experience and perspective, enabling them to immediately drive impact at work, close their skill gaps and increase their readiness to take up bigger roles. The programme is delivered in a blended format that combines experiential and cognitive elements such as engaging lectures, exercises, case studies, simulations, role play and action learning projects.
- Signature Series caters to larger groups to equip our employees with critical leadership competencies. Throughout the one-year programme, participants were engaged in various activities, lectures, and role plays.

#### STRUCTURED FUNCTIONAL CURRICULUM

Functional curriculums were established based on the Competency Framework that complements the Leadership Pathway programme. Other than providing a baseline understanding of each employee's role, the functional curriculum aims to upskill employees on technical and emerging skills such as digital fluency and low-carbon transition.

In 2024, 5,556 of our shore staff attended training programmes with an average of 38 training hours per employee.

In addition, we strongly support our employees' career progression through internal mobility and promotions. In 2024, we successfully filled 57% of our shore vacancies through internal movements as a result of our competency and career progression programmes.

Our seafarers have steadily moved up their career ladder with 53 Senior Officers, 199 Junior Officers, 4 Other Officers, 161 Trainees and 37 Ratings promoted in 2024.

#### E-LEARNING PROGRAMMES

MISC utilises the TMS, an integrated online learning platform designed to identify employee developmental needs and automatically assign Group-driven e-learning content tailored to our business requirements. This includes essential topics such as sustainability, compliance, and safety, ensuring that each employee receives structured and relevant training aligned with organisational goals.

Beyond TMS, MISC subscribes to LinkedIn Learning, providing employees with access to over 22,000 learning modules covering a diverse range of topics. This platform enhances flexible and self-paced skill development, allowing employees to learn anytime, anywhere, and on any device, fostering continuous professional growth and competency enhancement.

Our Leadership and Functional Competency Assessments are conducted through TMS, offering valuable insights into individual developmental needs. These assessments help identify learning opportunities and empower employees to take ownership of their career growth. Through TMS, competency gaps are systematically tracked, reviewed, and analysed, ensuring that our workforce remains aligned with business objectives and evolving industry demands.

Additionally, TMS serves as a centralised succession planning platform, functioning as a comprehensive data repository for potential successors. This capability provides employees with a clear career development pathway, enabling them to track their progress while ensuring the organisation is equipped with a strong talent pipeline for future leadership roles.

#### TMS' four main modules



#### MYWISDOM: FOSTERING CONTINUOUS LEARNING IN MISC

MyWisdom is a digital Training & Knowledge Sharing Platform that nurtures a culture of continuous learning within Offshore. The platform serves to facilitate the seamless exchange, dissemination, and collaborative sharing of technical knowledge, information, expertise, and insights apart from serving as a repository for preserving and leveraging intellectual property among Offshore personnel.

The learning content for MyWisdom was curated by internal employees and spans more than 50 topics within the Offshore domain. It was developed to ensure Talent Management objectives are achieved apart from addressing gaps in the Functional Competency Assessment for Offshore employees. Through this exercise, technical content has been transformed into engaging audio/visual e-module videos, offering a flexible and immersive learning experience.

To raise internal awareness about MyWisdom which has been extended to the whole of MISC, an introductory video has been produced featuring key organisational leaders to encourage participation. MyWisdom will leverage the existing MISC TMS and Microsoft Stream features for hosting the e-module courses. Employee progress, including completion status and attendance hours, will be tracked and recorded under each employee's profile in the TMS.

#### KEY DEVELOPMENT FOR SEAFARERS

As a leading global provider of international energy-related maritime solutions and services, a significant portion of our human capital comprises seafarers who work on the high seas which are managed by Marine Services.

Marine Services has established a comprehensive human resource management programme to ensure a sustainable pool of seafarers with the right skill sets and knowledge to perform the job. Employee training and retraining programmes, talent development and succession planning are among the initiatives in place to boost employees' competency levels, while simultaneously improving and expanding their proficiency and capabilities across various aspects of the business operations.

In 2024, Marine Services invested RM29.1 million in training and development programmes for seafarers, where 3,046 seafarers attended training with an average of 22.48 training hours per employee.

Marine Services is committed to expanding the proficiency and capabilities of seafarers to support MISC's growing specialised vessels and to ensure that they can operate more than one type of vessel. At present, our seafarers are operating and managing a wider range of vessels including VLECs, LBVs, LNGCs, LNG dual-fuel petroleum tankers, DPSTs, LNG FSUs and MCVs. Additionally, they have undergone reskilling training for managing LNG Dual Fuel and Ammonia fuel vessels. For our steam engineers on our GAS fleet, Marine Services collaborated with ALAM in an upskilling programme to enable steam engineers to build up their competencies and obtain certification to operate gas vessels with motor propulsion.

## Our People, Our Strength

## Our People, Our Strength

Apart from seafarers' development, we also provided training and development programmes for our Port and Terminal Marine Executives i.e., Marine Pilots, Marine Controllers, Loading Masters and Offshore Pilots.

### Solar Photovoltaic System

To enhance knowledge on solar PV installations and maintenance methods and safety practices.

### Ammonia as Marine Fuel

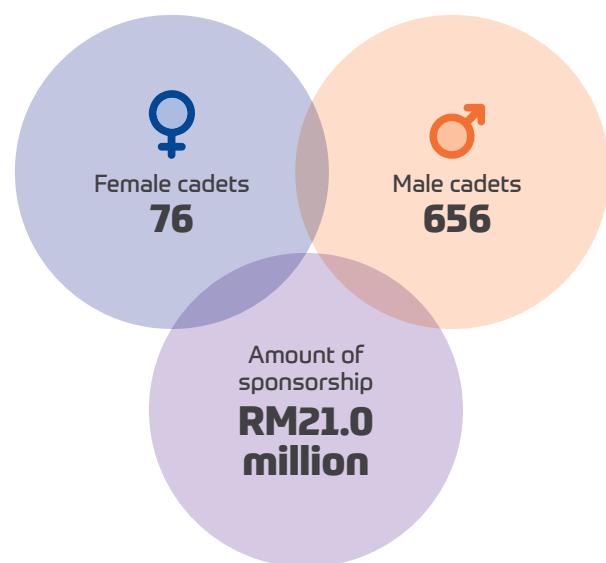
To provide exposure to the current progress of the initiatives, providing a clear understanding of where the industry stands and understanding the key concerns related to ammonia as a fuel, including technological challenges, safety considerations, and the evolving regulatory landscape.

## FACILITATING SEA TO SHORE CAREER ADVANCEMENT

As part of our commitment to career progression and continuity, we offer seafarers opportunities to transition into shore-based roles. Selected employees participate in a comprehensive training programme, spanning 6 to 12 months, to gain expertise in office-based tasks and understand the intricacies of shore management for vessels and related functions. To ensure high retention rates, we have implemented Unified Terms and Conditions across our fleet, providing competitive compensation packages that adequately reward our employees. In 2024, a total of 42 employees successfully participated in this programme.

## SUSTAINABLE POOL OF FUTURE SEAFARERS TALENT

MISC is developing a pool of dedicated and specialised crew to create future seafaring talent. In 2024, we provided cadet sponsorship for a total of 732 students at ALAM, of whom 80 were new recruits.



## ► PERFORMANCE MANAGEMENT

As we continue to build a high-performing workforce, we introduced a refined performance rating scale that is commensurate with our rewards programme. The rating scale acknowledges employees who demonstrate excellent performance within their peer group, delivering high-quality results and displaying outstanding behaviour as required for the role.

### HIGH-PERFORMANCE CULTURE

To ensure employees remain aligned with the organisation's strategic objectives, goal-setting conversations are conducted at the start of each year, establishing a clear connection between organisational targets, divisional priorities, and individual performance indicators. These structured discussions provide employees with a clear understanding of their contributions towards business goals while fostering accountability and performance-driven engagement.

To maintain alignment and adaptability, quarterly check-ins are held to assess progress, recalibrate objectives where necessary, and ensure responsiveness to evolving business needs. In addition, mid-year and year-end performance reviews, combined with competency conversations, allow employees—both permanent and contract staff—to self-assess, track their development progress, and identify areas for improvement. These reviews support continuous learning, reinforce personal development plans, and ensure any performance gaps are proactively addressed.

By implementing these structured check-ins and realignment measures throughout the year, MISC ensures that organisational goals remain on track, performance is effectively monitored, and necessary adjustments are made to drive employee success and business excellence.

## ► REMUNERATION & REWARDS

In line with our talent attraction and retention strategy, we are steadfast in our commitment to equitable compensation for all employees regardless of gender, race, age, ethnicity, religion, or other characteristics. To uphold this commitment, we conduct annual remuneration reviews to ensure our employees are offered competitive packages that are aligned with market standards. We firmly believe that robust employee benefits differentiate us from other industry peers fostering a workplace where talent thrives.

Our remuneration structure is guided by the pay-for-job principle and merit-based practices, ensuring fairness and rewarding individual contributions. This framework, complemented by our differentiated reward programme, promotes a high-performance culture that recognises effort, celebrates achievements and strengthens talent retention.

The employee remuneration structures comply with applicable laws such as working hours, minimum wage, minimum living wages, overtime hours and legally mandated benefits, according to local jurisdictions where we operate reflecting our commitment to ethical and responsible employment practices.

## ► DIVERSITY & INCLUSION

MISC strives to have an inclusive workplace by removing barriers and creating equal opportunities for all our employees. Our three strategic priorities of Diversity and Inclusion (D&I) are to grow our diversity in gender, nationality and multi-generations, build an inclusive culture and work environment and drive leadership accountability.

	Focus Areas	3-Year Aspiration
<b>Grow Our Diversity (Gender/Multinational &amp; Multi-Generations)</b>	<ul style="list-style-type: none"> <li>Gender</li> <li>Multi-National</li> <li>Multi-Generations</li> </ul>	<ul style="list-style-type: none"> <li>Women in Senior Leadership (GM and Above)</li> <li>Multi-Nationals in Senior Leadership (GM and Above)</li> <li>Managers in Succession Pool</li> </ul>
<b>Build an Inclusive Culture and Work Environment</b>	<ul style="list-style-type: none"> <li>Culture</li> </ul>	<ul style="list-style-type: none"> <li>Differences in perspectives are respected and valued</li> </ul>
<b>Drive Leadership Accountability</b>	<ul style="list-style-type: none"> <li>Leadership Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Leaders at all levels who are inspiring and inclusive</li> </ul>

As part of our ongoing D&I initiatives, MISC aims to create an environment where every employee feels valued, respected, and empowered to contribute their best as part of building a culture of conscious inclusion. D&I is embedded throughout employees' career paths, from recruitment to exit management. We are committed to promoting diversity from the outset, ensuring that our hiring processes are inclusive and equitable. To support this, hiring managers and recruiters are upskilled in recognising and mitigating unconscious biases, fostering a more objective and inclusive recruitment experience.

Additionally, we provide employees with D&I awareness webinars, conscious inclusion programmes, and sharing sessions that promote psychological safety, ensuring all individuals feel respected and heard in the workplace. We also empower employees to actively manage their career development through our Career Management Framework, which guarantees equal opportunities for growth and advancement. Our D&I aspirational targets are designed to ensure our talent pipeline remains diverse, inclusive, and sustainable.

At MISC, we have introduced a variety of training programmes, online webinars and engagement activities designed to promote awareness, inclusivity, and well-being across all levels.

## Our People, Our Strength

## Our People, Our Strength

### THE PLATFORM SERIES

This is a webinar series featuring experienced external speakers from multicultural perspectives, focusing on the promotion of physical and mental well-being. Some of the topics covered throughout the year included:

#### **"Addressing Microaggressions"**

aimed at helping participants identify, address, and respond to microaggressions in the workplace, fostering a more inclusive and respectful environment.

#### **"Cultivating an Inclusive Culture and Work Environment"**

which emphasises the critical role of psychological safety in the workplace especially in creating environments where employees feel secure in sharing ideas and collaborating without fear of discrimination or judgment.

### THE CONSCIOUS INCLUSION PROGRAMME

This programme is designed specifically for managers and above to empower them with the necessary tools and skills to effectively champion inclusivity within the organisation. Building on foundational concepts such as unconscious bias training, the programme equips our leaders with actionable strategies to incorporate inclusive practices into leadership and decision-making processes. By equipping our leaders with these competencies, we are fostering a workplace culture where diversity is celebrated, equity is at the forefront, and all employees are treated with respect and dignity.

### HUMAN RESOURCE DIVISION'S ENGAGEMENT SESSIONS

To further enhance our D&I initiatives, engagement sessions were conducted across all MISC Group entities, including AET, MHB, ALAM, and Marine Services. These sessions provided the Chief Human Resource Officer Division with opportunities to connect directly with management teams, talents, diverse employee groups, and HR teams. This approach fostered a deeper understanding of each entity's unique operations and cultural dynamics, while also uncovering valuable synergies across the Group. These interactions have significantly contributed to improving employee engagement and boosting morale.

### INTERNATIONAL WOMEN'S DAY EVENTS AT AET

In March 2024, AET celebrated International Women's Day across our global offices. In our US office, we hosted a retired female NASA astronaut who shared her inspiring journey, where she emphasised the need for passion and persistence to succeed. In Rio de Janeiro, a breakfast gathering featured the short film "Purl" sparked discussions on gender issues. These events underscore our commitment to diversity and inclusion, driving innovation and progress.

### DIVERSITY, INCLUSION & BELONGING COMMUNITY OF INTEREST AT AET

In 2023, AET introduced a global Diversity, Inclusion & Belonging (DIB) Community of Interest (COI) where staff were nominated from diverse backgrounds and various office locations to act as ambassadors to drive inclusion and belonging across the organisation. In 2024, these ambassadors attended various workshops to strengthen their understanding and knowledge of DIB and build their influence. The ambassadors identified activities to enhance DIB awareness among staff such as conducting harassment engagement sessions and sponsoring external DIB industry events.

### AET CONTINUES TO BE A PART OF WOMEN'S INTERNATIONAL SHIPPING & TRADING ASSOCIATION

In 2024, we offered all senior women at AET the opportunity to be a member of the Women's International Shipping & Trading Association (WISTA) as part of supporting women in decision-making and leadership roles. WISTA's work in promoting gender diversity, offering leadership training, and organising networking events are integral in empowering women and driving positive change. Being a WISTA member therefore creates exposure across the maritime industry and facilitates the professional development of our senior women.

### AET JOINS THE ALL ABOARD ALLIANCE

In December 2024, AET joined the All Aboard Alliance, joining a growing community of maritime leaders dedicated to advancing diversity, equity, and inclusion (DEI) and fostering a more innovative and sustainable industry. As a signatory we will actively participate in the Alliance's community to identify and address industry-wide diversity challenges and develop impactful strategies, and advocate for transformation across the maritime value chain. Signing the All Aboard Alliance marks an important step in our journey toward fostering greater DEI as we aim to create a workplace where everyone feels valued and empowered to contribute. This initiative aligns with our broader efforts to support the industry's transformation and enhances our ability to attract and retain diverse talent while fostering a culture of inclusion and collaboration at AET.

### OUR PERFORMANCE

As of 31 December 2024, we have 9,536 employees coming from 46 nationalities. At shore, MISC Group has 25% female employees, with MISC Berhad and AET recording 42% and 44% respectively. This is above the recommended industry average of 30%.

Our shore employees' male-to-female gender ratio stands at approximately 3:1.

We also have a significant number of female leaders at the management level, with 24% in junior management, 29% middle management and 19% in senior leadership (shore employees only).

In terms of our officer's strength, there are 75 females across our fleet, fortified by the recruitment of eight female Ratings through targeted initiatives to amplify female representation at sea, specifically in traditionally designated roles for female Officers rather than Ratings.

These new additions underscore our dedication to fostering an inclusive workplace where talent knows no boundaries, and where diversity thrives at every level in our organisation. These accomplished professionals not only bring their exceptional skills and expertise but also contribute to the rich tapestry of backgrounds, experiences, and perspectives at the workplace.

### WELL-BEING

At MISC, we recognise that fostering a healthy, inclusive, and productive workforce is essential to achieving our business objectives and driving long-term success. Our well-being initiatives extend beyond physical health to create an environment where leaders promote inclusivity and ensure psychologically safe workplaces. We are committed to empowering our employees by offering flexible work arrangements that enable them to balance their professional and personal needs, reinforcing our dedication to their overall well-being.

#### **FlexWear**

Launched in January 2021, FlexWear enables employees to dress in neat, professional business casual attire, helping to project a unified, positive, and inclusive professional image while ensuring comfort and safety. This initiative aligns with the workplace environment, providing employees with the flexibility to express themselves while maintaining a professional appearance.

#### **FlexBenefit**

To further enhance the well-being of our employees, we introduced FlexBenefit, which includes an enhanced Flexible Medical Benefits plan and a revised Leave policy. These initiatives are designed to foster a more family-friendly, inclusive work environment, contributing to a positive employee experience at MISC.

#### **Maternity/Paternity Leave**

In line with the Malaysian Employment Act, MISC provides comprehensive maternity and paternity leave to support our employees in maintaining a healthy work-life balance. Maternity leave of 98 days and paternity leave of 7 days are allocated to eligible employees, per the Employment Act. This benefit supports family well-being and employees during significant life events.

#### **FlexWork**

FlexWork empowers employees to determine their preferred work arrangements, balancing their personal needs with the Group's operational requirements. Eligible employees can choose from a Hybrid Working model, which combines office and remote work, or a Compressed Work Week which allows them to condense their work schedule and take every tenth day off, offering increased flexibility and work-life balance.

#### **FlexCareer**

Aligned with MISC's Talent Strategy, FlexCareer provides flexible career opportunities by attracting talent for contingent workforce roles across corporate and non-corporate functions. This initiative reflects our commitment to offering diverse career paths that meet the needs of a dynamic and evolving workforce.

#### **Compassionate Leave**

Since its establishment in 1977, MISC has been committed to investing in maritime education through ALAM, including promoting seafaring as a vital and respected profession essential to global trade, transportation, and the economy.

## Our People, Our Strength

## Our People, Our Strength

### EMPLOYEE ASSISTANCE PROGRAMME

At MISC, we promote the holistic well-being of our workforce through our Employee Assistance Programme (EAP). This initiative offers comprehensive support for employees' physical, mental, and emotional health. By providing access to personalised guidance from professionals, the EAP empowers employees to take charge of their health effectively with features such as self-help lessons and integration with external health devices that enhance the ability to track and manage progress.



#### Digital Coaching App

A versatile tool offering personalised guidance to support holistic health and well-being.



#### Wellness Website

A centralised hub for EAP resources, providing easy access to support services.



#### Remote Therapy

One-on-one video consultations with clinical psychologists for professional mental health support.



#### 24/7 Careline

Around-the-clock access to psychological support, ensuring employees feel safe and supported at all times.

Additionally, we have organised health drives, inviting healthcare practitioners to provide free, on-site health checkups for our employees. These initiatives aim to proactively support early detection and prevention of potential health issues. Employees benefit from personalised medical consultations conducted by experienced healthcare professionals, offering tailored advice on managing their health and well-being. These health drives also serve to promote awareness about the importance of regular health monitoring and preventive care, empowering employees to take a more active role in maintaining their overall well-being.

### MAINTAINING SOUND LABOUR PRACTICES

At MISC, we are committed to upholding fair labour practices, including equitable remuneration and the protection of freedom of association, in alignment with international labour and human rights standards. Our labour standards policy is outlined in the CoBE under the Workplace Culture and Environment chapter of our Employee Handbook, which is provided to all employees on their first day of employment. Additionally, MISC fully complies with the Malaysian Minimum Wage Order 2022 to ensure fair and competitive wages.

Our collaborative and consultative approach fosters a work environment where employees are supported in achieving both corporate and personal goals, while ensuring their rights to freedom of association and collective bargaining are respected. In 2024, we conducted engagement sessions with employee representatives, involving 1,302 unionised employees and management, to facilitate discussions on remuneration and employment conditions.

We adhere to the Basic Conditions of Employment Act, the ILO standards, and the MLC, embedding these principles within our Human Rights Policy, Modern Slavery Statement, Whistleblowing Policy, and Grievance Mechanism Procedure. These policies are publicly accessible on our corporate website, reinforcing our commitment to transparency and accountability. Our whistleblowing channels and grievance mechanisms provide secure and confidential avenues for employees to report mismanagement, unethical practices, or work-related concerns, ensuring that all voices are heard and addressed in a fair and structured manner.



In 2024, we recorded **zero** non-compliance with labour standards.



## Partnering With the Community

### Our Commitment

- To foster youth development towards becoming future leaders through education

### Our Initiatives

- Establish multi-stakeholders' community investment programmes aimed at upskilling the entrepreneurship skills of youth
- Continuation of maritime cadet sponsorship programme

### Our Contribution to SDG



Promote skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

### OUR APPROACH TO COMMUNITY INVESTMENT

MISC's community investment is guided by the MISC Group Community Investment Guideline which emphasises education, environment, health, safety, and well-being. Additionally, the guideline outlines how to effectively plan and implement programmes that can improve the socio-economic conditions of local communities in areas where we operate. This guideline ensures that our initiatives are both impactful and responsive to community needs.



### OUR COMMUNITY INVESTMENT PRINCIPLES



#### Strategic

Evolves as the business progresses and employs various approaches along the project cycle.



#### Aligned

Aligning the business' strategic issues with the development priorities of local communities, civil society, and/or government to create shared value.



#### Multi-stakeholder Driven

Positions the Group as a partner in multi-stakeholder processes rather than as the principal actor in promoting local development.



#### Sustainable

Seeks to avoid dependency, encourages self-reliance, and creates long-term benefits that can outlast company support.



#### Measurable

Measures return on community investment to both the Group and the community.

Our strategic community investments are aligned with the SDGs, and our investments have positively benefitted both the community and MISC.

## Partnering With the Community



### STRATEGIC COMMUNITY INVESTMENT

Strategic community investment enables MISC to build strong relationships with a wide range of stakeholders, including customers, employees, local governments, and community members. This approach not only aligns with societal expectations but also enhances our reputation, strengthens partnerships, mitigates risks, and contributes to long-term license-to-operate and success.

### EDUCATION

#### Cadet Sponsorship

Since its establishment in 1977, MISC has been committed to investing in maritime education through ALAM. Since 2002, MISC has invested in maritime education, including promoting seafaring as a vital and respected profession essential to global trade, transportation, and the economy.

The maritime profession requires specialised skills and knowledge in areas such as navigation, maritime laws and regulations, safety procedures, and the operation of marine equipment. Many seafarers pursue formal education and training to gain the qualifications necessary for their roles, often obtaining certifications from maritime authorities.

MISC through Marine Services, continues its efforts to give back to the community through the cadet sponsorship programme at ALAM. Marine Services contributed RM21.0 million to cadet sponsorship in 2024, maintaining its strong commitment to providing a highly skilled workforce to meet the demands of the Malaysian shipping industry and simultaneously providing employment to local youth.

In 2024, MISC sponsored a total of 732 students comprising 726 local Malaysian students and 6 international students, to further their studies in Diploma Nautical Studies and Diploma Marine Engineering after passing the competency assessment and interview. Through this educational sponsorship programme, we ensure a sustainable pool of future talent for the maritime industry and simultaneously provide educational and employment opportunities to the students.

## Partnering With the Community

#### Educational Scholarships

AET continued its dedication to nurturing the development of young talent in the maritime industry through scholarship programmes in locations where we operate. By awarding these scholarships, we aim to equip students with the required skills to become valuable members of the global maritime community.

In 2024, AET continued its long-standing partnership with the SMF. This year, it doubled its support through the award of scholarships to four students through the AET-MaritimeONE Scholarship. This marks the fifth consecutive year AET awarded scholarships to Singapore Polytechnic students enrolled in the three-year Diploma in Maritime Business with the Singapore Maritime Academy.

Taking a step further, AET also signed an MoU with the SMF to sponsor four scholarships and two internships per year from 2025 to 2027. The scholarships and internships will be managed by SMF, with both parties jointly selecting the candidates. This collaboration is part of SMF's MaritimeONE suite of programmes, which includes a scholarship programme that connects scholars to industry mentors and

an internship programme that provides tertiary students with meaningful exposure to the maritime sector.

AET also continued its collaboration with the Texas A&M Foundation by awarding eight new scholarships to support undergraduate students who are majoring in Maritime Transportation and Marine Engineering at Texas A&M University at Galveston during their practical summer semester.

Apart from maritime scholarships, AET has also been collaborating with the Dream, Learn, Work (DLW) Institute in an educational support initiative aimed at empowering students in Rio de Janeiro since 2023. In the first year of the collaboration, seven students between the ages of 20 and 25 were provided with the opportunity to pursue vocational education, setting them on the path towards a brighter future. In 2024, we supported another 10 more students. These promising young adults will attend courses offered by esteemed educational institutions in Rio de Janeiro to support their entry into the labour market.

Location/Country	Partnering Organisations	No. of Scholarships Awarded
<b>Singapore</b>	Singapore Maritime Foundation	4
<b>Galveston, Texas, USA</b>	Texas A&M Foundation	8
<b>Rio de Janeiro, Brazil</b>	Dream, Learn, Work	10

#### Sustainability Familiarisation Programme at ALAM

The MISC Sustainability Familiarisation Programme with ALAM cadets, held in June 2024, is an initiative designed to introduce cadets to sustainability practices within the maritime industry. The program aimed to enhance the cadets' understanding of sustainable maritime operations and environmental stewardship through a series of presentations by subject matter experts from MISC. By educating cadets on MISC's sustainability strategy, framework, and progress, the programme seeks to foster a sense of collective responsibility and prepare cadets to embrace sustainable practices as a core component of their maritime careers.

Recognising the importance of preparing the next generation of maritime leaders, the initiative aligns with ALAM's commitment to advocating for sustainable practices

and corporate responsibility. This collaboration with MISC ensures that future leaders in the Malaysian maritime industry are equipped to align the sector with global sustainability standards and the future of the industry.



## Partnering With the Community

### ENVIRONMENT

Environmental health and human well-being are deeply interconnected. MISC's conservation and environmentally focused initiatives not only protect nature but also bring significant social benefits. For instance, safeguarding ecosystems and maintaining clean air and water directly enhances physical and mental health. Furthermore, many communities rely on natural resources for their livelihoods. By promoting responsible environmental practices, natural resources are preserved for future generations. Additionally, conservation programmes foster environmental education and awareness, empowering individuals and communities to embrace sustainable living.

#### Heart of the Ocean Programme

The HOTO Programme aims to improve ocean health and reduce the impact of human activities on the ocean. It was initiated in 2020 under the Biodiversity Conservation strategic initiative.

 [Read more in Conserving Marine Biodiversity.](#)

#### Employee Participation Programme in Mersing Islands Reef Conservation Initiative

MISC launched the EPP as part of the HOTO Programme where employees are given the opportunity to contribute positively to our planet but also give back to society through engagements with the local communities. In 2024, 115 employees participated in three separate EPPs in Pulau Sibu, Pulau Aur and Pulau Tinggi in Mersing, Johor.

#### Pulau Sibu

The EPP in 2024 kicked off in Pulau Sibu, Johor from 21 to 24 June, with the participation of 36 employees. During this programme, our employees engaged in beach clean-ups, reef monitoring, and community outreach, making their time on this idyllic island both meaningful and purposeful.



#### Heart of the Ocean Programme

##### Pulau Aur

The second EPP was held on the farthest island in Mersing—Pulau Aur, with a group of 34 employees. They also engaged in similar activities such as beach clean-up, reef monitoring, and community outreach. During the beach clean-up activity, 8,835 pieces of trash weighing 285 kg were collected in the span of 45 minutes, where 4,277 pieces consisted of plastic bottles.

During the community hosting, our colleagues went to Kampung Teluk Berhala to engage with the local islanders. Where they learned that the name of the village was derived from the landmark of the island known as Batu Cina, said to be used by former sailors to mark their "hala" or direction.



##### Pulau Tinggi

The third EPP concluded with the participation of 40 employees at Pulau Tinggi in Mersing, Johor. During their stay, they were involved in reef monitoring activity, beach clean-up, and community engagement. For the beach clean-up, our colleagues collected an impressive 153 kg of trash within a 150-meter stretch of the island's coastline. Before they carried out the reef monitoring activity, our colleagues were taught basic skills by our experienced facilitators on water safety. Equipped with these skills, they paddled across the blue waters to monitor the reefs' health.

Through this programme, our employees have gained a deeper understanding of how human activities significantly impact and alter the marine ecosystem. This awareness has inspired many of them to take greater responsibility in contributing to a better environment.



#### UMT-MISC Marine Sea Turtle Conservation Initiative

##### Engagement Programme with Persatuan Pengusaha Bot Pulau Redang

On 31 July 2024, the UMT-SEATRU team engaged with the members of the Persatuan Pengusaha Bot Pulau Redang to gain valuable insights about the importance of sea turtle conservation and strategies for protecting them. A key focus of this engagement was to understand how tourism can contribute to conservation efforts. The team remains committed to promoting responsible tourism by educating tour operators and visitors about respecting nesting sites and observing sea turtles safely.

## Partnering With the Community

## Partnering With the Community

### Heart of the Ocean Programme

#### Kem Si Penyu and Kem Prihatin Penyu

**Kem Si Penyu** took place from 23 to 25 August 2024, involving 30 students and eight teachers from SK Pulau Redang under the UMT-MMS Sea Turtle Conservation Initiative. **Kem Si Penyu** is an annual community engagement programme for Year 5 students at SK Pulau Redang, customised to educate young students about conservation through hands-on learning.

On top of this, five **Kem Prihatin Penyu** events were held, engaging participants from Sekretariat Rakan Muda Universiti Sultan Zainal Abidin, Yayasan Negeri Sembilan, Nanyang Technological University of Singapore, Sea Turtle Experience Camp, and **Kem Prihatin Penyu Merdeka**. This programme is tailored for NGOs, associations, and other groups, offering an immersive experience at Chagar Hutang, where participants engage in conservation activities.

From April to September, a total of 2,125 day-trip visitors visited the Chagar Hutang Turtle Sanctuary.



#### Partnership with Persatuan Pelukis Terengganu

##### Terengganu

In helping to elevate turtle tourism efforts through branding, Marine Services partnered with *Persatuan Pelukis Terengganu* (PeTER) to produce 15 sea turtle-themed paintings, created by professional painters. The murals are displayed at the UMT Gallery to raise awareness and funds for sea turtle conservation efforts.



### Beach Cleaning Programme

#### Beach Cleaning Programme by AET

To mark International Coastal Clean-up Day, our colleagues from various AET offices united for a series of impactful beach clean-ups in Singapore, Rio de Janeiro, Galveston and Brighton. A total of 99 kg of trash was collected from these activities, which included cigarette butts, disposable plastics, straws, and Styrofoam packaging, the common culprits of marine pollution.

In London, four employees went to Brighton Beach to pick up litter and debris, and over in Houston and Galveston, colleagues were joined by their families to take part in the annual Adopt-A-Beach clean-up at Galveston Beach.

Meanwhile, in Rio de Janeiro, AET partnered with the DLW Institute, a non-profit organisation providing education and employment opportunities to young professionals. The beach clean-up was marked as the first engagement with youth from Dream, Learn, Work. It was an excellent way for the team to engage with the youth from disadvantaged backgrounds while caring for the environment.

It was a collective effort by our Singapore office colleagues, who partnered with a local grassroots organisation, Small Change, for the third consecutive year, along with youth members from VOX @ Singapore Children's Society (a youth drop-in centre) to clean Changi Beach. AET has been contributing to keeping Changi Beach clean annually since 2022.

### Greening the Environment Programme

#### Edible Garden by ALAM

The Edible Garden initiative at ALAM launched on 29 September 2024 blends sustainability, self-sufficiency, and practical education. The project aims to reduce reliance on external suppliers, promote a farm-to-table approach, and contribute to sustainability by lowering the carbon footprint associated with ingredient transport.

Located strategically for easy access, the garden supplies fresh, natural ingredients to ALAM's Galley Department. Currently, it features seven varieties of herbs including lime trees and traditional Malaysian herbs, with 14 trees planted based on their frequent use in meal preparation.

Additionally, it fosters a culture of self-sufficiency, provides cost savings by offering fresh herbs at no expense, and ensures access to pesticide-free ingredients for healthier meals.

Beyond operational benefits, the garden serves as an educational tool, offering students and staff the opportunity to develop practical agricultural skills. Future plans include expanding the garden to cultivate more herbs, vegetables, and culturally significant plants such as ginger, turmeric, pandan leaves, and chillies. ALAM also aims to integrate the garden into its curriculum to educate cadets on sustainability and eco-friendly practices. There are plans to install composting systems to recycle kitchen food waste into nutrient-rich soil.

### PHILANTHROPY

Apart from strategic community investment, the MISC Group regularly participates in philanthropy through the donation of time, money, resources, or expertise to support various charitable causes that are aligned with our values and mission.

#### AET Assembles Solar Lights for Communities in Need

In October 2024, colleagues from all our AET offices assembled 200 solar lights as part of SolarBuddy Live's Hour of Power. These lights were delivered to children in communities without reliable electricity, such as Cambodia and Africa, bringing them clean, sustainable lighting, reducing their reliance on traditional energy sources, and extending their activity hours after dark.



#### Torch Relay Run 2024

As part of the Relay for Life Malaysia event series, the "Journey of Hope" torch relay was held on 24 August 2024, symbolising hope and unity in the fight against cancer. The event honoured lives lost to cancer, celebrated survivorship, and promoted healthy living, teamwork, and patriotism, particularly in the lead-up to Malaysia's Independence Day on 31 August.

The event was officially launched by the Kuala Lumpur Police Chief Commissioner at Taman Tasik Titiwangsa and featured cancer survivors, caregivers, and community members carrying the torch through notable locations, including the

Kuala Lumpur Polo Club and Taman Tasik Permai, before making its way to Seremban.

ALAM participated in a 2 KM voluntary run relay, covering the stretch from Checkpoint 82: Pantai Ayer Keroh to Checkpoint 83: Jalan Padang Jambu. The ALAM lead runner carried the "Journey of Hope" torch, representing unity and resilience in the fight against cancer, while another runner proudly carried a backpack flag displaying the ALAM logo, demonstrating ALAM's commitment to community engagement and social responsibility.

## Partnering With the Community

## Partnering With the Community

### AET and ALAM Community Engagement

AET and ALAM collaborated on a community engagement programme where leaders from AET connected with aspiring maritime talents at ALAM and students from two local primary schools, Sekolah Kebangsaan Kampong Tengah and Sekolah Kebangsaan Kuala Linggi in Malacca, Malaysia.

Several activities were conducted such as guided campus tours, tree planting and interactive games. As part of the initiative, sports equipment were donated to respectively both the local primary schools, further supporting local educational institutions.

A total of 125 participants took part in the programme, including 40 representatives from ALAM (staff and students), 45 staff members from AET, and 40 community participants, comprising four teachers and 36 students.



### Donation

#### Donation Drive for the Pasir Gudang Community

MHB continued to facilitate aid to underprivileged residents in Pasir Gudang, Johor through a donation drive. The donation drive campaign kicked off in February 2024 and wrapped up in March 2024 with overwhelming support from the company. Together, MHB collected a record-breaking amount of RM62,000 which benefitted fifty families from five villages in Pasir Gudang who were presented with grocery items as well as financial assistance.



#### Majlis Berbuka Puasa Bersama Keluarga MHB dan Meraikan Anak-Anak Yatim

MHB hosted a special Iftar gathering called 'Majlis Berbuka Puasa Bersama Keluarga MHB dan Meraikan Anak-Anak Yatim' at Surau Al-Amlin, Pasir Gudang, Johor. This heartfelt event brought together over 200 MHB families, 80 orphans from Pusat Jagaan Kasih Setangi, Johor and students from various schools in Pasir Gudang, Johor. The occasion was honoured by the presence of MHB's Chairman and members of the MHB Management Committee.

At the event, MHB presented donations to five welfare homes from various parts of Johor Bahru, underscoring MHB's commitment to giving back to the community. In addition, 'duit raya' (Eid pocket money) and 'baju raya' (Eid clothes) were distributed to the orphans and school students who were present, adding a touch of festive spirit to the evening. These donations were channelled through MHB's donation drive programme earlier in 2024.

### Donation

#### MHB Ibadah Qurban

In celebrating *Eid al-Adha*, Committee of Surau Al-Amlin, Pasir Gudang together with *Persatuan Kebajikan Pekerja-Pekerja MMHE, Rakan Penyayang dan Kelab Sukan Rekreasi MMHE*, once again held the *Ibadah Qurban* at the Surau Al-Amlin, on 19 June 2024. Forty-two employees and their family members contributed a total of six cattle for the Qurban. A total of 492 kg of meat collected was distributed to the community members, including those most in need, employees, and volunteers.

#### MISC Blood Donation Drive

MISC collaborated with University Malaya Medical Centre to conduct a blood donation drive which saw an overwhelming response from MISC staff and tenants of the Dayabumi Building, reaching a total number of 174 donors.

#### Donation for Victims of Hurricane Beryl

In July 2024, Hurricane Beryl impacted the U.S. Gulf Coast, leaving millions in Southeast Texas without power. In response, AET assisted affected communities by donating non-perishable food and hygiene products to Target Hunger, and sent 19 volunteers from our Houston and Galveston offices to pack over 4,000 pounds of fresh produce. We also sponsored two laptops which will enable better coordination of relief efforts remotely in the future. Through these actions, AET contributed approximately 18,000 meals, reinforcing its commitment to community support address food insecurity in the aftermath of the hurricane, ultimately aiding recovery efforts for those impacted.



#### Donation for Flood Victims in Rio Grande do Sul

The Brazilian state of Rio Grande do Sul has been suffering from unprecedented flooding since April 2024 affecting over 2.3 million people with more than 620,000 displaced. To help those in need, our colleagues in Rio de Janeiro responded swiftly to donate food baskets, hygiene and cleaning items as part of emergency supplies to the local community.

### Volunteerism

#### Programme at Zoo Negara by Gas Assets & Solutions

On 13 July 2024, our Gas Assets & Solutions organised a programme at Zoo Negara with multiple activities conducted such as preparing food for the animals and cleaning animal cages and common areas. Through this programme, we encouraged our employees to contribute to society and learn about animal care.



## Partnering With the Community

## Respecting Human Rights at Sea and Shore

At MISC, our commitment to human rights is integral to our sustainability strategy. As stakeholders demand more accountability and transparency from businesses, MISC will continue to protect human rights across all levels of our operations, ensuring that every individual affected by our activities is treated with fairness, dignity, and respect.

As an international provider of energy-related maritime solutions and services, we aim to ensure consistent adherence to universal human rights standards. We are guided by the United Nations Guiding Principles on Business and Human Rights, which provides the global framework for upholding and addressing business impacts on human rights. We also comply with ILO guidelines and the MLC.

As we move forward, we will continue to promote human rights and contribute to the creation of a more equitable and just world as our journey toward a more sustainable future is one where human rights and business success go hand in hand.

### HUMAN RIGHTS MANAGEMENT



#### OUR COMMITMENT

- We ensure human rights are respected in all our activities and business relationships.



#### COMMUNICATION, REPORTING AND ACCESS TO REMEDY

- Human rights expectations are clearly communicated to all stakeholders including business partners.
- We establish processes for communication, questions, complaints and reparations available to people affected by our activities.



#### DUE DILIGENCE

- We identify and assess the potential impacts on human rights on an ongoing basis.
- We conduct a human rights risk assessments and develop mitigation plans to avoid and prevent human rights issues.

MISC has established policies and statements to ensure that human rights are respected, safeguarded, and enhanced following international standards and best practices:

Our commitments made in various statements and policies are aligned with our disclosure obligations under the UK Modern Slavery Act 2015, which sets out our commitment to prevent and/or respect, among others, the following matters:

Human Trafficking

Forced Labour

Child Labour

Freedom of Association

Equal Remuneration

Discrimination

### MISC POLICIES AND PROCEDURES CONCERNING HUMAN RIGHTS

MISC has established policies and procedures to prevent human rights abuses and unethical behaviour in our business operations and value chain. We continuously engage and assess labour practices and human rights risks in our value chains, establish grievance mechanisms, and ensure transparency in reporting human rights performance. This includes conducting regular human rights due diligence and risk assessments through our Human Rights Due Diligence (HRDD) and Human Rights Risk Assessments (HRRA) to ensure compliance and continuous improvement.

### MISC HUMAN RIGHTS POLICY

We published the MISC Human Rights Policy in September 2024, replacing the previous Human Rights Commitment and Modern Slavery Policy. This new policy establishes a more comprehensive framework for safeguarding human rights. It articulates our commitment to promoting human rights and preventing modern slavery and human trafficking in any part of our business operations, both within our organisation and across our supply chains. Our responsibilities and expectations in respecting, promoting, and protecting human rights are also clearly defined, ensuring that we uphold the highest ethical standards and operate responsibly across all facets of our business.

#### MISC Human Rights Policy was established upon five guiding principles:

##### → Respect and acknowledgement of internationally recognised Human Rights

As a global corporation, MISC is fully committed to respecting human rights as outlined in international guidelines and frameworks.

##### → Adoption of a risk-based approach to human rights due diligence

We implement a risk-based approach to identify areas of material importance on human rights, using due diligence tools. This is used to manage both actual and potential negative impacts on human rights that may arise from activities conducted throughout the organisation and safeguard the organisation with sufficient risk mitigation mechanisms.

##### → Access to effective grievance mechanisms and remedies

MISC is committed to providing remediation of adverse human rights impacts with grievance mechanisms accessible by all stakeholders.

##### → Appropriate governance for Human Rights Policy and its processes groupwide

We ensure that the policy is reviewed and approved at the highest management level and supported with a robust governance process to oversee the implementation of our policy.

##### → Commitment to maintaining appropriate disclosure and reporting groupwide

We will ensure proper oversight and reporting on human rights performance, associated risk, and mitigation in alignment with international frameworks.

#### Note:

MISC's Human Rights Policy is available at <https://www.misigroup.com/awcontent/Web/Documents/ComplianceLawRegulations/MISC-Human-Rights-Policy.pdf>.

This policy was developed to align with the growing expectation that companies should play a proactive role in safeguarding human rights in today's global environment. It underscores our commitment and dedication to the ongoing enhancement of our practices and adherence to the highest ethical standards while also positioning the organisation for emerging regulations on business and human rights.

### HUMAN RIGHTS AND THE CODE OF CONDUCT AND BUSINESS ETHICS

Our CoBE serves as a foundational document that outlines the principles, values, and ethical standards guiding the conduct of employees, management, and business partners in MISC. The document includes matters on the protection of human rights across our operations, where the commitment to respecting and upholding human rights applies to all employees, third parties working for MISC, and anyone on MISC premises. The CoBE emphasises protecting human rights, prohibits child labour, human trafficking, and forced labour, and requires compliance with legal age requirements. All individuals must attend mandatory training to uphold these commitments.

## Respecting Human Rights at Sea and Shore

## Respecting Human Rights at Sea and Shore

### CODE OF CONDUCT AND BUSINESS ETHICS FOR THIRD PARTIES

The Code of Conduct and Business Ethics for Third Parties (CoBE Third Party) outlines the ethical standards and expectations that third parties must adhere to when performing work for or on behalf of MISC. Key aspects include:

- Compliance with Laws and Regulations: Third parties must act in accordance with all applicable laws, including those related to anti-corruption, human rights, and labour practices.
- Human Rights Commitment: Prohibits child labour, human trafficking, modern slavery, and any form of forced or involuntary labour. All workers must meet the minimum legal age requirements.
- Ethical Conduct: Third parties are expected to conduct business with integrity, honesty, and transparency, avoiding any unethical practices such as bribery, fraud, or conflicts of interest.
- Mandatory Participation: Third parties must participate in MISC-required training or briefings to ensure awareness and compliance with the CoBE.
- Respect for Workplace Standards: Promotes professionalism, safety, and respect for individuals on MISC premises or engaged in MISC-related activities.

### ADOPTING A RISK-BASED APPROACH TO HUMAN RIGHTS DUE DILIGENCE

To understand human rights impacts within MISC Group, we identified the material human rights topics and issues relevant to the business as a critical first step in implementing an effective human rights due diligence process. This was completed in consultation with various internal stakeholders through a workshop to thoroughly examine the human rights risks and impacts associated with each business unit and subsidiary. The following graphic illustrates the human rights material matters and how they are relevant to our business:



### STATEMENT ON DIVERSITY & INCLUSION

At MISC, we are committed to fostering a culture of diversity, equality, and inclusion where everyone feels valued, respected, and empowered to contribute their best. We embrace the unique backgrounds, perspectives, and talents of our employees, recognising that these differences drive innovation and excellence.

 [Read more in Our People, Our Strength.](#)

### GRIEVANCE MECHANISM PROCEDURES

MISC has established a grievance mechanism for reporting human rights violations. The procedures clearly define the process, including disclosure intake, case assignment, stakeholder roles, processing reports, and managing investigations, including cancellations or reopening of grievances. It is a non-judicial process for addressing human rights grievances and providing timely, fair, and consistent remedies.



### MATERIAL HUMAN RIGHTS MAPPING ACROSS MISC GROUP OF COMPANIES

	Community Well-Being	Security	Labour and Working Conditions	Supply Chain
Gas Assets & Solutions		✓	✓	✓
Petroleum & Products		✓	✓	✓
Offshore		✓	✓	✓
Marine & Heavy Engineering	✓	✓	✓	✓
Marine Services		✓	✓	✓
Maritime Education & Training	✓	✓	✓	✓

### HUMAN RIGHTS DUE DILIGENCE

MISC acknowledges the human rights risks within our business and to identify and mitigate the risk of human rights violations, the following initiatives have been implemented:

- Regular Audits and Risk Assessments: We conduct a systematic periodical review of potential human rights issues through HRRA which was previously known as Social Risk Assessment (SRA) across the MISC Group to ensure compliance with our human rights standards. This includes evaluating labour practices, policies, and the potential risk of human rights issues and modern slavery.
- Human Rights Focus Areas: We determine steps taken and/or intended to be taken to ensure modern slavery and human trafficking are not taking place in MISC's business or supply chains by including custom human rights and labour condition indicators inside our due diligence checklist based on the scope of business.
- Stakeholder Engagement: We ensure effective engagement with key stakeholders and organise regular knowledge-sharing and capacity-building sessions focusing on human rights matters. This approach acts as a proactive measure to address potential risks before they develop into human rights violations through the fostering of high-level and operational engagement while streamlining our human rights practices both within our organisation and across our supply chains.

## Respecting Human Rights at Sea and Shore

## Respecting Human Rights at Sea and Shore

### HUMAN RIGHTS RISK ASSESSMENTS

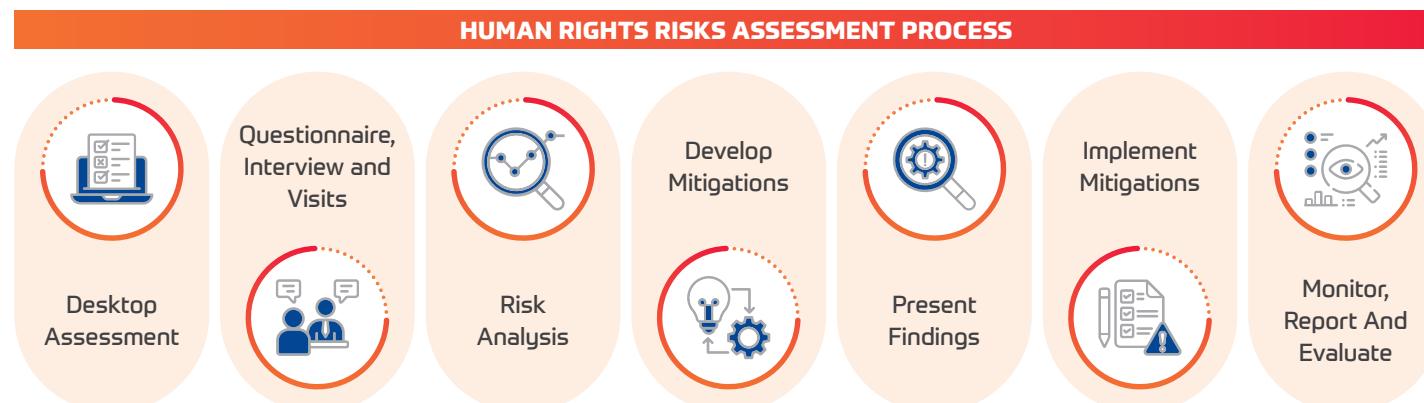
Since 2019, HRRA, have been conducted to evaluate material human rights matters relevant to our business operations across both shore-based and sea-based activities. These assessments provide a comprehensive review of human rights and modern slavery risks, with a specific focus on labour and working conditions, supply chain integrity, security concerns, and the livelihoods of impacted communities.

The assessments were conducted by using methodology adapted from the PETRONAS Technical Standards on SRA.

Our human rights risk assessment processes enable us to achieve the following:

- **Identify and address risks and impacts:** The identification and mitigation of human rights risks play a critical role in managing actual or potential adverse impacts resulting from our business activities.
- **Develop and prioritise the appropriate mitigation measures:** Risk assessment findings pinpoint human rights risks across operations and supply chains, prioritise severe and likely risks (e.g., forced labour, unsafe working conditions) therefore guiding us in formulating targeted mitigation strategies to address the most critical risks.
- **Develop a monitoring and reporting programme:** Implementing a robust monitoring framework enables us to track the effectiveness of mitigation measures and reporting enhances accountability, providing stakeholders with insights into the outcomes.
- **Develop effective and systematic stakeholder engagement:** Proactive engagement with stakeholders enables us to understand their concerns and expectations, foster trust, and improve collaboration to effectively address human rights challenges.
- **Contribute towards a robust social baseline:** We track progress using metrics, identify areas for improvement, and continuously refine our risk management processes based on evaluation outcomes. This baseline builds comprehension of the social context of our operations, allowing us to evaluate and adapt to changes while facilitating informed decision-making.
- **Enable the allocation of resources to manage social impacts:** Our risk assessments guide resource allocation, ensuring that sufficient funding, personnel, and tools are available to manage social and human rights impacts effectively.
- **Determine if further assessment is required to mitigate the risks:** Assessments conducted may reveal gaps or new risks that require further scrutiny to ensure that all potential risks are thoroughly addressed and effectively mitigated.

The following figure illustrates the HRRA process:



We completed the first cycle of HRRA in 2022 which covered our main subsidiaries and business units, focusing on all human rights and modern slavery elements, in line with MISC's Sustainability Strategy (Governance Pillar). Based on the outcomes of the HRRA, action plans were established to mitigate the identified risks. The timeline summary of the previous HRRA are indicated in the following:

**2019**

**MHB**

Labour/working conditions, supply chain, security, and livelihood of impacted communities

**2020**

**Eaglestar**

Labour/working conditions of seafarers

**2021**

**AET | MISC Berhad | Eaglestar  
ALAM | MISC Maritime Services (MMS)**

Labour/working conditions for shore staff

**2022**

**Offshore**

Labour/working conditions on FSO and community

**2022**

**ALAM**

Livelihood of impacted communities

**2022**

**GHSSE**

Security

**2023**

**MHB**

Labour and working conditions, community well-being, security, and supply chain management

In 2024, we reviewed the mitigation's closure status from the previous exercises to assess the effectiveness of the identified strategies. We are in the midst of reviewing and updating our existing procedures with respect to the MISC Human Rights Policy, reflecting our commitment to continuously improving our human rights risk management and due diligence practices as we remain acutely aware that risks can arise across our operations and value chains.

## Respecting Human Rights at Sea and Shore

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The MISC Human Rights Policy demonstrates our stronger commitment to sustainable and ethical sourcing practices. Furthermore, we believe that integrating human rights into sourcing decisions promotes a broader shift toward responsible consumption and production.

MISC has set up a robust mechanism to ensure third-party compliance with the MISC Human Rights Policy, where respect for internationally recognised human rights, commitment to integrity in conducting businesses and contribution to sustainable development goals are achieved. A comprehensive framework and enhancement of the practices involving third parties has been implemented by MISC to ensure compliance with all relevant requirements and standards.

The MISC CoBE for Third Parties includes specific requirements to comply with MISC's Human Rights Policy. MISC's third parties are also required to declare their commitment to abide by the standard of integrity expected by MISC and comply with all relevant human rights and modern slavery requirements through the signing of the Declaration and Integrity Pledge (DIP). Per MISC's zero-tolerance approach to slavery, forced labour and human trafficking, we ensure our agreements, which are used for the purchase and supply of goods and services, will allow us to terminate and cease dealings with any third party in the event of any violations.

Third Parties Compliance Due Diligence assessment is conducted before the formalisation of a business relationship to ensure that all pre-qualified third parties do not pose any significant associated compliance risk, which includes human rights-related risks, which could jeopardise the reputation of MISC.

MISC has implemented an ESG Self-Assessment for the supply chain through an integrated platform. The assessment which incorporates human rights elements, measures the maturity level of ESG compliance for critical vendors. The exercise has been implemented for three consecutive years since 2022 and covers 283 of MISC's critical Tier-1 vendors.

As part of our commitment to strengthen our approach, MISC will be reviewing and enhancing its internal guidelines for human rights in our supply chain and reporting mechanism towards improving transparency.



# Governance Pillar



## Our Approach

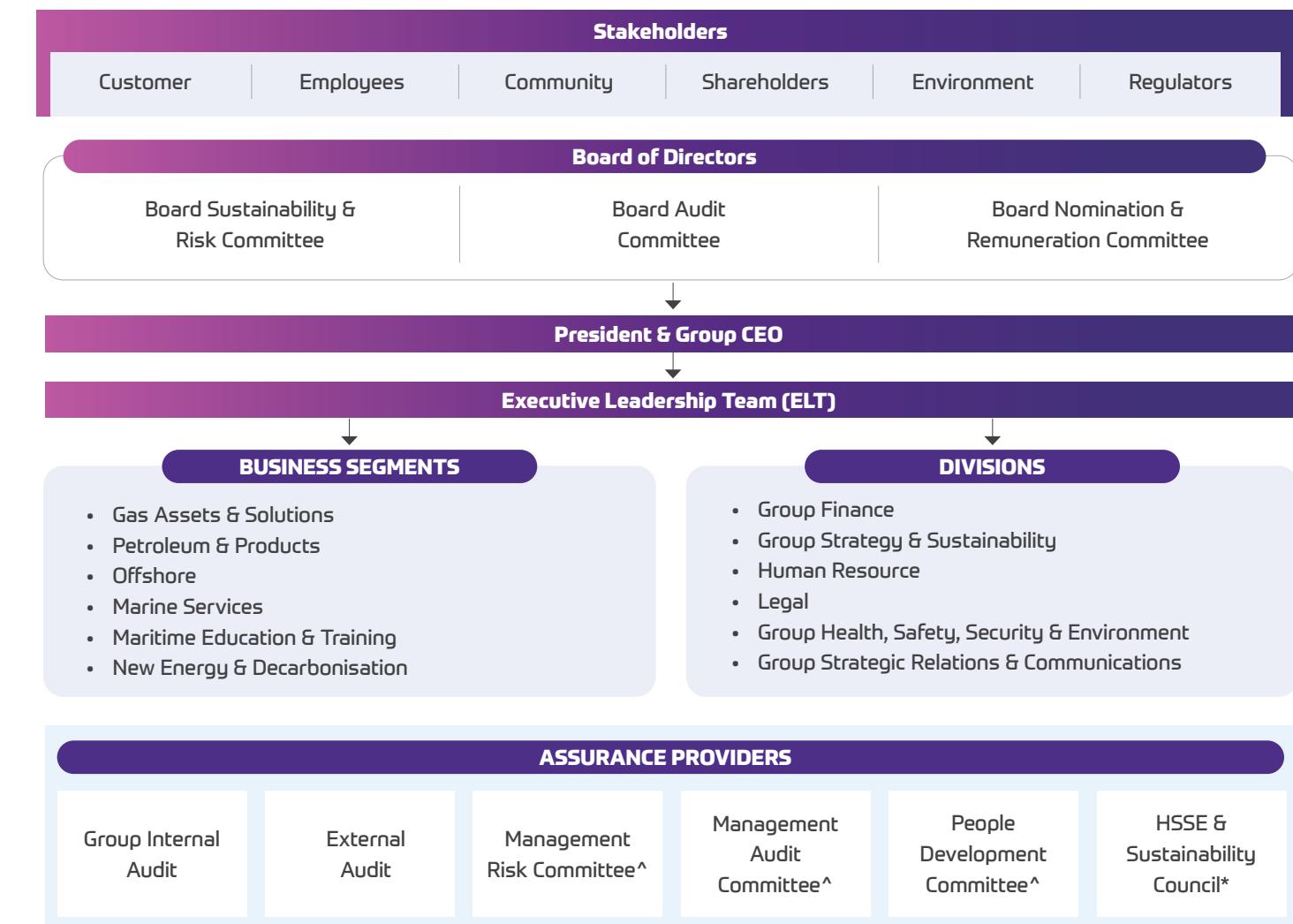
**Corporate governance at MISC is essential for promoting accountability and ensuring business success while prioritising stakeholder interests. Built on three foundational pillars namely Ethical Behaviour, Accountability, and Transparency, MISC's governance framework is designed to create long-term value for our stakeholders.**

In order to ensure we establish a robust governance system, MISC implements a comprehensive framework of control mechanisms, including policies, procedures, systems, and processes. These mechanisms uphold high standards of ethics and conduct to protect stakeholder interests and mitigate reputational risks.

The Board sit at the apex of the Group governance structure, supported by the PGCEO and various Leadership Committees, business segments, and divisions. This structured approach allows for strategic deliberation at appropriate levels based on the significance and impact of business decisions, ensuring effective governance throughout the organisation.

## Our Approach

### ► CORPORATE GOVERNANCE FRAMEWORK



**Note:**

Information as of 5 March 2025

<sup>^</sup> Comprises ELT Members only

<sup>\*</sup> Comprises ELT Members & Senior Management

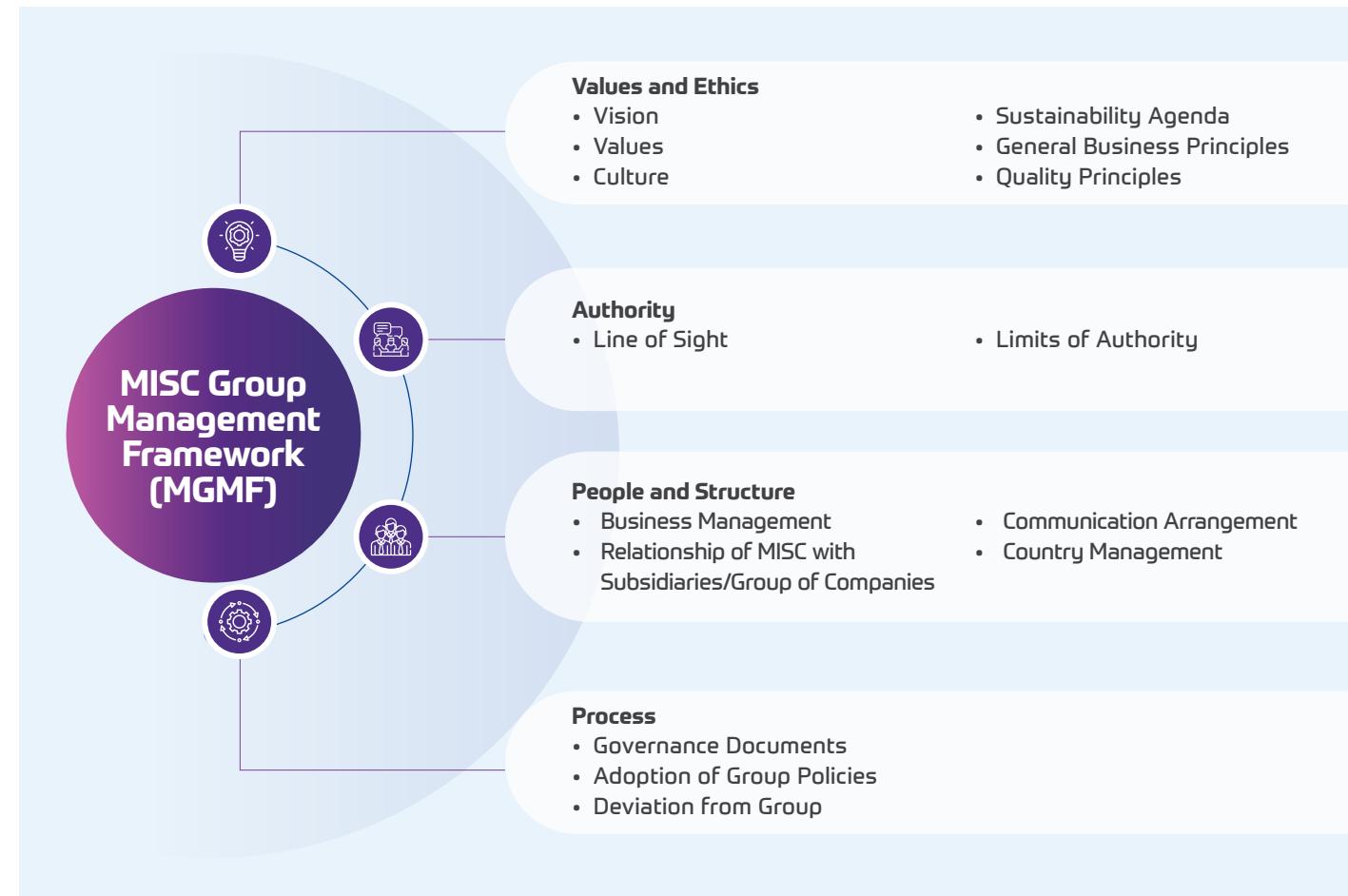


## Our Approach

### MISC GROUP MANAGEMENT FRAMEWORK

MISC Group's reputation as a leading international conglomerate is protected by the establishment of the MISC Group Management Framework (MGMF). This framework outlines the organisational structure, operating model, and governance practices, serving as a foundational guide for the Group.

The MGMF establishes key principles and guidance that facilitate clear decision-making authority and a transparent line of sight across the organisation. It also outlines the process for adopting governance documents and ensures the effective implementation of the framework. By providing a structured approach to governance, the MGMF enhances operational efficiency and reinforces MISC's commitment to maintaining high standards in all its endeavours.



## Operating Responsibly

### Our Commitment

- Continuously embed a culture of strong corporate governance and business ethics and conduct
- Enhance the cybersecurity framework and safeguard our operations

### Our Initiatives

- Corporate Governance
  - Include ESG risks in Enterprise Risk Management
  - Increase Board oversight on ESG risks and opportunities, including cyber risk governance
- Compliance & Business Ethics
  - Continue to embed compliance culture in business processes through awareness and assurance programmes
  - Continuously improve our Anti-Bribery Management System
  - Create cybersecurity capabilities and awareness among the MISC community across all levels
  - Elevate and continuously improve on cybersecurity framework

### Our Contribution to SDG



Promote sustainable economic growth and decent work for all by ensuring labour rights and promoting a safe and secure working environment for all



Ensure robust cybersecurity management in an era of rapid technological advancement and increasing reliance on information technology and digital communications



Foster strong governance and business ethics culture against corruption and promote fair practices



At MISC, we are dedicated to fostering a culture of strong corporate governance, compliance, and business ethics to ensure business sustainability. Aligning our practices with stakeholders' interests is essential for building trust among them.

We strictly adhere to the laws and regulations applicable to our industry and the countries where we operate. This commitment is reinforced by robust compliance practices and a strong ethical framework.

To strengthen our compliance culture and promote ethical behaviour within MISC Group, we have implemented sound management practices designed to manage compliance risks and obligations effectively, guiding our management and operations toward achieving zero non-compliance.

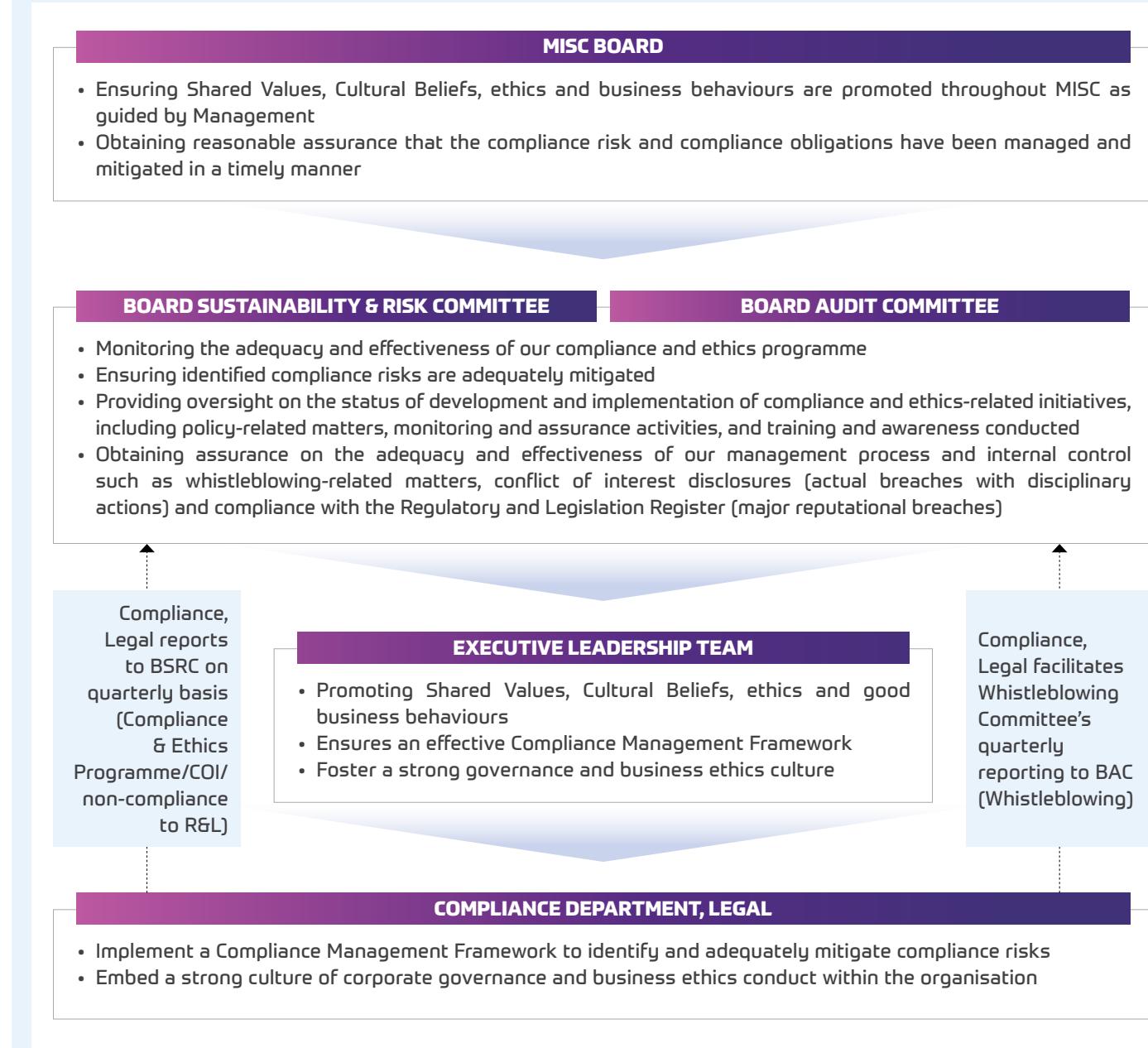
Our approach to ensuring fair and responsible business conduct is detailed in the following sections, reflecting our commitment to maintaining high ethical standards in all our business activities.

## Operating Responsibly

### ► COMPLIANCE GOVERNANCE STRUCTURE

The established structure provides a mechanism to manage our operations' compliance risk and obligations proactively and effectively, with embedment of the compliance culture across all business activities and operations to ensure Group Policies and relevant laws and regulations are adhered to.

#### MAIN ROLES AND RESPONSIBILITIES



The Board and the Board Committees' roles and responsibilities are crucial to ensure that our business stays resilient and managed efficiently. The Compliance Department under Legal assists the Board, BSRC, BAC and ELT in managing compliance risk based on the Compliance Management Framework.

### ► COMPLIANCE MANAGEMENT FRAMEWORK

MISC Compliance Management Framework is built on the principles of defining regulatory compliance programmes, identifying compliance risk, managing and mitigating compliance risk, attestation and reporting of compliance status while having the appropriate compliance leadership set through 'Tone from the Top' by the Board and Management. Compliance culture is promoted across MISC's business activities, where communication and training are implemented as enablers.



For each of the elements within the Compliance Management Framework, we have identified specific measures and initiatives that are vital for the Group in managing our compliance risk as part of the Enterprise Risk Management. These are listed as follows:



## Operating Responsibly

## Operating Responsibly

### COMPLIANCE LEADERSHIP

The leadership team of MISC, which consists of the Board and the Management team has set the premise and guides the acceptable behaviours and actions expected from employees. This top-down approach signals a strong commitment to compliance, ethical culture and behaviours from our leaders.

The Board and Management shall:

1

Set the appropriate 'Tone from the Top';

2

Provide clarity on expectations for compliance;

3

Ensure behaviours and actions are consistent with the messages delivered; and

4

Reward appropriate behaviours and penalise unacceptable actions.

### Management Scorecard

MISC implements company-wide management compliance scorecards to measure the adherence of every business unit, service unit, and subsidiary at the management level and among employees. This management compliance scorecard supports the Group Balanced Scorecard on compliance with critical laws and regulations.

Management scorecards are cascaded to the Heads of Divisions/Departments and are tied to each Division/Department's compliance achievement for the reporting year. These scorecards are intended to demonstrate the top-level commitment to curtail bribery, corruption and compliance risk and strategically embed compliance culture into day-to-day activities within MISC.

### Compliance Culture

At MISC, every employee must have the right attitude and behaviour towards business ethics to create a sound compliance culture. Compliance culture is built on several elements ranging from awareness and communication, leading by example, responsibility and reward and consequence management.

- i. Clear set of published values and expected compliant behaviours.
- ii. Management is seen as the role model for implementing and abiding by compliance requirements.
- iii. Employees are aware that they are accountable for their actions and equipped with the necessary skills and knowledge.

- iv. Feedback mechanisms are put in place to ensure that mechanisms and processes to achieve the desired results and drive appropriate behaviours are working.
- v. Issues raised are turned into lessons learned and appropriate actions are taken.
- vi. A consistent approach to rewards or consequence management is used to reinforce behaviours.

Furthermore, the employees' appraisal system is supplemented with the elements of compliance and ethics where line managers are required to provide feedback during appraisals on employees' compliance and ethical behaviours.

### Compliance Training, Communication, and Awareness

As compliance obligations evolve to meet the changing business environment, MISC regularly carries out compliance communication and awareness programmes to ensure our employees have the latest information on laws and regulations. We have carried out various communication and awareness programmes such as:

- i. Raising awareness of the CoBE and whistleblowing through our See.Speak.Support campaign.
- ii. Delivering comprehensive five critical laws and CoBE training and refresher sessions for employees, Directors and third-party suppliers.
- iii. Regular communications on various channels such as the MISC Compliance and Ethics Intranet Portal, email newsletters, and Workplace postings.

Our training, communication, and awareness programmes are monitored, reviewed and assessed for their effectiveness by gauging employees' understanding of MISC's compliance and ethics culture through periodical surveys.

### Compliance Culture

#### See.Speak.Support

We launched the See.Speak.Support Campaign in 2017 to elevate employees' awareness of the key elements of the CoBE. The campaign is conducted quarterly through webinar series aimed at familiarising employees with our whistleblowing channel, five critical laws and other relevant policies and procedures. These sessions focus on three main themes which are:

**i. See:** If you see something or hear something that makes you feel uncomfortable, do not ignore it.

**ii. Speak:** It takes courage to speak up. Talk to your supervisor, Human Resource Division or Compliance Department.

**iii. Support:** Do not underestimate the power of support. It can help a colleague to stand up and act.

In 2024, the following See.Speak.Support webinar series were conducted.

#### 1. No to Sexual Harassment: Towards a Safe & Secure Workplace (26 March 2024)

The first sharing session of the year was facilitated by Engender Consultancy, a civil society organisation that empowers gender equality. The session speaker provided insights into the dynamics of sexual harassment in the workplace. She shared past cases to illustrate how harassment occurs in office settings and discussed potential courses of action for victims.

#### 3. Mind Over Matter: Overcoming Burnout and Stress (11 September 2024)

MISC's Head of Occupational Health & Industrial Hygiene led the session which discussed stress factors and their impacts on both personal health and work performance, including the issue of burnout. Additionally, he also shared tips for combating burnout and highlighted the MISC Employee Assistance Program, myFriends, as a resource for employees to address their concerns.

#### 2. Personal Data Protection – Communicating and Transacting in Cyberspace: Risk and Implications (11 June 2024)

The session was delivered by a guest speaker, a partner at Shearn Delamore & Co. The discussion revolved around the potential risks of online activities, including cyberstalking, cyber fraud, cyber defamation, and other criminal offences.

#### 4. Lessons on Integrity: Offence by Commercial Organisation (3 December 2024)

The session discussed on a critical topic that affects MISC as a commercial organisation and was delivered by the Deputy Public Prosecutor from the Malaysian Anti-Corruption Commission (MACC). The speaker delved into Section 17A of the MACC Act 2009 which introduces corporate liability for corruption offences and the importance for MISC to have in place a robust compliance and ethics programme that entails anti-corruption measures. He also shared what employees can do to protect MISC from any severe penalties and reputational impact arising from breach of the corporate liability provision.



## Operating Responsibly

## Operating Responsibly

## Operating Responsibly

### Compliance Culture

#### Compliance Training

CoBE training sessions were delivered in 2024 to educate employees on 'Five Critical Legal Areas' namely, Ethics and Integrity (including Human Rights and Modern Slavery), Personal Data Protection, Sanctions, Export Control and Competition. These sessions reinforced the Group's expectations of employees' conduct in their daily work functions. Apart from these sessions, we also shared bite-sized communication materials across the Group to provide simplified information about CoBE and other related areas.

CoBE training is conducted for new employees during the HR onboarding programme which covers anti-corruption topics amongst other areas of the CoBE.

CoBE refresher training was also conducted where Directors and employees are needed to complete an assessment with a minimum passing mark. Our CoBE training was also extended to our third-party suppliers to ensure they are familiar with MISC CoBE and other requirements and expectations. Third-party suppliers are required to complete a mandatory assessment post-training. In 2024, 102 third-party suppliers attended the CoBE training session from various industries across MISC Group of which 12 are critical suppliers.

As part of the MISC Group Compliance Learning initiative, MISC has developed eight compliance e-learning modules related to the 'Five Critical Legal Areas' that were rolled out in phases since 2022 which include:

- i. Code of Conduct and Business Ethics
- ii. Anti-Bribery & Corruption Manual
- iii. Third-Party Compliance Due Diligence in MISC
- iv. Export Control
- v. Personal Data Protection
- vi. Sanctions
- vii. Competition Law
- viii. Human Rights Management

The latest CoBE e-learning module has incorporated the contents of the latest version of CoBE which was updated in 2023.

#### Compliance and Ethics Survey

The Compliance and Ethics Survey is one of the tools used to gauge the compliance and ethics culture within MISC Group. It is rolled out biennially and used to measure the effectiveness of the compliance and ethics programmes as perceived by employees and to assess the depth of understanding and assimilation of the MISC CoBE since its adoption and rollout in 2012.

### Compliance and Ethics Survey Rating Scale



A total of 2,665 out of 4,773 targeted MISC Group employees (56%) responded to the survey. This is an increase of 9% from the previous survey.

The survey results for each compliance and ethics category are as follows:

#### Comparison study: surveys conducted from 2015 to 2024

##### Leadership

2024	4.59
2022	4.67
2020	4.66
2018	4.66
2015	4.13

##### Ethics Resources

2024	3.95
2022	4.03
2020	4.20
2018	3.92
2015	Not asked

### Compliance Culture

#### Comparison study: surveys conducted from 2015 to 2024

##### Ethical Risk Assessment

2024	3.71
2022	3.70
2020	3.60
2018	4.02
2015	3.28

##### Whistleblowing & Investigation

2024	4.23
2022	4.21
2020	4.24
2018	4.63
2015	4.32

##### Bribery & Corruption Programme

2024	4.16
2022	4.17
2020	4.08
2018	4.22
2015	3.23

##### Organisation Structure

2024	4.17
2022	4.24
2020	
2018	Not asked
2015	

##### Disciplinary & Reward Measures

2024	4.07
2022	4.15
2020	
2018	Not asked
2015	

##### Ethics Communication

2024	4.44
2022	4.51
2020	4.60
2018	4.88
2015	3.72

##### Ethics Training and Education

2024	4.19
2022	4.17
2020	3.98
2018	4.14
2015	3.77

The average overall rating indicated that employee perception of compliance and ethics is at a "robust" level. The result was slightly lower compared to the previous survey.

The survey findings were analysed and action plans were formulated to close the identified gaps. Among action plans that were identified are:

1. Introduce Integrity Leadership KPI for leaders
2. Upskill employees, especially compliance functions and champions
3. Incorporate compliance and ethics discussion during performance reviews
4. Continue implementation of Compliance/Integrity Moment sharing sessions
5. Conduct annual CoBE training for third parties
6. Commence digitalisation/automation for compliance management system and third-party risk management system

##### Compliance and Ethics Form

A compliance feedback form was rolled out to guide employees' performance review sessions, where employees need to illustrate their compliance and ethical behaviour when performing their day-to-day work responsibilities. This is another avenue that MISC uses to measure the effectiveness of our compliance and business ethics programmes.

## Operating Responsibly

## Operating Responsibly

## Compliance Risk Management

## Five Critical Legal Areas

At MISC, we have identified five Critical Legal Areas (CLA) that can pose risks to MISC based on international laws with an extra-territorial effect which, if breached, could result in serious civil and criminal penalties with severe reputational damage to the Group.

## FIVE CRITICAL LEGAL AREAS

**1** Ethics and Integrity (including Human Rights and Modern Slavery)

**2** Personal Data Protection

**3** Sanctions

**4** Export Control

**5** Competition

## Regulatory &amp; Legislation Register

We monitor all relevant regulations and legislations that can potentially impact the organisation through the Regulatory and Legislation Register. In 2024, 70 newly identified applicable laws and regulations were included in the Register under Malaysia, Singapore, Brazil, and the United Kingdom categories. Most of the new additions are related to our operations in Brazil.

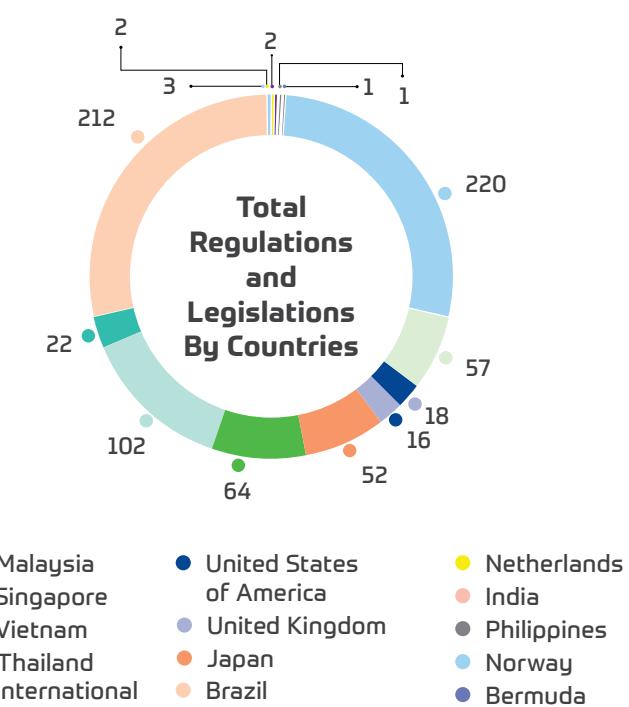
## Total Regulations and Legislations

2024	772
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2023	713
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2022	518
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2021	142
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The register serves as a “live” document and will be continually updated from time to time to ensure close monitoring of our adherence to all statutory requirements. In providing the Board and Management with assurances that MISC is complying with all applicable laws and regulations, Legal Functional Checklists (FCs) were introduced through an Integrated Assurance platform called myAssurance. For more details about FCs and myAssurance, please refer to the section on Monitoring and Reporting.

## Code of Conduct and Business Ethics

Our CoBE applies to all Directors, employees, and third parties performing work or services on behalf of MISC. The CoBE establishes the standards of behaviour and ethical conduct expected from everyone associated with the organisation. Directors, employees, and third parties are required to act in MISC's best interests and refrain from any conduct or activities that could negatively impact the organisation. Reflecting our unwavering commitment to ethical business practices, the CoBE governs the Group's operations both domestically and internationally.

## Compliance Risk Management

## Four Key Areas of CoBE:

- Core Values and Culture
- Duties of Good Faith, Fidelity, Diligence and Integrity
- Workplace Culture and Environment
- Discipline, Disciplinary Process and Sanctions

To cater to local legislations and social conventions of countries where we operate, standalone Country Supplements have been established to supplement the Group-wide CoBE. The CoBE Country Supplements adapt the CoBE requirements of the respective country's applicable laws and social mores.

Seven CoBE Country Supplements have been established and implemented as guidance to employees based in these countries where we operate: Malaysia, Singapore, Brazil, Japan, the United Kingdom, the United States of America and China.

The CoBE Country Supplement: Brazil was revised in 2024 to align with the latest requirements and development of the Brazilian local laws and regulations.

## Anti-Bribery and Corruption Policy and Manual

At MISC, we uphold the highest standards of ethical business practice to ensure we maintain trust among our stakeholders and avoid reputational damage which could lead to negative economic impacts on the business.

Our commitment is translated into the MISC's Policy on Anti-Bribery and Corruption where we are committed to applying the highest standards of ethical conduct, integrity and accountability in all our business activities and operations. Within this policy, we state our zero-tolerance commitment towards any form of bribery and corruption by or of our employees, or any persons or companies acting on behalf of MISC. The policy applies to all MISC business dealings and relationships.

To support the implementation of the policy, we established the Anti-Bribery and Corruption (ABC) Manual which incorporated the key principles set out in CoBE. It provides a guide to our employees, Directors and business partners on how to deal with improper solicitation, bribery and other corrupt activities that may arise in the course of business which includes but is not limited to the following topics:

1. Gift, Entertainment and Corporate Hospitality;
2. Dealing with Public Officials;
3. CSR, Sponsorships and Donations;
4. Political Contributions;
5. Facilitation Payment;
6. Money Laundering;
7. Dealing with Third parties;
8. Recruitment of Employees; and
9. MISC Whistleblowing Policy

The ABC Manual was updated in 2024, where two major changes to the contents aligned with the revised CoBE and internal processes.

## Anti-Bribery Management System

MISC Group of Companies has been fully certified with the ISO 37001:2016 ABMS since 2023. This showcases our commitment to managing the bribery and corruption risks according to internationally recognised standards and to ensuring compliance with the MACC Act and foreign jurisdictions such as the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

The ABMS implementation in MISC is guided by the MISC Integrity Management System Manual (previously known as Anti-Bribery Management System ABMS Manual) established in 2018 and revised in 2024. MISC Group Internal Audit (GIA) conducts annual internal audit reviews, which are followed by surveillance audits by the certification body (SIRIM QAS) to evaluate the effectiveness of ABMS implementation in preventing, detecting, and responding to bribery and corruption.

The audits conducted assess the ethical standards of our operations covering aspects of leadership and commitment, policy and commitments, roles, responsibilities and authorities, anti-bribery and corruption risks and opportunities, and due diligence, among others.



**100%**  
of MISC Group certified with ISO ABMS

## Operating Responsibly

## Operating Responsibly

### Compliance Risk Management

#### Business Ethics Awareness Programme

In order to enhance the anti-bribery and corruption practices within MISC, we organised the following programmes.

##### i. Integrity Time-Out

An Integrity Time-Out session is an avenue for the Head of Divisions/Departments to communicate and have a conversation about integrity with employees within their respective departments. The session is coordinated by the respective Compliance Champions within the Divisions/Departments.

##### ii. Compliance/Integrity Moment

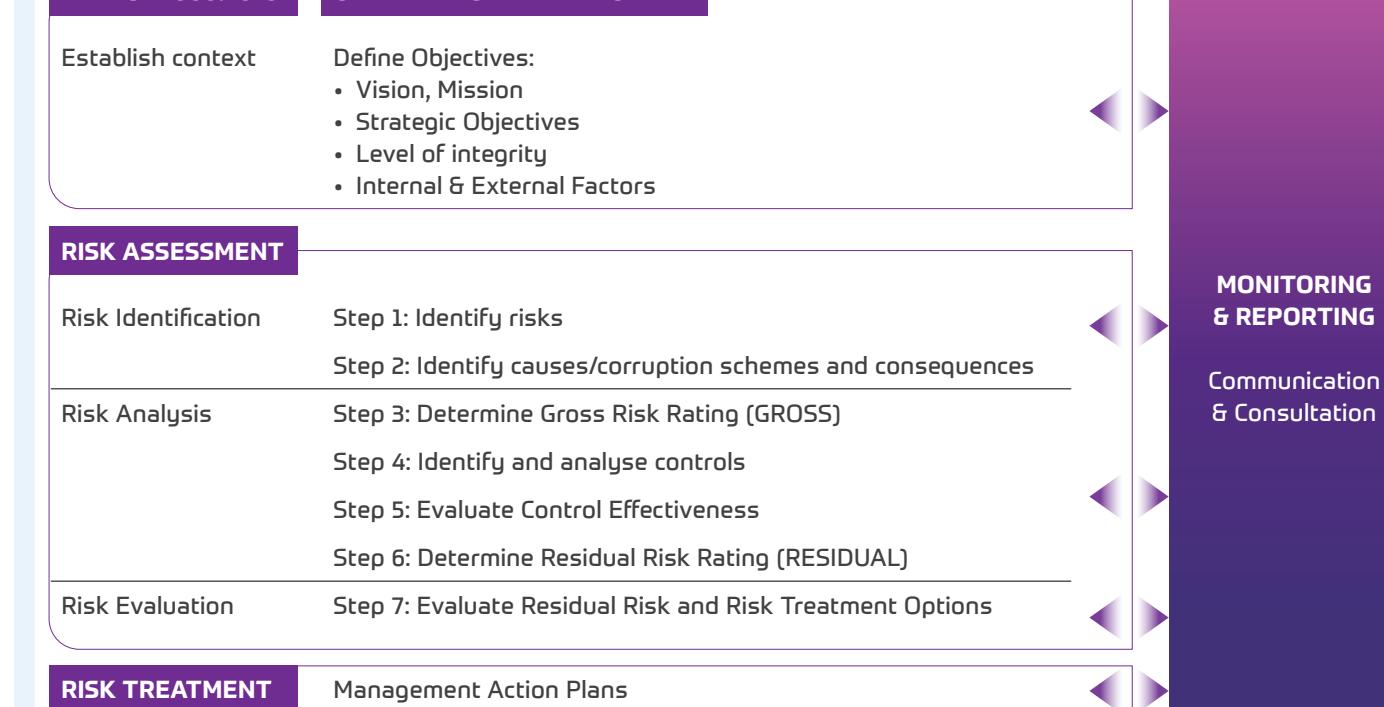
The Compliance or Integrity Moment is a brief two to three-minute sharing session by any employee to illuminate ethical situations faced in the workplace or depicted in the media which is to be held at the start of meetings, town halls or awareness sessions.

#### Corruption Risk Exposure and Mitigations

The Bribery and Corruption Risk Management Framework was developed by benchmarking the following documents:

- Transparency International (TI) (UK)'s Guidance for "the Conduct of Effective Bribery Risk Assessment";
- United Nations Global Compact's "Guide for Anti-Corruption Risk Assessment";
- PETRONAS' Guide on "How to Implement an Integrity Programme – A Guide for MDs/CEOs, PETRONAS Group of Companies";
- MACC's Corporate Anti-Corruption Compliance Centre (CACCC) Risk Methodology;
- ISO 31000:2010 Risk Management;
- ISO 37001:2016 Anti-Bribery Management System; and
- PETRONAS' Corruption Risk Assessment (CRA) Procedure.

### MS ISO 31000:2010 – OVERVIEW OF BCRA PROCESS



### Compliance Risk Management

All MISC Group of Companies performed the Bribery and Corruption Risk Assessments (BCRA) on an annual basis to continuously identify, assess, and evaluate bribery and corruption exposures within MISC.

**100%**  
of our operations were assessed for corruption-related risks

We also established the MISC Group's Bribery and Corruption Risk Register which is reviewed and updated annually to ensure the bribery and corruption risks, and mitigation measures are adequately captured per the requirements of ISO 37001:2016 ABMS and the Adequate Procedures Guidelines.

In 2024, we identified 256 potential bribery and corruption risks which have been clustered into 16 bribery and corruption key risk areas where 104 mitigation measures have been put in place across MISC Group.

#### Top 5 Key Risk Areas (KRA)

1 Bribery (offering/receiving bribe) and/or abuse of power in the selection of shipyard/contractors/suppliers/service providers/bankers/broker/agent/third party

2 Bribery (offering/receiving bribe) and/or abuse of power by staff to leak sensitive and confidential information to specific third parties and/or competitors through daily operations and during tendering activities

3 Bribery (offering/giving) and/or abuse of power among employees and/or external party (third Party) to falsify project progress payments/claims/approve unauthorised transactions

4 Bribery (offering/giving) to influence judges/arbitrators in legal disputes in favour of the company or bribing government authority/regulators/officials for favourable outcomes (e.g. Approve submission of corporate exercise/statutory documents/permits/licenses or reduce audit findings/fines)

5 Bribery to conceal fraud activity

Bribery and corruption risk is linked to the MISC's Enterprise Risk Register under the Risk Event categories of Compliance to Rules, Regulation and Governance under the Component of Compliance and Ethics.

#### Key Risk Indicators for Bribery and Corruption

- Lagging indicators: Medium impact and major impact breaches on critical legal areas (CLA) and operational legal areas (OLA)
- Leading indicators: Status of effectiveness of ABMS implementation by audit review outcomes

In 2024 we recorded **NO** monetary losses as a result of legal proceedings associated with bribery or corruption.

**zero** non-compliances related to bribery or corruption, anti-money laundering, or insider trading.

#### Third-Party Risk Management

Third-Party refers to contractors, sub-contractors, consultants, vendors, agents, representatives and other service providers performing/providing work, supplies or services for or on behalf of MISC Group, JV partners, clients, banking and financial institutions/lenders.

Our third-party compliance due diligence process is guided by the MISC TPCDDOG which contains basic guidelines and procedures for performing compliance due diligence on third parties entering or having existing contractual transactions and business relationships with us. Third-party assessments ensure that business relationships do not pose significant Associated Compliance Risks.

## Operating Responsibly

### Compliance Risk Management

#### Compliance Risks Covered Under TPCDDOG

- Bribery and corruption
- Money laundering
- Conflicts of Interest
- Economic sanctions
- Export control
- Competition
- Human rights and modern slavery
- Personal data protection

#### Compliance Due Diligence Tools

- KYC Questionnaire
- Standard Compliance Due Diligence (Online screening via KYC platforms)
- Enhanced Compliance Due Diligence (ECDD)
- Associated Compliance Risk Assessment using the Due Diligence Risk Assessment Checklist

MISC undertakes compliance due diligence in all business dealings and relationships with new and existing third parties and business partners as part of the KYC process. KYC helps us understand and evaluate counterparties more effectively to ensure they comply with all applicable laws and the MISC CoBE requirements, policies and obligations.

Our operations must perform due diligence on third parties before engaging them. Due diligence comprises completing the KYC Questionnaire and/or internally screening third parties using KYC online checks and assessing potential Associated Compliance Risk using the Due Diligence Risk Assessment Checklist. We undertake an ECDD upon identifying medium or high Associated Compliance Risk including all proposed transactions involving mergers and acquisitions and business joint ventures. We execute appropriate mitigation plans upon identifying possible red flags.

#### Competition

Our Competition Law Guidelines outline the main competition laws applicable in most international jurisdictions and ensure that we strictly comply with these rules in our day-to-day business. We have adopted two Competition Law Compliance Protocols that support the Competition Law Guidelines which are:

- i. MISC's Competition Law Compliance Protocol on Meetings and Information Sharing; and
- ii. MISC's Competition Law Compliance Protocol on Merger and Acquisition Transactions.

In 2024 we recorded **Zero** non-compliances related to competition law.

#### Sanctions

We are fully committed to complying with all relevant economic sanctions and export control regulations by systematically identifying, mitigating, and managing associated risks across the jurisdictions in which we operate. Our Sanctions and Export Control Guidelines serve as the governing framework for all matters related to sanctions and export controls, ensuring adherence to regulatory requirements and international best practices.

As part of our third-party compliance due diligence process and PRA conducted by business units, we rigorously evaluate prospective business relationships to ensure that we do not engage with any entity or individual that is the target of sanctions. This includes entities or individuals that are directly or indirectly owned or controlled by sanctioned parties. Furthermore, we strictly refrain from participating in any activity that could result in MISC breaching sanctions laws.

In 2024 we recorded **Zero** non-compliances related to economic sanctions.

#### Personal Data Protection

MISC is committed to complying with applicable privacy and personal data protection laws. Our Corporate Privacy Policy and its Master Guidelines apply to all operations to ensure that the collection, use, processing and storage of personal data relating to our employees, contractors, Directors and third parties are consistent with our policies.

The Master Guidelines were revised in 2024 in alignment with the EU GDPR requirements and to incorporate best practices, provide more examples, and improve accessibility.

### Compliance Risk Management

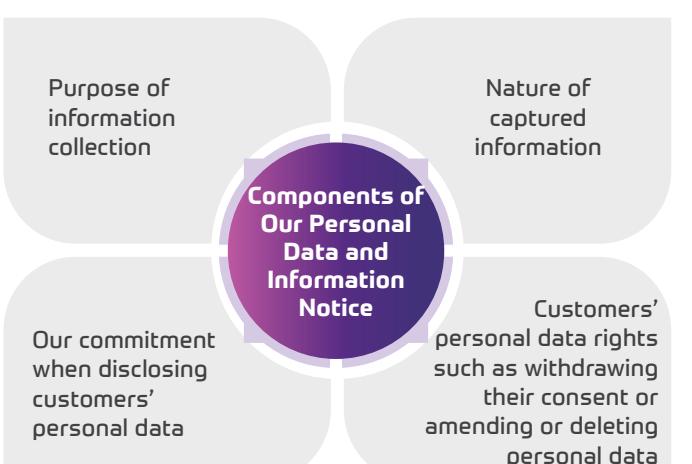
Our Privacy Statement, which is available on our corporate website, explains the processing of all personal data collected from MISC's website, social media pages and emails. Our employees, Directors and third parties are also provided with the relevant Personal Data and Information Notice to inform them of our practices regarding the treatment of their personal data.

The relevant Personal Data and Information Notice provided to our employees, Directors and third parties upon collection of their personal data further explains their consent withdrawal rights including rights to access, rectify, modify, delete, object, restrict, receive, transfer their personal data and to make a complaint about MISC processing their personal data. Any queries, comments or complaints can be made by our employees and the public to our Compliance department at [compliance@miscbhd.com](mailto:compliance@miscbhd.com).

In 2024 we recorded **Zero** non-compliances related to data privacy.

#### Customer Privacy Information

Customers are informed of our Corporate Privacy Policy through the Personal Data and Information Notice.



In 2024 we recorded **Zero** non-compliances related to customer data privacy.

#### Political Involvement Policy

Employees are prohibited from using their position in MISC to influence political contributions and support politicians or their parties in any country as stated in our CoBE.

- i. Political contributions are not permitted;
- ii. No form of financial assistance is received from the government; and
- iii. Facilities, resources and equipment cannot be used for political-related activities and campaigns or events.

#### Lobbying Approach

Employees are required to comply with local laws concerning lobbying in any jurisdiction in which MISC engages in lobbying activity, if any. Before engaging in lobbying activities, guidance from the Head of Department is to be obtained. MISC currently does not engage in any lobbying activities.

#### Conflict of Interest Annual Declaration

A conflict of interest occurs when one's personal interests, whether family, friends, financial, or social, may impair one's judgement, decisions, or actions at work. Conflict of Interest (COI) disclosure is part of the assurance process for Conflict-of-Interest Avoidance, in which possible or actual instances of conflict are identified and appropriately mitigated.

We must ensure that appropriate measures are taken so that there is no risk posed to our business, as well as to our Directors and employees. 100% of MISC Berhad's employees have completed the Annual COI Disclosure for 2024.

Our Directors, employees and third parties are required to declare any conflict of interest through the following platforms:

- A dedicated email address [coideclaration@miscbhd.com](mailto:coideclaration@miscbhd.com); or
- Annual Conflict of Interest Declaration period

All declarations are properly reviewed and analysed according to the COI Analysis and Review Procedure, and any necessary mitigation steps are communicated to relevant employees.

In 2024 we recorded **Zero** actual conflict of interest/non-compliance related to conflict of interest.

## Operating Responsibly

## Operating Responsibly

### Mechanism for Addressing Ethical Concerns

Employees and members of the public can report any improper conduct (misconduct or criminal offence) (including Human Rights) involving MISC or our employees, using our whistleblowing platforms. Our Whistleblowing Policy applies to every employee, director and officer of MISC. Moreover, we also encourage our JV companies, in which we are not the controlling stakeholder and associate companies, to adopt this policy. This policy also applies to members of the public, where relevant.

Misconduct or criminal offences include the following, amongst others:

- i. Fraud;
- ii. Bribery;
- iii. Abuse of Power;
- iv. Conflict of Interest;
- v. Theft or embezzlement;
- vi. Misuse of Company's Property;
- vii. Non-compliance with Procedure.

The above list is not exhaustive and includes any act or omissions, which if proven, will constitute an act of misconduct under MISC's CoBE or any criminal offence under relevant legislation in force.

#### Whistleblowing Channel

 Email  
whistleblow@miscbhd.com

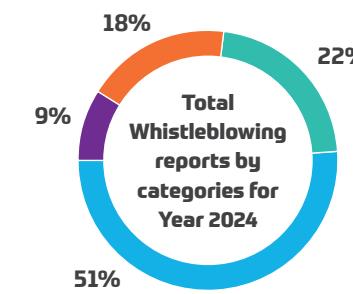
 Whistleblowing e-Form  
(<https://whistleblow.misc.net.my/Whistleblowing/>)

 Hotline +603 2264 0807  
From Monday to Friday during office hours  
(9 am-5 pm)

Any employee or members of the public may remain anonymous and are not obliged to disclose their identity as they report any misconduct or criminal offence through our whistleblowing channels. We provide secure and confidential channels in which a whistleblower will be accorded with protection of confidentiality of identity, as well as protection against any adverse and detrimental actions, to the extent reasonably practicable, provided that the disclosure is made in good faith.

In 2024 we recorded **Zero** substantiated cases under Business Integrity related to Bribery and Corruption.

In 2024, the whistleblowing channel received and processed 65 whistleblowing complaints in comparison to 35 complaints recorded in 2023, which is a 86% increase.



- Business Integrity-33
- HR, Diversity and Workplace Respect-14
- Environment, Health and Safety-6
- Pure Grievances-12

Based on the investigation outcomes, a total of 24 complaints were "closed with action items" due to either allegations were substantiated, action items to rectify any anomalies identified, and/or for process improvements required to minimise risks, while 5 complaints were "closed with no further action" and 36 complaints are "under investigation".

For the year under review, actions were taken by the management to resolve the substantiated cases through the following measures:

- i. Consequence management and corrective action towards employees.
- ii. Review and cessation of internal practices (where applicable).
- iii. Facilities review and improvement.
- iv. Awareness session towards employees on MISC CoBE and other relevant HSSE/ICT/Cybersecurity policies and procedures.
- v. Specific assessment on current policies and processes to identify any other potential gaps or red flags (where applicable).
- vi. Review and enhance the internal complaint management channels for selected Business Units.
- vii. Review and update of procurement related activities including third-party risk management processes and vendor database.

### Monitoring and Reporting

#### Compliance Attestation

Our implementation of the HOD Compliance Attestation Programme is one means of gauging the Group's compliance status of the applicable laws and regulations. The HOD Compliance Attestation initiative is carried out on a bi-annual basis to demonstrate the 'Tone from the Top' and Management's commitment to inculcating a compliance culture throughout operations. This self-assessment attestation programme promotes transparency in line with the Guidelines on Adequate Procedures principles. The Compliance Attestation programme aims to:

- Assure the Board and management of MISC's compliance with all applicable laws and regulations; and
- Immediately document and address any concerns that may lead to potential or actual breaches

#### myAssurance

myAssurance is an integrated assurance platform rolled out to capture all lines of assurance throughout the Company's businesses. Legal/Regulatory risk is one of the 12 Focused Risk Areas identified under the Group Risk Management. MISC Group remains committed to upholding the highest standards of corporate governance and ensuring full compliance with all applicable laws and regulations governing its business operations.

Within the Legal/Regulatory Risk areas, there are two domains of laws identified namely CLA – Reputational and OLA – Non-reputational.

#### MYASSURANCE



#### Critical Legal Areas

The CLA Functional Checklist (FC) embedded in myAssurance is a self-assessment tool to assess our operations' legal compliance status and potential areas of weakness, non-compliance and/or misaligned practices, including bribery and corruption, money laundering, conflicts of interest, sanctions, export control, competition, human rights, modern slavery and personal data protection. Corrective actions are put in place to address any identified gaps.

## Operating Responsibly

### Monitoring and Reporting

#### Operational Legal Areas

OLA FCs were introduced in the same platform to capture assurances to applicable laws and regulations other than CLA. The other areas covered under OLA include health, safety and environment, petroleum, energy and utilities, financial and tax, employment, land and real property, intellectual property and building and construction, among others.

MISC has completed its 2024 annual submission for 29 mandatory OLA FCs (for HSSE related laws) and achieved 100% status of compliance for 17 FCs while 12 FCs were determined as Not Applicable (N/A). Due to MISC Berhad not having operations (shore-based) requiring compliance to those legislations.

#### The 29 mandatory OLA FCs that were submitted are as below:

- Occupational Safety and Health (NADOPOD) Reg 2004
- Occupational Safety and Health (OSH) Reg 1997
- Code of Practice on Chemicals Classification and Hazard Communication 2014
- Occupational Safety and Health (SHC) Reg 1996
- Environmental Quality (Sewage) Regs 2009
- Environmental Quality Act 1974
- Environmental Quality (Industrial Effluent) Reg 2009
- Occupational Safety and Health (Prohibition of Use of Substance) Order 1999
- Occupational Safety and Health (Noise Exposure) Regulations 2019
- Code of Practice for Management of Occupational Noise Exposure and Hearing Conservation 2019
- Factories and Machinery (Electric Passenger and Goods Lift) Regulations 1970
- Environmental Quality (SW) Reg 2005 & Amend 2007
- Environmental Quality (Halon Management) Regs 1999
- Code of Practice for Safe Working in a Confined Space 2010
- Occupational Safety and Health (CIMAH) Reg 1996
- Occupational Safety and Health Act 1994
- Occupational Safety and Health USECHH Regs 2000
- Environmental Quality (Clean Air) Reg 2014
- Factories and Machinery (Notif, Cert of Fitness and Inspection) (Amend) Reg 2004
- Factories and Machinery Act 1967
- Factories and Machinery (Person-In-Charge) Regulations 1970 & (Amendment) Regulations 2014
- Environmental Quality (Refrigerant Management) Regs 2020
- Code of Practice on Indoor Air Quality 2010
- Occupational Safety and Health (CLASS) Regs 2013
- Environmental Quality (CEPE) Reg 1996
- Environmental Quality (CEDE) Reg 1996
- Factories and Machinery (Safety, Health and Welfare) Reg 1970
- Factories and Machinery (Fencing of Machinery and Safety) Reg 1970
- Factories and Machinery (Steam Boiler and UPV) (Amend) Reg 2005

The rest of the OLA FCs are conducted on a risk-based basis, where the frequency is determined depending on the types of risk.

### CONTINUOUS IMPROVEMENT

We constantly improve the suitability, adequacy and effectiveness of our compliance and ethics programmes through reviews by the internal audit team including the annual ISO ABMS internal and external audits. We monitor and report all compliance and ethics-related matters regularly.

## Strengthening Cybersecurity



In an era of rapid technological advancement, businesses increasingly rely on information technology and interconnected systems to sustain daily operations. The continuous evolution of digital infrastructure, coupled with the growing sophistication of cyber threats, necessitates a proactive and adaptive approach to cybersecurity. Ensuring robust cybersecurity management is not only about mitigating present risks but also about anticipating future challenges, safeguarding the long-term viability and operational continuity of the Group in an ever-evolving threat landscape. A resilient cybersecurity framework is built upon key components such as continuous risk assessments, advanced threat modelling, and the ability to swiftly adapt to emerging risks and technological shifts. By integrating these elements into its cybersecurity strategy, MISC strengthens its defence mechanisms, enhances threat detection capabilities, and reinforces its commitment to maintaining a secure and resilient digital environment.

At MISC, our cybersecurity management is guided by several key standards and frameworks, including the MISC Cybersecurity Control Standards, the MISC Secure System Development Framework (SSDF), the Cybersecurity Incident Response Plan, the Cybersecurity Incident Playbook, Cybersecurity for Maritime Asset, and Cybersecurity for Third Party. These documents align with industry best practices and are tailored to MISC's operational practices and conduct.

The MISC Cybersecurity Control Standards establish the minimum mandatory and specific cybersecurity controls required for any system operated or utilised within the MISC Group, including joint venture companies where MISC has operational control.

These standards are developed based on leading cybersecurity frameworks, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework, ISO/IEC 27001:2022 for Information Security, Cybersecurity, and Privacy Protection, the ISF Information Risk Assessment Methodology, and the International Safety Management Code. They also ensure

compliance with regulations such as the IMO 2021 Cyber Risk Management Resolution, the Personal Data Protection Act, and the General Data Protection Regulation.

The MISC Secure System Development Framework (SSDF) provides a structured approach to integrating security into MISC's System Development Lifecycle (SDLC) models. The SDLC methodology includes clearly defined processes for creating high-quality, fit-for-purpose software and computer systems.

The MISC Cybersecurity Incident Response Plan outlines our approach to addressing cybersecurity threats effectively. It includes a clear escalation process for responding to suspicious or confirmed incidents. The IT Helpdesk serves as the first point of contact for employees, who will investigate and escalate issues according to the Cybersecurity Incident Response Workflow.

A robust incident response capability is essential, as cybersecurity attacks can lead to significant damage and disruption to our operations. This response plan aids in detecting incidents, minimising losses, mitigating exploited vulnerabilities, and restoring IT services. By implementing an incident response capability, we protect MISC Group's IT and operational technology (OT) assets and safeguard our employees. We conduct this on an annual basis to identify gaps in our plans and improve the overall incident response plan.

In order to further enhance our cybersecurity measures, we extended our initiatives to our third-party vendors by introducing Cybersecurity for Third Party. This is to provide the minimum cybersecurity requirements for third parties for applicable contracts such as manpower contracts, IT and OT systems provisions, and software licenses and subscriptions. The Cybersecurity for Maritime Asset and Cybersecurity for Third Party is expected to be fully operationalised by end of Q3 2025.

## Strengthening Cybersecurity

### ► EXTERNAL VULNERABILITY ASSESSMENT AND PENETRATION TESTING

As part of our commitment to maintaining a robust cybersecurity framework, MISC conducts regular vulnerability assessments and penetration testing to evaluate the resilience of its IT infrastructure and management systems. In addition to annual external audits, which include a comprehensive review of cybersecurity processes, we proactively implement security measures to safeguard our digital environment.

In January 2024, an independent third-party assessment was conducted, including a red team vulnerability assessment to evaluate potential threats and risks to MISC's business operations. This assessment focused on publicly accessible systems and non-sensitive information, with the team conducting active and passive reconnaissance through subdomain enumeration, web application enumeration, and IP address enumeration. Simulated exploitation attempts were made on internet-facing hosts and systems to determine if an attacker could gain initial access within MISC's network. The findings revealed minor exposure of non-sensitive data, such as email addresses, subdomains, and web application-related vulnerabilities. However, no security loophole was identified that would allow unauthorised access to MISC's internal network.

To further assess the Group's cyber resilience, a phishing assessment was carried out to simulate social engineering attacks. The objective was to deploy well-researched phishing emails designed to assess employee awareness and evaluate the likelihood of employees interacting with malicious links. The execution phase involved setting up lookalike domains and email servers that closely resembled legitimate sources. The phishing emails were then distributed, with responses closely monitored to track whether emails were opened, links were clicked, or sensitive information was submitted. The assessment recorded a 0% success rate, with no employees engaging with the phishing emails. This outcome confirmed that the security mechanisms in place effectively prevented unauthorised access and mitigated social engineering threats.

Overall, the results of these assessments demonstrate that MISC maintains a strong information security posture, with effective controls in place to prevent security breaches and unauthorised access. The Group remains committed to continuously enhancing its cybersecurity framework to protect its digital assets and ensure the integrity of its IT environment.

### ► CYBERSECURITY RISK MANAGEMENT AND CYBERSECURITY BUSINESS IMPACT ASSESSMENT

Integrating cybersecurity risk management into the Group's Cybersecurity Strategic Plan is essential for enhancing our ability to tackle evolving threats, protect stakeholder interests, maintain compliance, and uphold ethical standards. To effectively manage and mitigate cybersecurity risks, we have developed the Cybersecurity Risk Management Guideline, which focuses on five key functional areas outlined by the NIST Cybersecurity Framework: Identify, Protect, Detect, Respond, and Recover.

Utilising the guideline, the Group conducted a business impact assessment to identify its "crown jewels," referring to the most critical assets. This assessment enables us to make informed decisions about prioritising resources and efforts to safeguard these vital assets. By proactively mitigating risks associated with cyber threats, we can strengthen our resilience and ensure a sustainable, successful business, even in the face of adversity.

As we see an increasing number of cyberattacks in the maritime industry, we have conducted assessments on our vessels to identify gaps and establish the necessary controls to prevent potential cyberattacks and minimise the cyber risks that exist onboard our vessels.

In addition, we established the guideline for Cybersecurity for Maritime Asset which aims to guide MISC vessels and offshore platforms based on the IMO 428, IACS UR E26 and IEEE 62443 requirements. This is to ensure our vessels are built with cyber security standards that meet regulatory requirements, industry best practices and contractual obligations.

### ► PROTECTING OUR VESSELS AND OFFSHORE PLATFORMS

Traditionally, operating technology (OT) includes control, communication, and navigation systems onboard functioning in isolated environments. However, with technological advancements and the rapid increase in digital transformation projects, the interconnectivity and convergence of OT and IT are expanding quickly, leading to heightened cybersecurity risks. A cybersecurity incident or successful cyberattack on the Group vessels and floating platforms could have severe regional and global consequences, affecting supply chains, reputation, financial stability, compliance with legal or regulatory requirements, health and safety, and the environment and biodiversity.

To mitigate the potential impacts of a cyber incident and reduce MISC Group's risk, we have established cybersecurity guidelines specific to our operational technology. We conduct regular risk assessments, implement security controls, and collaborate with industry partners to protect our IT and OT systems. This proactive approach ensures continued safe and efficient operations of our maritime business activities.

### KEEPUP@SEA CYBERSECURITY DEPLOYMENT

KeepUp@Sea is a comprehensive cybersecurity solution designed to secure the OT and IT infrastructure on maritime vessels. This solution enables centralised monitoring and management of onboard systems, ensuring compliance with the IMO 2021 cybersecurity guidelines. Its primary objectives are to safeguard vessel operations against cyber threats while minimising operational downtime caused by security breaches. As of December 2024, the solution has been deployed on 65 vessels, across gas and petroleum vessels.

The initiative delivers significant value by mitigating the risk of operational disruptions, thereby protecting the Company's critical assets, and ensuring seamless operations. It also enhances the safety of the crew by securing vital onboard systems, ensuring they remain functional and protected from cyberattacks. Indirectly, as cybersecurity requirements have heightened, KeepUp@Sea plays a crucial role in preventing incidents that could lead to environmental harm, such as accidental spills or equipment failures.

Furthermore, the solution aligns with global cybersecurity regulations, strengthening the Group's compliance framework and ensuring that maritime operations meet international security standards. For MISC, this initiative not only reinforces the security and resilience of its fleet but also aids in the protection of MISC's reputation as an industry leader in maritime operations.

Moving forward, the strategic plan is to complete the rollout of KeepUp@Sea across the entire fleet and extend its adoption to subsidiaries. This enhanced implementation will ensure broader cybersecurity coverage and support the long-term sustainability of operations across MISC's global maritime network.

### ► PREVENTIVE, DETECTIVE AND REACTIVE MEASURES

To ensure the security and resilience of the Group's networks, systems, applications, data, and personnel, we have engaged and managed security support services to assist with the implementation of our Cybersecurity Strategy Plan. This service is a vital component of effective security management.

The managed security support service provides MISC Group with essential capabilities, including 24/7 security monitoring, threat detection and response for our IT endpoints and network security devices through our Security Operations Centre (SOC). Additionally, it offers expertise in threat prevention, vulnerability management, and managed detection and response for IT endpoints.

Given the rise in global cybersecurity attacks and the emergence of zero-day vulnerabilities, integrating this managed security support service into the Group's cybersecurity strategy is an important measure.

### ► CYBERSECURITY AWARENESS PROGRAMMES

At MISC, we continuously provide cybersecurity awareness to our employees to ensure they are equipped with the latest knowledge and information. Various awareness programmes were conducted such as departmental and new hires awareness sessions and cybersecurity awareness talks. We also leveraged the use of posters and circulars to reach out to bigger employee groups via email blasts.

## Strengthening Cybersecurity

### CYBERSECURITY E-LEARNING PROGRAMME

A cybersecurity training and awareness e-learning module was developed and launched for MISC Group employees. All employees will be required to complete the training to ensure that they are updated with the potential impact and risks and impacts of cybersecurity threats that exist within MISC Group. There are also the Do's and Don'ts to keep them abreast of how they can help to secure MISC Group from ever-increasing cyber threats.

The e-learning module is reviewed annually, and adjustments are made based on new requirements and emerging cyber threats.

### CYBERSECURITY AWARENESS FOR NEW HIRES

Cybersecurity awareness sessions are also specifically conducted for new hires as part of the new hire's orientation programme, which covers various topics such as types of cybersecurity threats, password security and cybersecurity best practices.

### PHISHING INTERVENTION PROGRAMME

In 2024, we organised a phishing intervention programme specifically for those who historically clicked on links to phishing emails. This intervention programme aims to improve the knowledge and skills of our employees to identify characteristics of phishing emails and steps to be taken to avoid clicking the links in the email. An email reminder was also sent to the clickers as part of the intervention programme.

### GAS CYBERSECURITY AWARENESS TALK

One of the awareness talk sessions conducted by the Information Security Department was held for the employees of the Gas Assets & Solutions segment. This session was conducted for around 70 participants and aims to raise awareness, educate, and engage individuals about the importance of cybersecurity in today's digital world. This talk equipped individuals with the knowledge and tools needed to protect against cyber threats, ensuring personal privacy, organisational security, and legal compliance, and fostering a more resilient, trustworthy digital ecosystem.

### Key Highlights

0 major cybersecurity incidents in 2024

0 data breaches in 2024

Security Operation Centre operates 24/7

# Advancing a Sustainable Supply Chain

## Our Commitment

- To drive sustainable practices with our suppliers

## Our Initiatives

- Implementing the Responsible Supply Chain Programme emphasising sustainable sourcing, circular economy, health and safety and business ethics compliance
- Identifying collaboration/partnership opportunities on pollution prevention and decarbonisation of our operations
- Promoting circular economy principles across the value chain

## Our Contribution to SDG



Ensure sustainable consumption by promoting a circular economy (eliminating waste and ensuring the circular use of resources) and sustainable procurement practices



Strengthen implementation and foster partnership for sustainable development

MISC leverages a progressive and systematic approach to supplier management to develop its Responsible Supply Chain Programme. We actively develop meaningful partnerships with suppliers to achieve our sustainability ambitions, particularly through sustainable procurement and supply chain stakeholder engagement initiatives. For 2024, the focus of our efforts is the maturing of the Supplier Self-Assurance programme, to encourage our critical suppliers to comply with our ESG expectations and to do the same with their suppliers. When value chains work together to drive sustainable change, we all can achieve the shared goal of promoting a circular and low-carbon economy.

Broadly, MISC's sustainable supply chain commitments are embedded in its Group Procurement Guidelines (GPG), per the Sustainable Procurement Statement. This statement articulates MISC Group's commitment to long-term sustainable value creation for the Group and its business partners through an environmentally responsible, socially just and ethical supply chain.

Sustainable supply chain elements are delivered across the procurement process through embedment in the due diligence process before the appointment of suppliers, supplier ratification of Declaration and Integrity Pledge (DIP) during registration, supplier engagement, training and development and the application of MISC's CoBE for Third Parties to all contracts.

## ESG CONTRACTUAL TERMS

MISC embeds ESG-related contractual terms in all contracts such as compliance with labour standards, human rights and CoBE for Third Parties, and expectations on management of health, safety and environment.

Our expectations towards our suppliers in the ESG-related aspects are elaborated below:

- i. Labour Standards and Human Rights: Our business practices align with human rights principles outlined in the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights. We expect contractors and suppliers acting on our behalf to adhere to these values.
- ii. Health, Safety and Environment: In addition to conducting business with respect and care for the environment, suppliers are required to abide by all applicable environmental laws and regulations. This includes making efforts to monitor and reduce carbon emissions, utilise energy and natural resources efficiently and manage waste, emissions and discharge responsibly.

## SUPPLIER SELF-ASSURANCE PROGRAMME

In 2021, MISC launched its Responsible Supply Chain Programme to drive sustainable practices across its critical suppliers via the following steps:

- Define and classify critical suppliers
- Develop ESG assurance framework and conduct self-assessment
- Awareness programme on low carbon, circular economy and ethical supply chain
- Collaboration opportunities on sustainable products/services

These activities laid the foundation for the current Supplier Self-Assurance programme used to engage suppliers and monitor and report the ESG performance of our critical suppliers.

The programme outcomes are intended to help shape supplier ESG practices in line with MISC's expectations, supplier development, and contract terms. This subsequently will help fulfil MISC 2030 Ambition and MISC 2050 Vision.

As the Supplier Self-Assurance Programme has progressed, MISC has taken steps to mature its identification of critical suppliers and the assessment questions to reflect market expectations and regulatory requirements.

The Critical Supplier criteria was updated in 2024 to include procurement spend and ESG risk.

After assessing suppliers based on procurement spend, ESG risks and user needs, 100 critical suppliers were invited to complete the assessment questionnaire by the end of 2024. The assessment questionnaire was updated in 2024, and the key changes include:

- Enhanced questions on sustainability strategies and supply chain sustainability.
- Consolidation of Environmental and Social questions, across sub-categories.
- Sustained focus on Governance, including alignment with MISC's CoBE and CoBE for Third Parties.

This updated assessment addressed supplier sustainability holistically, with a similar number of questions across all ESG areas. The responses to the questions will ultimately guide the progressive development of the programme to support the MISC 2030 Ambition and MISC 2050 Vision.

Of the critical suppliers that responded, there was an overall increase in the percentage that met the Supplier Self-Assessment 2024 evaluation requirements and an overall percentage decrease in those that met some requirements and needed improvement.

Rating	Critical Suppliers 2024 (%)	Critical Suppliers 2023 (%)
Meets Requirements	50	35
Meets Some Requirements	25	37
Needs Improvement	25	28

# Advancing a Sustainable Supply Chain

## SUPPLIER ESG DEVELOPMENT PROGRAMME

### SUPPLIER SCOPE 3 TRAINING AND DEVELOPMENT

MISC's listed subsidiary MHB has made efforts to increase supplier competencies related to Scope 3 GHG emissions. These efforts fuel MISC 2030 Ambition and MISC 2050 Vision by ensuring key suppliers are prepared to make meaningful changes to drive the climate transition.

Three sessions were held in October 2024 with target suppliers, including seven new suppliers, to:

- Increase awareness of sustainability matters, including the Scope 3 journey.
- Create awareness of the key suppliers' GHG emissions as part of our Scope 3 emission management.
- Secure their commitment to support our sustainability journey and contribute to the refinement of our Scope 3 GHG Emissions Inventory.
- Share progress on suppliers' Scope 3 roadmap journey, including their GHG Emissions Inventory.

### SUSTAINABILITY SHARING SESSION WITH OFFSHORE BUSINESS JOINT VENTURES AND PARTNERS

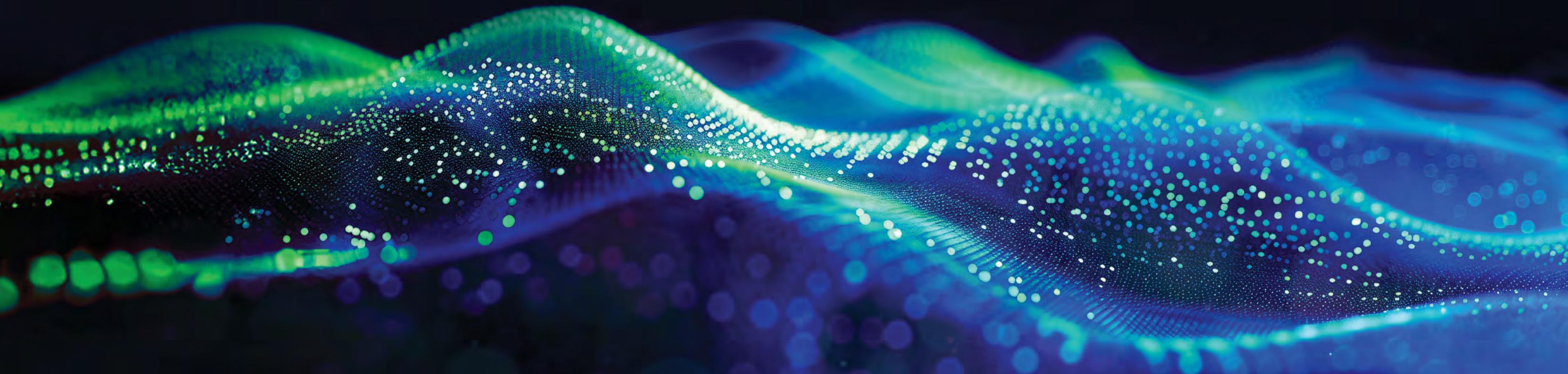
On 5 August 2024, the Offshore Business HSE department hosted a sustainability awareness session for our joint venture companies and partners. The session was designed to communicate MISC's sustainability agenda and commitments and to facilitate the exchange of insights on sector-specific sustainability practices. This initiative underscored Offshore Business' commitment to strengthening relationships with MISC's joint ventures and partners.

The event saw active participation from 25 personnel representing FPSO Ventures Sdn. Bhd. (FVSB) and Malaysia Vietnam Offshore Terminal (MVOT), alongside guest speakers from MISC's Sustainability Team. These experts delivered thought-provoking presentations and sparked engaging discussions among the attendees. Additionally, an interactive workshop on materiality assessments provided participants with practical experience in identifying and prioritising sustainability issues relevant to their organisations. This sustainability sharing session was a significant milestone in our ongoing commitment to sustainable practices, fostering knowledge exchange and reinforcing our network's dedication to driving positive changes within the industry.

## SECTION 4

# ADDITIONAL INFORMATION

- 206** Independent Assurance Statement 2024
- 208** Independent Assurance Statement 2023
- 210** Performance Data
- 227** Reporting Principles & Data Assumptions
- 234** Bursa Malaysia Common Sustainability Matters and Indicators
- 237** Sustainability Reporting Standards & Disclosures - GRI Content Index
- 242** Sustainability Reporting Standards & Disclosures - SASB Index
- 244** Sustainability Reporting Standards & Disclosures - Climate-related Financial Disclosures
- 245** List of Abbreviations



# Independent Assurance Statement 2024



## Independent Assurance Statement

### Independent Verification and Limited Assurance Report of American Bureau of Shipping to MISC Berhad

We were engaged by MISC Berhad ("the Company") to assure selected environmental and social metrics ("the Metrics") and disclosures of the Company's Sustainability Report 2024 ("the Report") relating to the year ended 31 December 2024 in the form of a limited assurance conclusion about the proper preparation of the Metrics, in all material respects, in accordance with the Company's own methodology for sustainability report development ("the Methodology").

This independent limited assurance report is issued solely to the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might provide limited assurance to the Company on those matters that we have been engaged to consider in this report only and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

#### Responsibilities of the directors of the company

The directors of the Company are responsible for the proper preparation of the Report, and the Metrics, information and statements contained therein, in accordance with the Methodology.

It is the directors' responsibility to develop, operate and maintain internal systems and processes relevant to the proper preparation of a Report that is free from material misstatement, whether due to fraud or error.

#### Responsibilities of American Bureau of Shipping

Our responsibility is to independently express a limited assurance conclusion to the Company, based on the procedures performed and evidence obtained, as to the proper preparation of the Report, in all material respects, in accordance with the Methodology. We conducted our work over the course of several months in early 2025, in accordance with the *International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("Standard"), issued by the International Auditing and Assurance Standards Board. The Standard requires that we obtain sufficient and appropriate evidence related to the Metrics that is free of material misstatement on which to base our conclusion.

#### Scope of work

The limited assurance engagement for the Company involves planning and performing procedures to obtain sufficient appropriate evidence for a meaningful level of assurance over the Metrics stated below, as disclosed in the company's Sustainability Report:

Metrics	Value	Unit
Scope 1 GHG Emissions	3,800,082	tonnes CO <sub>2</sub> e
Biogenic Emission	2,993	tonnes CO <sub>2</sub> e
Scope 2 GHG Emissions	45,024	tonnes CO <sub>2</sub> e
Lost Time Incident Frequency (LTIF)	0.05	Per 1 million man- hours
Total Recordable Case Frequency (TRCF)	0.23	Per 1 million man- hours



## Independent Assurance Statement

The procedures selected depend on our judgment, on our understanding of the Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- Investigating, observing, inspecting, and reporting on the processes and documents reviewed, and agreeing or reconciling with the underlying records to check errors or omissions in data analysis, consistency, and reasoning of reporting.
- Reviewing the Metrics disclosed in the Company's Sustainability Report for 2024.
- Inquiries to the Company's management and personnel involved in the sustainability report's preparation process, the internal control system governing this process, and selected disclosures in the sustainability report.
- Data collection, including limited substantive testing, on a selective basis of Company's owned fleet (excluding vessels chartered by the Company) to verify the Metrics stated in the report. Calculations were re-checked for limited data sets to verify the data accuracy.

The procedures performed in a limited assurance engagement vary in nature and timing and are not as extensive as a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### Inherent limitations

In providing our limited assurance conclusion, we relied on the information and documents provided to us by the Company. To the best of our knowledge, there are no circumstances which would render such information or documents unreliable. Because of such reliance, there may be errors or irregularities which may not have been detected.

Limited assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-adherence to the GRI Standards reporting framework, as the assurance engagement is not performed continuously throughout the year and the procedures performed are on a test basis. The conclusion expressed in this report must be read in conjunction with the inherent limitations stated in this assurance statement.

#### Conclusion

Based on the procedures performed and evidence obtained, and subject to the key assumptions and inherent limitations set out above, nothing has come to our attention that causes us to believe that the Metrics presented in the Report for the year ended 31 December 2024 have not been properly prepared, in any material respects, in accordance with the Methodology.

#### American Bureau of Shipping

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# Independent Assurance Statement 2023



## Independent Assurance Statement

### Independent Verification and Limited Assurance Report of American Bureau of Shipping to MISC Berhad

We were engaged by MISC Berhad ("the Company") to assure selected environmental and social metrics ("the Metrics") and disclosures as they have been provided to us prior to the date of this statement, relating to the year ended 31 December 2023 in the form of a limited assurance conclusion about the proper preparation of the Metrics, in all material respects, in accordance with the Company's own methodology ("the Methodology").

This independent limited assurance report is issued solely to the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might provide limited assurance to the Company on those matters that we have been engaged to consider in this report only and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

#### Responsibilities of the directors of the company

The directors of the Company are responsible for the proper preparation of the Metrics, information and disclosures, in accordance with the Methodology.

It is the directors' responsibility to develop, operate and maintain internal systems and processes relevant to the proper preparation of disclosures that are free from material misstatement, whether due to fraud or error.

#### Responsibilities of American Bureau of Shipping

Our responsibility is to independently express a limited assurance conclusion to the Company, based on the procedures performed and evidence obtained, as to the proper preparation of the disclosures, in all material respects, in accordance with the Methodology. We conducted our work over the course of several months in 2024 and in early 2025, in accordance with the *International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("Standard"), issued by the International Auditing and Assurance Standards Board. The Standard requires that we obtain sufficient and appropriate evidence related to the Metrics that is free of material misstatement on which to base our conclusion.

#### Scope of work

The limited assurance engagement for the Company involves planning and performing procedures to obtain sufficient appropriate evidence for a meaningful level of assurance over the Metrics stated below:

Metrics	Value	Unit
Scope 1 GHG Emissions	4,120,702	tonnes CO <sub>2</sub> e
Scope 2 GHG Emissions	39,875	tonnes CO <sub>2</sub> e
Lost Time Incident Frequency (LTIF)	0.09	Per 1 million man- hours
Total Recordable Case Frequency (TRCF)	0.31	Per 1 million man- hours

The procedures selected depend on our judgment, our understanding of the disclosures and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:



## Independent Assurance Statement

- Investigating, observing, inspecting, and reporting on the processes and documents reviewed, and agreeing or reconciling with the underlying records to check errors or omissions in data analysis, consistency, and reasoning of reporting.
- Reviewing the Metrics disclosed for 2023.
- Inquiries to the Company's management and personnel involved in the disclosures preparation process, the internal control system governing this process, and selected disclosures.
- Data collection, including limited substantive testing, on a selective basis of Company's owned fleet (excluding vessels chartered by the Company) to verify the Metrics stated in the disclosures. Calculations were re-checked for limited data sets to verify the data accuracy.

The procedures performed in a limited assurance engagement vary in nature and timing and are not as extensive as a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### Inherent limitations

In providing our limited assurance conclusion, we relied on the information and documents provided to us by the Company. To the best of our knowledge, there are no circumstances which would render such information or documents unreliable. Because of such reliance, there may be errors or irregularities which may not have been detected.

Limited assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-adherence to the GRI Standards reporting framework, as the assurance engagement is not performed continuously throughout the year and the procedures performed are on a test basis. The conclusion expressed in this report must be read in conjunction with the inherent limitations stated in this assurance statement.

#### Conclusion

Based on the procedures performed and evidence obtained, and subject to the key assumptions and inherent limitations set out above, nothing has come to our attention that causes us to believe that the Metrics presented by the Company for the year ended 31 December 2023 have not been properly prepared, in any material respects, in accordance with the Methodology.

#### American Bureau of Shipping

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Singapore 119958  
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15 January 2025

## Performance Data

## Performance Data

Financial Pillar	Unit	2024	2023	2022
<b>FINANCIAL PERFORMANCE</b>				
Revenue	RM million	13,237.5	14,271.7	13,867.0
Operating profit	RM million	2,593.7	2,881.4	3,102.0
Profit/(loss) before taxation	RM million	1,283.5	2,093.7	1,874.3
Profit/(loss) after taxation	RM million	1,233.2	1,958.9	1,835.0
<b>Tax for the Year</b>				
• Malaysia income tax	RM '000	49,400	60,042	37,314
• Foreign tax	RM '000	53,670	30,950	25,130
<b>Under/(Over) Provision in Prior Year</b>				
• Malaysia income tax	RM '000	(5,789)	368	(21,590)
• Foreign tax	RM '000	(47,471)	48,685	-
<b>CLIMATE-RELATED INDICATORS</b>				
Expenditure on climate-related initiatives	RM	167,375,350	157,789,782	2,105,212
Expenditure on environmental protection initiatives (including climate change and environmental management systems)	RM	12,227,708	10,817,446	55,134,046
<b>REVENUE</b>				
<b>Dual-Fuel Vessels</b>				
• Aframax	RM	84,543,706	90,320,715	149,584,640
• DPST	RM	218,875,090	396,678,943	401,975,867
• VLCC	RM	321,195,374	98,400,554	42,825,598
<b>Environmentally-Friendly Vessels</b>				
• VLEC	RM	365,291,386	376,761,667	371,687,865
• LNGC	RM	594,303,358	567,237,996	391,871,984
<b>TOTAL</b>	RM	1,584,208,914	1,529,399,875	1,357,945,955
<b>EEDI<sup>1</sup></b>		Please refer to the Environment Pillar data performance		
<b>Scope 1, 2 and 3</b>		Please refer to the Environment Pillar data performance		

Note:

<sup>1</sup> Fuel cost purchased by MISC Group only.
 For more details on our Financial performance, please refer to MISC's Financial Report 2024.

Environmental Pillar	Unit	2024	2023	2022
<b>TOTAL GHG (SCOPE 1 AND 2)</b>	tonnes CO <sub>2</sub> e	3,845,107	4,160,578*	4,240,720*
Scope 1 <sup>1</sup>	tonnes CO <sub>2</sub> e	3,800,082	4,120,702*	4,200,139*
Scope 2	tonnes CO <sub>2</sub> e	45,024	39,875*	40,581*
CO <sub>2</sub> Biogenic <sup>A</sup>	tonnes CO <sub>2</sub> e	2,993	1,100*	1,011*
<b>TOTAL SCOPE 1</b>	tonnes CO <sub>2</sub> e	3,800,082	4,120,702*	4,200,139*
<b>Breakdown by Operations</b>				
<b>Shipping</b>	tonnes CO <sub>2</sub> e	3,769,047	4,088,748*	4,168,624*
- Gas	tonnes CO <sub>2</sub> e	2,058,813	2,445,402*	2,566,085*
- Petroleum	tonnes CO <sub>2</sub> e	1,704,105	1,616,373*	1,555,180*
- Product	tonnes CO <sub>2</sub> e	94	21,848*	42,704*
- Workboat	tonnes CO <sub>2</sub> e	6,034	5,125*	4,655*
<b>Non-Shipping</b>	tonnes CO <sub>2</sub> e	31,035	31,954*	31,515*
<b>TOTAL SCOPE 2</b>	tonnes CO <sub>2</sub> e	45,024	39,875*	40,581*
<b>Breakdown by Operations</b>				
<b>Shipping</b>	tonnes CO <sub>2</sub> e	25	-	-
- Workboat	tonnes CO <sub>2</sub> e	25	-	-
<b>Non-Shipping</b>	tonnes CO <sub>2</sub> e	44,999	39,875*	40,581*
<b>TOTAL SCOPE 3 (MATERIAL CATEGORIES)</b>	tonnes CO <sub>2</sub> e	2,198,289	2,345,620*	2,447,044*
<b>Breakdown by Category</b>				
Category 1 – Purchased goods and services from MISC's Marine and Heavy Engineering Business	tonnes CO <sub>2</sub> e	91,315	131,267*	88,285*
Category 3 – Fuel & Energy Related Activities	tonnes CO <sub>2</sub> e	1,073,381	1,133,237*	1,155,712*
Category 8 – Upstream Leased Assets	tonnes CO <sub>2</sub> e	12,951	44,310*	78,919*
Category 13 – Downstream Leased Assets	tonnes CO <sub>2</sub> e	984,057	999,402	1,094,822
Category 15 – Investments	tonnes CO <sub>2</sub> e	36,585	37,404*	29,306*
<b>TOTAL SCOPE 3 (NON-MATERIAL CATEGORIES)</b>	tonnes CO <sub>2</sub> e	18,590	19,396	17,138
<b>Breakdown by Category</b>				
Category 6 – Business Travel	tonnes CO <sub>2</sub> e	12,144	12,280	8,554
Category 7 – Employee Commuting	tonnes CO <sub>2</sub> e	6,446	7,116	8,584
<b>AIR EMISSIONS</b>				
NO <sub>x</sub> emissions <sup>6</sup>	tonnes	39,723	43,829*	43,295*
SO <sub>x</sub> emissions <sup>7A</sup>	tonnes	3,746	3,933*	3,671*
PM <sub>10</sub> emissions <sup>8B</sup> (Reported data are for non-shipping only)	tonnes	3.40	3.76*	3.54*
<b>REFRIGERANT</b>				
Ozone Depleting Substances (ODS)	tonnes	0.13	0.17	0.24

## Performance Data

## Performance Data

Environmental Pillar	Unit	2024	2023	2022
<b>CARBON INTENSITY AND ANNUAL EFFICIENCY RATIO</b>				
<b>ANNUAL EFFICIENCY RATIO (AER)</b>				
MISC Shipping Fleet (GAS and Petroleum) <sup>c</sup>	gCO <sub>2</sub> /ton-nm	5.07	5.71 <sup>*</sup>	6.23 <sup>*</sup>
<b>ANNUAL EFFICIENCY RATIO (AER<sup>CO<sub>2</sub>e</sup>)</b>				
MISC Shipping Fleet (GAS and Petroleum)	gCO <sub>2</sub> e/ton-nm	5.20	5.95 <sup>*</sup>	6.43 <sup>*</sup>
<b>CII RATING</b>				
Vessels rated A	%	17.65	18.95	12.50
Vessels rated B	%	28.24	23.16	21.88
Vessels rated C	%	30.59	40.00	34.38
Vessels rated D	%	16.40	12.63	17.71
Vessels rated E	%	7.06	5.26	13.54
<b>OPERATIONAL DATA</b>				
Total distance traveled by vessels GAS, Petroleum <sup>11</sup>	nautical miles (nm)	5,398,956	5,453,030 <sup>*</sup>	5,369,174 <sup>*</sup>
<b>AVERAGE ENERGY EFFICIENCY DESIGN INDEX (EEDI<sup>d</sup>) FOR NEW VESSELS</b>				
LNGC	gCO <sub>2</sub> e/ton-nm	-	4.691	-
VLEC	gCO <sub>2</sub> e/ton-nm	-	-	-
LNG Dual-Fuel DPST	gCO <sub>2</sub> e/ton-nm	-	-	-
Conventional DPST	gCO <sub>2</sub> e/ton-nm	-	-	2.738
LNG Dual-Fuel VLCC	gCO <sub>2</sub> e/ton-nm	-	1.665	1.937
Shuttle Tanker	gCO <sub>2</sub> e/ton-nm	2.7491	-	-
<b>ENERGY</b>				
<b>TOTAL GROUP ENERGY CONSUMPTION<sup>2</sup></b>		GJ	56,084,855	59,997,493 <sup>*</sup>
Heavy Fuel Oil <sup>3</sup>	tonnes	72,137	72,728 <sup>*</sup>	64,769 <sup>*</sup>
Very-Low Sulphur Heavy Fuel Oil	tonnes	305,555	416,653 <sup>*</sup>	379,280 <sup>*</sup>
Ultra-Low Sulphur Heavy Fuel Oil	tonnes	1,111	3,928 <sup>*</sup>	6,018 <sup>*</sup>
Very-Low Sulphur Light Fuel Oil	tonnes	82,891	-	-
Ultra-Low Sulphur Light Fuel Oil	tonnes	2,076	-	-
Marine Gas Oil	tonnes	47	109	225 <sup>*</sup>
Very-Low Sulphur Marine Gas Oil	tonnes	6,670	3,922 <sup>*</sup>	2,138 <sup>*</sup>
Ultra-Low Sulphur Marine Gas Oil	tonnes	146,740	163,927 <sup>*</sup>	222,449 <sup>*</sup>
Liquified Natural Gas	tonnes	608,139	672,031 <sup>*</sup>	678,836 <sup>*</sup>
Propane	litre	100	-	-
Diesel	litre	2,553,337	419,889	347,189
Biodiesel (from shipping)	tonnes	12,905	5,329	-
Biodiesel (from non-shipping)	litre	3,791,840	6,625,386 <sup>*</sup>	6,084,838 <sup>*</sup>
Petrol	litre	68,492	49,189	39,274
Compressed natural gas	m <sup>3</sup>	470,254	405,000	419,712
Liquefied petroleum gas	tonnes	7	6	8
Electricity	kWh	67,621,966	59,881,813 <sup>*</sup>	60,910,170 <sup>*</sup>

Environmental Pillar	Unit	2024	2023	2022
<b>Ethane</b>				
Renewable energy <sup>4D</sup>	tonnes	13,790	1,221	20,001 <sup>*</sup>
<b>ENERGY INTENSITY RATIO</b>				
<b>Breakdown by Subsidiaries</b>				
Shipping operations - GAS and Petroleum & Products	(GJ per million transport work)	76	86 <sup>*</sup>	94 <sup>*</sup>
Heavy & Marine Engineering <sup>E</sup>	(GJ per thousand man hours)	11	12	14
Maritime Education & Training	(GJ per million sales in RM)	185	160 <sup>*</sup>	164
Marine Services (Maritime Services)	(GJ per hour)	4	4	4
<b>WASTE</b>				
<b>NON-SHIPPING OPERATIONS</b>				
<b>TOTAL GENERATION GENERAL WASTE/ NON-HAZARDOUS</b>		tonnes	2,630	5,220 <sup>*</sup>
Total recycled/reuse/recovered	tonnes	250	151 <sup>*</sup>	136 <sup>*</sup>
Total final disposal	tonnes	2,380	5,069	5,171 <sup>*</sup>
<b>NON-SHIPPING OPERATIONS</b>				
<b>TOTAL GENERATION HAZARDOUS WASTE</b>		tonnes	16,739	19,904
Total waste recycled/reuse/recovered	tonnes	16,198	19,087	20,942
Total waste sent for disposal (incineration/landfill)	tonnes	42	17	182
<b>SHIPPING OPERATIONS</b>				
Ship oil sludge	m <sup>3</sup>	6,799	6,537	6,186
Ship operational effluent discharge - comprises bilge water and cargo residues	m <sup>3</sup>	58,696	63,761	47,791
Operational effluent discharge per vessel per month - bilge water	m <sup>3</sup>	29.76	30.41	28.82
Ship garbage	m <sup>3</sup>	6,826	6,974	6,689
Ship garbage disposed to reception facility	m <sup>3</sup>	5,829	5,995	5,683
Ship garbage discharged to sea - Category B	m <sup>3</sup>	460	470	484
Ship garbage incinerated onboard	m <sup>3</sup>	537	509	522
<b>WATER</b>				
<b>TOTAL FRESHWATER WITHDRAWAL<sup>F</sup></b>		m <sup>3</sup>	931,216	883,033
Total freshwater withdrawal from surface water	m <sup>3</sup>	0	0	0
Total freshwater withdrawal from third party	m <sup>3</sup>	931,216	883,033	799,532
<b>WATER CONSUMPTION</b>				
Water consumption (from vessels' freshwater generator)	m <sup>3</sup>	294,461	308,930	313,388
<b>BALLAST WATER</b>				
<b>Percentage of Fleet Implementing Ballast Water Exchange and Treatment</b>				
- exchange <sup>12</sup>	%	NIL	1	6
- treatment <sup>13</sup>	%	100	99	94

## Performance Data

## Performance Data

Environmental Pillar	Unit	2024	2023	2022
<b>SPILLS</b>				
Total spills <sup>9</sup>	number	2	2	4
Average volume of spills and releases to the environment <sup>10</sup>	litre	6	16 <sup>*</sup>	18,177-18,187
<b>FINES/PENALTIES AND AUDITS</b>				
Fines/penalties on environmental related non-compliance	number	2	0	2
Fines/penalties on environmental related non-compliances	RM	4,000	0	73,500
Audits conducted on environmental <sup>#</sup> related matters	number	170	153	122
<b>ISO CERTIFICATION</b>				
<b>ISO 50001 Energy Management System</b>	%	35	32	14
<b>Breakdown by Business Unit</b>				
Gas Assets & Solutions		No	No	No
Petroleum & Products		No	No	No
Offshore		No	No	No
Marine & Heavy Engineering		No	No	No
Marine Services (Ship Management)		Yes	Yes	Yes
Marine Services (Maritime Services)		No	No	No
Maritime Education & Training		No	No	No
<b>ISO 14001 Environmental Management System</b>	%	85	86	43
<b>Breakdown by Business Unit</b>				
Gas Assets & Solutions		No	No	No
Petroleum & Products		No	No	No
Offshore		Yes	Yes	Yes
Marine & Heavy Engineering		Yes	Yes	Yes
Marine Services (Ship Management)		Yes	Yes	Yes
Marine Services (Maritime Services)		No	No	No
Maritime Education & Training		No	No	No

Note:

<sup>1-13</sup> Referring to SASB indicator.<sup>\*</sup> Restated the numbers post-third party GHG verification and updates in performance data as part of our ongoing improvement in environmental data inventory and reporting.<sup>#</sup> Environmental audits including compliance audit that covers the following aspect; management system, waste, pollution, water, energy use and biodiversity.<sup>A</sup> Data excludes six vessels fitted with scrubbers as the system configuration for quantifying SOx emissions from scrubber is ongoing.<sup>B</sup> Data for non-shipping only.<sup>C</sup> AER data calculated for total CO<sub>2</sub> emissions without any corrections or adjustment applied.<sup>D</sup> Renewable energy from renewable energy certificate bought.<sup>E</sup> Change in measurement metric to align with metric used for the GHG intensity.<sup>F</sup> Data for 2024 is based on estimated values.**Training and Awareness Conducted in 2024**

No	Training Type	Total Number of Programmes	Total Number of Participants
1	Environment	6	891
<b>Scope of ISO certification</b>			
<b>Certification</b>		<b>Entity</b>	<b>Scope</b>
ISO50001:2018 Energy Management System		Eaglestar Shipmanagement (L) Pte Ltd	• Provision of Fleet Management Services
ISO50001:2011 Energy Management System		Eaglestar Shipmanagement (S) Pte Ltd	• Shore Management of tanker operations
ISO 14001:2015 Environment Management System		Eaglestar Shipmanagement (L) Pte Ltd	• Provision of Fleet Management Services
		Eaglestar Shipmanagement (S) Pte Ltd	• Shore Management of tanker operations
MISC Berhad (Offshore)		<ul style="list-style-type: none"> <li>• Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation &amp; Maintenance and Decommissioning of Offshore Floating/Mobile Facilities</li> </ul>	
Malaysia Marine and Heavy Engineering Holdings Sdn. Bhd.		<ul style="list-style-type: none"> <li>• Repair and refurbishment, and conversion of ship and marine vessel</li> <li>• Engineering, procurement, construction, hook up, and testing and commissioning of production system and its facilities</li> <li>• Maintenance of onshore production systems and its facilities including fabrication, and testing and commissioning</li> <li>• Project management for transportation and installation of offshore production system and its facilities</li> <li>• Construction, hook up, testing and commissioning of production system and its facilities</li> </ul>	

**IUCN RED LIST OF THREATENED SPECIES AT ALAM'S MANGROVE AREA**

No	Species	IUCN Status
1	Cave Nectar Bat (Lesser Dawn Bat) - <i>Eonycteris spelaea</i>	Least Concern
2	Dusky Leaf Monkey (Dusky Langur) - <i>Trachypithecus obscurus</i>	Endangered
3	Long-Tailed Macaque - <i>Macaca fascicularis</i>	Endangered
4	Plantain Squirrel - <i>Callosciurus notatus</i>	Least Concern
5	Civet Species - <i>Paradoxurus sp.</i>	Least Concern
6	Wild Cat Species - <i>Prionailurus sp.</i>	Least Concern
7	Wild Boar - <i>Sus scrofa</i>	Least Concern

## Performance Data

## Performance Data

Social Pillar – Health, Safety and Security		Unit	2024	2023	2022
Working hours	hours	61,261,000	65,460,000	65,293,000	
<b>FATALITIES</b>	number	1	3	0	
Employees	number	1	1	0	
Contractor	number	0	2	0	
<b>NUMBER OF LOST TIME INJURY (LTI)<sup>1</sup></b>	number	3	6	5	
Employees	number	2	2	3	
Contractor	number	1	4	2	
<b>LOST TIME INJURY FREQUENCY (LTIF)</b>	per 1 million man-hours	0.05	0.09	0.08	
Employees	per 1 million man-hours	0.05	0.05	0.09	
Contractor	per 1 million man-hours	0.05	0.15	0.07	
<b>TOTAL RECORDABLE CASE (TRC)</b>	number	14	20	9	
Employees	number	8	8	4	
Contractor	number	6	12	5	
<b>TOTAL RECORDABLE CASE FREQUENCY (TRCF)</b>	per 1 million man-hours	0.23	0.31	0.14	
Employees	per 1 million man-hours	0.19	0.20	0.11	
Contractor	per 1 million man-hours	0.32	0.46	0.17	
<b>TOTAL RECORDABLE OCCUPATIONAL ILLNESS FREQUENCY (TROF)</b>	per 1 million man-hours	0.03	0.00	0.00	
<b>FINES/PENALTIES/AUDITS</b>					
Incidents of non-compliance (fines and penalties) concerning the health and safety impacts of products and services	number	0	0	2	
Health and Safety Audits (as part of the HSEMS assurance)	number	0	25	14	
<b>ISO CERTIFICATION</b>					
<b>ISO 45001 Occupational Health and Safety Management System/ISO 18001 Occupational Health and Safety Management System Certification</b>	%	87	86	43	
<b>Breakdown by Business Unit</b>					
Gas Assets & Solutions		No	No	No	
Petroleum & Products		No	No	No	
Offshore		Yes	Yes	Yes	
Marine & Heavy Engineering		Yes	Yes	Yes	
Marine Services (Ship Management)		Yes	Yes	Yes	
Marine Services (Maritime Services)		No	No	No	
Maritime Education & Training		No	No	No	
<b>ISO 9001 Quality Management System</b>	%	98	98	86	
<b>Breakdown by Business Unit</b>					
Gas Assets & Solutions		No	No	No	
Petroleum & Products		Yes	Yes	Yes	
Offshore		Yes	Yes	Yes	
Marine & Heavy Engineering		Yes	Yes	Yes	
Marine Services (Ship Management)		Yes	Yes	Yes	
Marine Services (Maritime Services)		Yes	Yes	Yes	
Maritime Education & Training		Yes	Yes	Yes	

## Training and Awareness Conducted in 2024

No	Total Number of Programmes	Total Number of Participants
1 Safety & Loss Prevention	3	40
2 Occupational Health & Industrial Hygiene	9	1,550
3 Polices & Strategies	7	1,998
4 Audit & Assurance	6	286
5 Security	10	1,791
6 Sustainability	7	1,810

## Scope of ISO certification

Certification	Entity	Scope
ISO 45001:2018 Occupational Health and Safety Management System	MISC Berhad (Offshore)	<ul style="list-style-type: none"> <li>Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation and Maintenance and Decommissioning of Offshore Floating/Mobile Facilities</li> </ul>
	Eaglestar Shipmanagement (L) Pte Ltd	<ul style="list-style-type: none"> <li>Provision of Fleet Management Services (Shipboard Operations)</li> </ul>
	Eaglestar Shipmanagement (S) Pte Ltd	<ul style="list-style-type: none"> <li>Management of tanker operations</li> <li>Repair and refurbishment, and conversion of ship and marine vessel</li> <li>Engineering, procurement, construction, hook up, and testing and commissioning of production system and its facilities</li> <li>Maintenance of onshore production systems and its facilities including fabrication, and testing and commissioning</li> <li>Project management for transportation and installation of offshore production system and its facilities</li> <li>Construction, hook up, testing and commissioning of production system and its facilities</li> </ul>
ISO 9001:2015 Quality Management System	MISC Berhad (Offshore)	<ul style="list-style-type: none"> <li>Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation and Maintenance and Decommissioning of Offshore Floating/Mobile Facilities</li> </ul>
	AET Tankers Pte Ltd	<ul style="list-style-type: none"> <li>Asset Acquisition, Commercial Management and Management of Operations of owned and in chartered vessels, commercial activity of lightering and associated support services</li> </ul>
	Eaglestar Shipmanagement (L) Pte Ltd	<ul style="list-style-type: none"> <li>Provision of Fleet Management Services</li> </ul>
	Eaglestar Shipmanagement (S) Pte Ltd	<ul style="list-style-type: none"> <li>Management of tanker operations</li> </ul>
	Malaysia Maritime Services Sdn. Bhd.	<ul style="list-style-type: none"> <li>Provision of Maritime Services</li> <li>Provision of Corporate Support Services</li> <li>Provision of Port &amp; Terminal Management Services</li> </ul>
	Maritime Education & Training (Akademi Laut Malaysia – ALAM)	<ul style="list-style-type: none"> <li>Provision of Standard for Training, Certification and Watchkeeping for Seafarers (STCW) Training Courses for Maritime Personnel</li> </ul>
	Malaysia Marine and Heavy Engineering Holdings Sdn. Bhd.	<ul style="list-style-type: none"> <li>Repair and refurbishment, and conversion of ship and marine vessel</li> <li>Engineering, procurement, construction, hook up, and testing and commissioning of production system and its facilities</li> <li>Maintenance of onshore production systems and its facilities including fabrication, and testing and commissioning</li> <li>Project management for transportation and installation of offshore production system and its facilities</li> <li>Construction, hook up, testing and commissioning of production system and its facilities</li> </ul>
ISO 55001:2014 Asset Management System	MISC Berhad (Offshore)	<ul style="list-style-type: none"> <li>Provision of Asset management services for Floating and Mobile Facilities</li> </ul>

Note:

<sup>1</sup> referring to SASB indicator.

## Performance Data

## Performance Data

Social Pillar – Talent Excellence		Unit	2024		2023		2022	
<b>EMPLOYEES</b>								
<b>TOTAL EMPLOYEES</b>	number	9,536		10,435		9,355		
<b>EMPLOYEES BY LOCATION AND GENDER</b>								
Sea	number, %	3,936	41.28%	3,982	38.16%	4,270	45.6%	
Shore	number, %	5,600	58.72%	6,453	61.84%	5,085	54.4%	
<b>Female Employees</b>	number, %	1,476	15.48%	1,588	15.22%	1,308	14.0%	
Sea	number, %	86	5.83%	72	4.53%	62	4.7%	
Shore	number, %	1,390	94.17%	1,516	95.47%	1,246	95.3%	
<b>Male Employees</b>	number, %	8,060	84.52%	8,847	84.78%	8,047	86.0%	
Sea	number, %	3,850	47.77%	3,910	44.2%	4,208	52.3%	
Shore	number, %	4,210	52.23%	4,937	55.8%	3,839	47.7%	
<b>EMPLOYEES BY AGE GROUP</b>								
30 and below	number, %	2,329	24.42%	3,016	28.9%	2,470	26.4%	
31 - 50 years old	number, %	6,005	62.97%	6,252	59.91%	5,811	62.1%	
Over 50 years old	number, %	1,202	12.60%	1,167	11.18%	1,074	11.5%	
<b>EMPLOYEES BY EMPLOYMENT POSITION</b>								
<b>Senior Leadership</b>	number, %	127	1.33%	121	1.16%	123	1.3%	
Female	number, %	24	18.90%	22	18.18%	21	17.1%	
Male	number, %	103	81.10%	99	81.82%	102	82.9%	
<b>Middle Management</b>	number, %	230	2.41%	210	2.01%	217	2.32%	
Female	number, %	66	28.70%	58	27.62%	52	23.96%	
Male	number, %	164	71.30%	152	72.38%	165	76.04%	
<b>Junior Management</b>	number, %	754	7.91%	749	7.18%	689	7.37%	
Female	number, %	178	23.61%	187	24.97%	174	25.25%	
Male	number, %	576	76.39%	562	75.03%	515	74.75%	
<b>Executives/Officers</b>	number, %	4,340	45.51%	4,480	42.93%	4,244	45.37%	
Female	number, %	807	18.59%	798	17.81%	659	15.5%	
Male	number, %	3,533	81.41%	3,682	82.19%	3,585	84.5%	
<b>Non-Executives/Ratings</b>	number, %	4,085	42.84%	4,875	46.72%	4,082	43.63%	
Female	number, %	402	9.84%	523	10.73%	402	9.8%	
Male	number, %	3,683	90.16%	4,352	89.27%	3,680	90.2%	
<b>Management Position in Revenue Generating Function</b>	number	653		630		476		
Female	number, %	93	14.24%	100	15.87%	101	21.2%	
Male	number, %	560	85.76%	530	84.13%	375	78.8%	
<b>STEM-related Function</b>	number	4,387		5,179		3,245		
Female	number, %	793	18.08%	881	16.95%	590	18.2%	
Male	number, %	3,594	81.92%	4,316	83.05%	2,655	81.8%	

Social Pillar – Talent Excellence		Unit	2024		2023		2022	
<b>Employee basic salary by gender (Male:Female)</b>								
Employee With Disability	ratio		1.01:1		1.1:1		1.4:1	
Female	number		5		5		2	
Male	number		4	80.00%	4	80.00%	1	50.00%
<b>EMPLOYEE BY COUNTRIES OF OPERATIONS (SHORE EMPLOYEES ONLY)</b>								
Malaysia	number, %	5,261	93.95%	6,108	94.65%	4,742	93.3%	
Asia	number, %	213	3.80%	224	3.47%	222	4.4%	
Europe	number, %	23	0.41%	26	0.4%	27	0.5%	
Middle East	number, %	10	0.18%	1	0.02%	1	0.0%	
North and South America	number, %	93	1.66%	94	1.46%	93	1.8%	
<b>NATIONALITY</b>								
Malaysian	number, %	6,498	68.14%	7,192	68.92%	6,476	69.2%	
Non-Malaysian	number, %	3,038	31.86%	3,243	31.08%	2,879	30.8%	
<b>RACE &amp; ETHNICITY (SHORE EMPLOYEES ONLY)</b>								
Malay	number, %	4,137	73.88%	4,826	74.79%	-	-	
Chinese	number, %	156	2.79%	150	2.32%	-	-	
Indian	number, %	195	3.48%	217	3.36%	-	-	
Others	number, %	1,112	19.86%	1,260	19.53%	-	-	
<b>EMPLOYMENT TYPE</b>								
Permanent	number, %	2,831	29.69%	2,756	26.41%	2,720	29.1%	
Contract and third party	number, %	6,705	70.31%	7,679	73.59%	6,635	70.9%	
<b>NEW HIRES</b>								
Total shore new hires	number	544		2,235		1,504		
<b>BY AGE GROUP</b>								
30 and below	number, %	236	43.38%	1,257	56.24%	830	55.19%	
31 – 50 years old	number, %	285	52.39%	912	40.81%	615	40.89%	
Over 50 years old	number, %	23	4.23%	66	2.95%	59	3.92%	
<b>BY GENDER</b>								
Female	number, %	182	33.46%	470	21.03%	1,208	80.32%	
Male	number, %	362	66.54%	1,765	78.97%	296	19.68%	
<b>BY MANAGEMENT LEVEL</b>								
Junior Management	number, %	68	12.50%	97	4.34%	-	-	
Middle Management	number, %	22	4.04%	17	0.76%	-	-	
Senior/Top Management	number, %	9	1.65%	16	0.72%	-	-	
<b>BY COUNTRIES OF OPERATIONS</b>								
Malaysia	number, %	496	91.18%	2,179	97.49%	1,447	96.21%	
Asia	number, %	29	5.33%	29	1.3%	33	2.19%	
Europe	number, %	4	0.74%	4	0.18%	5	0.33%	
North and South America	number, %	15	2.76%	23	1.03%	19	1.26%	

## Performance Data

## Performance Data

Social Pillar – Talent Excellence		Unit	2024		2023		2022	
Average hiring cost	USD	2,601		885		1,606		
<b>Internal Mobility</b>	number	1,197		832		1,148		
Female	number, %	195	16.29%	233	28.0%	259	22.6%	
Male	number, %	1,002	83.71%	599	72.0%	889	77.4%	
<b>Total seafarers' new hires</b>	number	122		165		303		
<b>TURNOVER</b>								
Total shore turnover	number	1,400		898		795		
Attrition rate	%	23.2%		15.6%		16.9%		
Voluntary rate	%	9.9%		8.5%		9.3%		
<b>BY AGE GROUP</b>								
30 and below	number, %	578	41.29%	357	39.76%	268	33.71%	
31 - 50 years old	number, %	666	47.57%	456	50.78%	423	53.21%	
Over 50 years old	number, %	156	11.14%	85	9.47%	104	13.08%	
<b>BY GENDER</b>								
Female	number, %	330	23.57%	202	22.49%	196	24.65%	
Male	number, %	1,070	76.43%	696	77.51%	599	75.35%	
<b>BY COUNTRIES OF OPERATIONS</b>								
Malaysia	number, %	1,355	96.79%	858	95.55%	719	90.44%	
Africa	number			-	-	-	-	
Asia	number, %	24	1.71%	22	2.45%	45	5.66%	
Europe	number, %	7	0.50%	3	0.33%	7	0.88%	
North and South America	number, %	14	1.00%	15	1.67%	24	3.02%	
<b>BY MANAGEMENT LEVEL</b>								
Junior Management	number, %	92	73.60%	97	63.40%	-	-	
Middle Management	number, %	17	13.60%	33	21.57%	-	-	
Senior/Top Management	number, %	16	12.80%	23	15.03%	-	-	
<b>Total seafarers' turnover</b>	number	392		584		566		
<b>Total voluntary turnover</b>	number	931		916		319		
<b>Seafarers' that Joined Corporate Position</b>	number	9		8		2		
Female	number	2		0		2		
Male	number	7		8		-		

Social Pillar – Talent Excellence		Unit	2024		2023		2022	
<b>KEY TALENT DEVELOPMENT</b>								
<b>TOTAL TRAINING HOURS</b>	number		225,261		287,262		-	
<b>Average training hours - employee category</b>	hours		37		30		24	
<b>Executive/Officers</b>	hours		37		43		28	
Female	hours		45		34		35	
Male	hours		35		20		26	
<b>Non-Executive/Ratings</b>	hours		36		15		19	
Female	hours		39		21		23	
Male	hours		35		21		19	
<b>Number of Training Days</b>	days		28,158		35,953		31,708	
Female	days		7,480		6,306		5,669	
Male	days		20,677		29,646		26,039	
<b>Percentage of Employees Trained</b>	%		54		79		81	
Female	%		52		90		85	
Male	%		75		78		81	
<b>Total Hours of Training by Employee Category</b>								
Senior/Top Management	hours		3,894		4,643		-	
Middle Management	hours		9,410		9,400		-	
Junior Management	hours		31,514		74,462		-	
Executives/Officers	hours		98,785		135,636		-	
Non-Executives/Ratings	hours		81,658		67,498		-	
Total amount training invested	USD million		10.6		11.9		17.9	
Average amount invested per employee	USD		1,720		1,143		1,919	
<b>PERFORMANCE MANAGEMENT</b>								
<b>PERFORMANCE APPRAISAL</b>	%		100		100		100	
Female	%		28.83		17.23		12.9	
Male	%		71.17		82.77		87.1	

## Performance Data

## Performance Data

Social Pillar – Talent Excellence		Unit	2024		2023		2022	
<b>PARENTAL LEAVE</b>								
Employees Taking Parental Leave	number	236		160		157		
Female	number, %	67	28.39%	67	41.88%	49	31.2%	
Male	number, %	169	71.61%	93	58.13%	108	68.8%	
Employees Returned After Parental Leave Ended	number	234		154		155		
Female	number, %	65	27.54%	61	39.61%	47	30.3%	
Male	number, %	169	71.61%	93	60.39%	108	68.80%	
Employees Who Returned After Parental Leave Ended, and Still Employed 12 Months After Return to Work	number	230		151		150		
Female	number, %	61	25.85%	61	40.40%	44	29.3%	
Male	number, %	169	71.61%	90	59.6%	106	70.7%	
<b>EMPLOYEE ENGAGEMENT</b>								
Employee engaged	%	97		95		95		
Female	%	N/A		N/A		N/A		
Male	%	N/A		N/A		N/A		
UNIONISED EMPLOYEES	number, %	1,160	12.16%	1,248	11.96%	1,302	13.9%	
<b>Breakdown by Countries of Operations</b>								
Malaysia	number, %	291	25.09%	289	23.20%	364	28.0%	
Singapore	number, %	0	0.00%	-	0.0%	-	0.0%	
United Kingdom	number, %	0	0.00%	-	0.0%	-	0.0%	
United States of America	number, %	0	0.00%	-	0.0%	-	0.0%	
Japan	number, %	0	0.00%	-	0.0%	-	0.0%	
Brazil	number, %	11	0.95%	10	0.8%	9	0.70%	
Others	number, %	858	73.97%	949	76.0%	929	71.40%	

## Training and Awareness Conducted in 2024

No.	Training Type	Programme Title (Name of the training)	Content Description	Number of Participant
1	Leadership Pathway – Leader+ Series	<ul style="list-style-type: none"> <li>Emerging Leaders Programme (ELP) for Managers</li> <li>Strategic Leaders Programme (SLP) for Senior Managers and General Managers</li> </ul>	<ul style="list-style-type: none"> <li>Leaders+ Series is a six-month accelerated development programme to equip MISC Group's Successors and High Potentials with new skills, experience and perspective. The programme helps them be impactful at work, close their gaps and increase their readiness to assume greater roles</li> <li>The programme is delivered through a blended approach that combines experiential and cognitive elements comprising of engaging lectures coupled with group work, exercises, case studies, simulations, role-play and action learning projects to provide a fully immersive learning experience</li> <li>The programmes sharpen participants' skillsets and increase their ability to solve challenges, and they are given access to faculty who shares thorough research and novel approaches to problem-solving</li> <li>The skills and knowledge gained from the programme will enhance learners' leadership competencies and promote the right behaviour, which will have a lasting impact on the teams they lead, communities they serve and the entire organisation</li> </ul>	ELP: 16 SLP: 15

## Training and Awareness Conducted in 2024

No.	Training Type	Programme Title (Name of the training)	Content Description	Number of Participant
2	Leadership Pathway – Signature Series	<ul style="list-style-type: none"> <li>Senior Leaders Series (SLS) for Senior Managers and above</li> <li>Leaders Development Series (LDS) for Managers</li> <li>Executive Development Series (EDS) for Executives and Support Group</li> </ul>	<ul style="list-style-type: none"> <li>Signature series are one- to two-years programme delivered through a blended approach that combines experiential and cognitive elements comprising of engaging lectures coupled with group work, exercises, case studies, simulations, role plays and action learning projects to provide a fully immersive learning experience</li> </ul>	SLS: 14 LDS: 51 EDS: 32
3	Other Leadership Programmes	<ul style="list-style-type: none"> <li>Online Leadership Programmes</li> <li>Self-learning and e-learning content such as Harvard ManageMentor (HMM) and Skillsoft</li> <li>Programmes such as Critical Thinking &amp; Problem Solving, Coaching, Crisis Management, Diversity, Learning Agility for the Future of Work, Becoming Agile</li> </ul>	<ul style="list-style-type: none"> <li>Collaborated with external learning partners to convert the content of our leadership programmes into virtual platforms</li> <li>Addressed mindset change, creative problem-solving and communication gaps</li> <li>Developed the next generation of leaders for the organisation through a structured employee succession planning programme that supports workers by identifying gaps in their skillsets and conducting planned interventions to enhance their capabilities</li> </ul>	854
4	Core Training	<ul style="list-style-type: none"> <li>Generative HSSE Culture</li> <li>Human Rights Management</li> <li>MISC Anti-Bribery and Corruption Policy and Guidelines</li> <li>MISC Code of Conduct and Business Ethics (CoBE)</li> <li>MISC Competition Law</li> <li>Personal Data Protection and Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Compulsory corporate training that is rolled out to all employees</li> </ul>	5,136
5	Functional And Technical Skills Development	<ul style="list-style-type: none"> <li>Automating Routine Tasks: Optimising PR &amp; Marketing Teams</li> <li>Global Sustainability Forum A Roadmap to NetZero</li> <li>Advanced Training for Chemical Tanker Cargo Operation</li> <li>Commercial and Contract Management Certification</li> <li>Forklift Operation</li> <li>International Marketing Conference: The Art of Attention</li> </ul>	<ul style="list-style-type: none"> <li>Addressed the specific needs of groups of employees, such as training engineering employees to support the Group's business expansion into the global market</li> </ul>	7,510
6	Culture	<ul style="list-style-type: none"> <li>Conscious Inclusion</li> <li>Enterprise Culture: Co-Creation Session</li> </ul>	<ul style="list-style-type: none"> <li>The aim is to strengthen and reinforce Diversity and Inclusion (D&amp;I) culture, ensuring that these values are deeply embedded in the employees to enhance employee engagement, promote equal opportunities, and create a workplace where diverse perspectives are valued and embraced.</li> </ul>	167

## Performance Data

## Performance Data

Governance Pillar	Unit	2024	2023	2022
<b>ANTI-BRIBERY AND CORRUPTION</b>				
Anti-bribery Management System (ABMS) number of assurances				
	number	12	18	22
Percentage of operations assessed for corruption-related risks	%	100	100	-
Confirmed incidents of corruption and action taken	number	0	0	-
Monetary losses as a result of legal proceedings associated with bribery or corruption	number	0	0	0
<b>WHISTLEBLOWING</b>				
Number of cases received	number	65	35	7
Number of cases on-going	number	36	11	0
Number of cases investigated	number	29	35	3
Number of cases closed	number	29	24	6
<b>COMPETITION PROTOCOLS AND OTHER CRITICAL LAW</b>				
Legal actions for anti-competitive behaviour, anti-trust, monopoly practices and other critical law	number	0	0	0
<b>PERSONAL DATA AND INFORMATION</b>				
Complaints concerning breaches of Customer Privacy and losses of customer data	number	0	0	0
Substantiate complaints from regulatory	number	0	0	0
Substantiate complaints from external	number	0	0	0
<b>Public Policy Positions/Political Contributions</b>				
Contribution to Political related Agenda	number	0	0	0
Expenditure on lobbying activities	number	0	0	0
<b>Third-Party Compliance Due Diligence</b>				
Compliance due diligence and risk assessment completed	number	528	473	251
<b>CODE OF CONDUCT AND BUSINESS ETHICS</b>				
<b>Coverage</b>				
Employees	%	100	100	100
Contractors/suppliers/service providers	%	100	100	100
Subsidiaries	%	100	100	100
Joint Ventures (incl. stakes above 10%)	%	71	58	64
<b>Written/Digital Acknowledgement</b>				
Employees	%	100	100	100
Contractors/suppliers/service providers	%	100	83	56
Subsidiaries	%	97	93	99
Joint Ventures (incl. stakes above 10%)	%	20	33	15
<b>Training Provided</b>				
Employees	%	100	100	100
Contractors/suppliers/service providers	%	5	7	8
Subsidiaries	%	89	58	96
Joint Ventures (incl. stakes above 10%)	%	84	78	24

Governance Pillar	Unit	2024	2023	2022
<b>Audits</b>				
Audit on five critical legal areas				
	number	6	0	6
<b>Human Rights</b>				
Number of training sessions conducted	number	9	2	4
Number of harassment and discrimination	number	9	0	0
<b>Supply Chain</b>				
<b>SUPPLIER SCREENING</b>				
<b>TIER 1 SUPPLIER</b>				
Total Tier-1 suppliers	number	2,660	2,466	-
<b>Critical* suppliers in Tier-1</b>				
Total critical suppliers in Tier-1	number	100	183	-
Percentage of total spend on critical suppliers in Tier-1	%	13	28	-
<b>Total number of critical suppliers in non-Tier-1</b>				
	number	N/A	N/A	-
<b>Total number of critical suppliers (Tier-1 and non-tier-1)</b>				
	number	2,660	2,466	-
<b>Supplier Assessment</b>				
Total number of suppliers assessed via desk assessments/on-site assessments	number	355	137	-
Percentage of critical suppliers assessed	%	37	61	-
Number of suppliers assessed with substantial actual/potential negative impacts	number	41	6	-
Percentage of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	%	12	67	-
Number of suppliers with substantial actual/potential negative impacts that were terminated	number	N/A	N/A	-
<b>Suppliers with Corrective Action Plans Implemented</b>				
Total number of suppliers supported in corrective action plan implementation	number	41	6	-
Percentage of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	%	12	67	-
<b>Suppliers Capacity Building Programmes</b>				
Total number of suppliers in capacity building programs	number	N/A	N/A	-
Percentage of critical suppliers in capacity building programs	%	N/A	N/A	-
Proportion of spending on local suppliers	%	45	60	-

\* Critical suppliers are also known as significant suppliers.

## Performance Data

## Training and Awareness Conducted in 2024

No	Training Type	Number of trainings	Number of participants
1	Compliance and Business Ethics	7	2,272
2	Cybersecurity	5	658

## Scope of ISO certification

Certification	Entity	Scope
ISO 37001:2016 Anti-Bribery Management System	MISC Berhad	<ul style="list-style-type: none"> <li>Anti-Bribery Management System covering integrity and compliance processes, procurement, vendor management and business development for GAS and Offshore segments.</li> </ul>
	Malaysia Marine and Heavy Engineering Holdings Sdn. Bhd.	<ul style="list-style-type: none"> <li>Anti-Bribery Management System for yard operation and its corporate services of Marine Operations and Heavy Engineering Operations.</li> </ul>
	AET Tankers Pte. Ltd. (AET)	<ul style="list-style-type: none"> <li>Asset acquisition, commercial management and management of operations of owned and in chartered vessels including provision of ship lightering and support services.</li> </ul>
	MISC Maritime Services Sdn. Bhd. known as MISC Marine (Maritime Services)	<ul style="list-style-type: none"> <li>Anti Bribery Management System for Provision of Port &amp; terminal management, Maritime Services and Support Services.</li> </ul>
	Eaglestar known as MISC Marine (Ship Management)	<ul style="list-style-type: none"> <li>Provision of fleet management services (ABMS applies to all the technical and professional related services to support all activities handled for fleet management).</li> </ul>
	Malaysian Maritime Academy Sdn. Bhd. (MMASB)	<ul style="list-style-type: none"> <li>Anti-bribery management systems covering training services, business development, procurement, vendor management and support services.</li> </ul>
ISO 27001:2022 Information Security Management Systems	Malaysia Marine and Heavy Engineering Holdings Snd. Bhd.	<ul style="list-style-type: none"> <li>Information Security Management Systems for ICT services in securing business information related to major system applications.</li> </ul>

## Reporting Principles &amp; Data Assumptions

## Reporting Approach

The sustainability reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness have been applied when defining the content. Accuracy, balance, clarity, comparability, reliability and timeliness have also been considered.

## PRECAUTIONARY PRINCIPLES

We support a precautionary approach to social and environmental challenges. Many initiatives have been implemented to promote the development of sustainable solutions and innovations including effectively managing assets, business activities and project work. We have also collaborated with industry partners and both professional and technical organisations.

We have established a group-wide risk management system that identifies and assesses risks systematically. This system ensures that the Group's focus and stakeholders' expectations are balanced when combined with a thorough materiality assessment.

## INFORMATION ON EXCLUSIONS

Our approach to exclusions is based on our Group-wide sustainable business risk framework. Information which we are unable to verify is excluded from the report.

## SUSTAINABILITY FRAMEWORK

This Sustainability Report has been prepared in accordance with several local and international sustainability standards and frameworks indicated on page 3 of this report. Our reporting period covers the period from 1 January to 31 December 2024, unless specified and any material events that occurred after this date up to the date of publication.

## SCOPE

Except for GHG data, all our sustainability performance data are reported based on operational control. Based on the operational control scope, data are accounted from assets or facilities where MISC or its subsidiaries have the authority to introduce and implement our operational and HSE policies.

 Please refer to the scope for GHG data under the Environment Pillar in this section.

## CONSOLIDATION

For operational scope, 100% of the data reported is accounted for irrespective of the percentage of ownership where MISC has operational control. Assets and operations, in which MISC does not have operational control, are excluded.

 Please refer to the operational scope for GHG data under the Environment Pillar in this section.

## ENVIRONMENT PILLAR

## GHG DATA

## Scope

We adopt the GHG Protocol Corporate Standard's financial control approach for our GHG emissions (Scope 1 and 2) accounting which includes assets owned or leased that are used by MISC to gain economic benefits, with the exclusion of the following assets and operations:

- Downstream leased assets which are owned by MISC but leased out to other parties
- Assets where MISC has minority equity ownership and no control
- Upstream leased assets where MISC has no control
- Short-term leases with a lease term of 6 months or less

The above-listed assets from our operations will be included in our Scope 3 GHG emissions (where material). The following gases are included in our GHG accounting:

- Carbon Dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous Oxide (N<sub>2</sub>O)
- Ethane (C<sub>2</sub>H<sub>6</sub>) – from our VLECs which uses ethane as fuel

## Reporting Principles & Data Assumptions

## Reporting Principles & Data Assumptions

### Consolidation

Emissions from the assets and facilities where MISC has financial control are accounted as MISC's Scope 1 and 2 emissions in full (100% of the emissions), except for JV assets. JV assets where MISC has joint financial control over the operations are accounted as Scope 1 or 2, with emissions apportioned according to MISC's ownership share of the venture. JVs in which MISC does not have financial control, are excluded.

Scope 3 emissions included in this report are emissions assessed as material for MISC in accordance with the following definition:

- i. Scope 3 categories covering the top two-thirds of the total Group's Scope 3 emissions
- ii. Operational emissions from assets not accounted as Scope 1 and 2 of which fall under the following Scope 3 categories:
  - Leased vessels where MISC has no financial control
  - Vessels owned by MISC but leased out to other parties and MISC has no financial control
  - Vessels which MISC has equity ownership but not accounted in Scope 1 and 2

In 2024, we revisited our Scope 3 materiality categories to evaluate their relevance to our evolving operations. The following Scope 3 categories are identified as material to MISC based on the updated materiality assessment:

- i. Category 1 i.e., purchased goods and services from our Marine & Heavy Engineering segment
- ii. Category 3 (Fuel-and Energy-Related Activities)
- iii. Category 8 i.e., in-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor have technical control)
- iv. Category 13 i.e., our offshore assets which are leased out to customers for offshore oil and gas extraction
- v. Category 15 i.e., vessels which are jointly owned by MISC and other parties, where we have equity ownership but do not have control

Scope 3 categories 2, 4, 5, 6 and 7 are relevant but does not meet the materiality threshold and definition adopted by MISC. Though not material, Category 6 (Business related travels) and Category 7 (employee commuting) are monitored and reported separately. Please refer to Performance Data Metrics (Environment Pillar) for more details. Categories related to product and franchise (Category 9-12 and Category 14) are assessed as not relevant for our business. A similar consolidation approach for our Scope 1 and 2 emissions, according to the financial consolidation methodology, is adopted for our Scope 3 emissions.

### Scope 3 Emissions Calculations

Scope 3 Category	Calculation Method
Category 1 i.e., purchased goods and services from our Marine & Heavy Engineering segment	The spend-based method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, with industry-average emission factors from the US EPA Supply Chain applied to the economic value of the goods and services.
Category 3 (Fuel-and Energy-Related Activities)	The average-data method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, with industry-average emission factors from the UK Department for Environment, Food & Rural Affairs (DEFRA) applied to the actual fuel consumption data.
Category 6 (Business related travels)	The emissions were provided by our travel agencies and include emissions related to business travel by air only. The emissions are estimated using carbon emissions calculator provided by the International Civil Aviation Organization (ICAO).
Category 7 (Employee Commuting)	The distance-based method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where the information on total distance travelled by type of transportation are collected through an annual employee commuting survey. Main emission factors used are taken from UK Department for Environment, Food & Rural Affairs (DEFRA).
Category 8 i.e., in-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor have technical control)	The asset-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where the GHG emissions are provided by the ship operator of each leased asset based on actual fuel consumption.
Category 13 i.e., our offshore assets which are leased out to customers for offshore oil and gas extraction	The asset-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where asset-specific fuel consumption data are collected from individual assets and fuel-specific emission factors, which is mostly taken from API Compendium are used to compute the emissions. For assets where actual fuel consumption data is not available, the emissions were estimated using design figure.
Category 15 i.e., vessels which are jointly owned by MISC and other parties, where we have equity ownership but do not have control	The investment-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where GHG emissions of the jointly owned assets are collected from our associated/affiliated companies and the emissions are accounted based on the share of investment.

## Reporting Principles &amp; Data Assumptions

## Reporting Principles &amp; Data Assumptions

GHG Emissions (Scope 1 and 2) Calculations	
<p>The methodology MISC has adopted for the quantification of GHG emissions is through the application of documented emission factors. GHG emissions from our marine combustion sources are calculated in accordance with the IMO guidelines and uses emission factors as published by IMO. Two primary references are used namely the Fourth IMO GHG Study 2020 and the Guidelines for Voluntary Use of the Ship Energy Efficiency Operational Indicator (EEOI). Methane/ethane emissions from our LNG dual-fuel engines are calculated using engine specific methane/ethane slip levels.</p> <p>Methane emissions from all other vessels (non dual-fuel engine) and nitrous oxide emissions are calculated using emission factors published in the Fourth IMO GHG Study 2020. For non-marine sources, our primary scheme used is the 2006 IPCC Guidelines for National GHG Inventories (IPCC). Specific elements not available in the IPCC, UK BEIS and US EPA emission factors are used. We measure our vessel's carbon intensity performance using two metrics as follows:</p>	
Annual Efficiency Ratio (AER)	
<ul style="list-style-type: none"> <li>AER measures a vessel's total CO<sub>2</sub> per transport work (unit is gCO<sub>2</sub>/ton-nm).</li> <li>Transport work is calculated by multiplying the vessel's deadweight with the distance travelled.</li> <li>AER is chosen to align with the metric adopted by IMO for ships CII scheme applicable for tankers and LNGCs which effects in 2023.</li> </ul> <p>At the MEPC 78 meeting, IMO approved correction factors applicable on some of MISC's ship types. These correction factors allow for adjustments on the attained AER equation and excludes some portion of emissions from the calculation.</p> <p>The AER reported in the Performance Data Metrics however are calculated for total emissions of MISC's vessels without any corrections or adjustments applied.</p>	
Carbon Intensity Indicator (CII)	
<ul style="list-style-type: none"> <li>Rating system that measures a vessel's energy efficiency and carbon using a common unit termed as gram of carbon dioxide emitted per nautical mile and cargo carrying capacity.</li> <li>The ship is given an annual rating from A to E based on its CII.</li> </ul>	
GHG Intensity (AERCO <sub>2</sub> e)	
<ul style="list-style-type: none"> <li>Measures a vessel's total emissions of carbon, methane, ethane and nitrous oxide using a common unit termed as carbon dioxide equivalent per transport work (gCO<sub>2</sub>e/ton-nm).</li> <li>Transport work is calculated by multiplying the vessel's deadweight with the distance travelled.</li> </ul>	

Environmental Indicators	
Indicator	Assumptions
Air Emissions	Emissions from marine sources are calculated using the methodology and emission factors from the Fourth IMO GHG Study 2020. For non-marine sources, our primary scheme used is USEPA.
Vessel Garbage	Sum of all garbage categories in volumetric unit (m <sup>3</sup> ) disposed to reception facilities, discharged to sea and incinerated, as recorded in the vessel's Garbage Record Book.
Operational Effluent Discharge	Sum of the volumes of bilge water and cargo residues discharged to sea and at shore reception facility, as recorded in the vessel's Oil Record Book.
Hazardous Waste	Sum of all hazardous waste types generated from MISC's shore operations.
	Hazardous wastes managed through reuse, recovery and recycle (3R) is the sum of all hazardous waste types generated which are sent to 3R facilities and excludes the quantity of hazardous wastes sent to final disposal sites i.e. landfill or incineration sites.
Non-hazardous Waste	Sum of all non-hazardous waste types generated from MISC's shore operations.
	Non-hazardous wastes managed through reuse, recovery and recycle (3R) is the sum of all non-hazardous waste types generated which are sent to 3R facilities. Assumptions are used to estimate the non-hazardous waste generation for facilities where the actual data is not available.
Freshwater Withdrawal	Actual volume of freshwater drawn into MISC facilities from municipal supply, as recorded in water bills.
Spill	Unplanned or uncontrolled releases of liquid or solid associated with current operations from primary or secondary containment, into the environment. (i.e., soil and surface water).
Average Energy Efficiency Design Index (EEDI) for New Vessels	Total EEDI for new vessels divided by total number of new vessels.
Fines/penalties	A sum of money required to be paid to the regulatory agency/local authority as a penalty for an offence such as non-compliance with rules and regulations.
ISO Certification Percentages	Calculated based on the manhours of each entity against total manhours of the Group.

## Reporting Principles &amp; Data Assumptions

## Reporting Principles &amp; Data Assumptions

## SOCIAL PILLAR

## Health &amp; Safety

Data regarding working hours, fatalities, injuries and recordable cases under the health and safety are reported through our consolidated reporting tool based on submitted data from all reporting entities within the Group.

Indicator	Assumptions
LTI (Lost Time Injury)	The Sum of Fatalities, Permanent Total Disabilities (PTD), Permanent Partial Disabilities (PPD) and Lost Workday Cases (LWC) but excluding Restricted Work Cases (RWC) and Medical Treatment Cases (MTC).
LTIF (Lost Time Injury Frequency)	The number of Lost Time Injuries per million hours worked.
TRC (Total Recordable Case)	TRC The sum of Fatalities, Permanent Total Disabilities (PTD), Permanent Partial Disabilities (PPD), Lost Workday Cases (LWC), Restricted Workday Cases (RWC) and Medical Treatment Cases (MTC).
TRCF (Total Recordable Case Frequency)	The number of Total Recordable Cases per million hours worked.
TROIF (Total Recordable Occupational Illness Frequency)	TROIF measures the frequency of work-related illnesses per million hours worked.
TROIF (Total Recordable Working Hours)	Actual "hours worked" including overtime and training but excluding off-duty hours (although the time is spent at the worksite or premise), leave, sickness and other absences.  For shipping operations (Eaglestar), man-hours accumulation starts when the employee signs on and ends when the employees sign off from the vessel.
Work-related	Work-related is described as those activities for which management controls are, or should have been, in place. Incidents occurring during such activities are reportable and will be included in the statistics.
Fines/penalties	A sum of money required to be paid to the regulatory agency/local authority as a penalty for an offence such as non-compliance with rules and regulations. This shall include traffic summons and fines by municipal bodies issued to company-owned vehicles.
Significant Investment Agreement and Contracts	Human rights clauses are already included as part of requirements in significant investments agreements and contracts that require approval at higher level i.e. PGCEO and Board. (MISC Berhad only).

## Talent Excellence

Data regarding number of employees and seafarers, gender, employment position, age group, nationality, new hires, turnover, training hours, parental leaves and collective bargaining are generated through SAP System (HR System).

Indicator	Assumptions
Average Hiring Cost	The average hiring cost includes internal and external recruiting cost e.g. recruiter salaries, interviews, agency fees, advertising, job fairs, travel and relocation costs.
Average Training Hours	Total training hours divided by the total number of employees.
Employee Engaged	Engaged employee is based on active employees participating in the company's scaled employee engagement surveys-POCS.
Headcounts	Regular employees excluding those on unpaid leave as of 31st December. Permanent and contract employees, third-party, JVs and project are included in the scope.
Junior Management	Represent Manager unless if specifically stated otherwise.
Middle Management	Represent Manager and Senior Manager unless if specifically stated otherwise.
Performance Appraisal	All eligible employees will undergo formal performance evaluation during year-end review and will be given performance rating based on the performance rating scale.
Rate of Absenteeism	Absenteeism is non-attendance at work when attendance was scheduled or expected i.e. AWOL/MIA.
Senior Leadership	Represent General Manager and above unless if specifically stated otherwise.
Unionised Employees	Employee who is eligible and opted to join a union that is recognised by the company.
Management Position in Revenue Generating Functions	Refers to management roles in departments such as sales, or that contribute directly to the output of products or services. It excludes support functions such as HR, IT, Legal. May also be referred to as roles that have P&L responsibility.
STEM-Related Function	Refers to roles that use their knowledge of Science, Technology, Engineering and Mathematics (STEM) in their daily responsibilities.
Talent Retention	Cover only high-performing employees.
Average Hiring Cost	The average hiring cost includes internal and external recruiting cost e.g. recruiter salaries, interviews, agency fees, advertising, job fairs, travel and relocation costs.
Attrition Rate	Overall employee turnover which includes but not limited to resignation, retirement, mutual separation, contract expiry, dismissal/termination, medical boarded out, redundancy, deceased/death.
Voluntary Attrition Rate	Includes only resignations, retirements, and mutual separations.

## GOVERNANCE PILLAR

Data regarding number of anti-bribery and corruption, whistleblowing, competition protocol and other critical laws, personal data and information, political contribution, third-party due diligence, human rights and cybersecurity are generated through internal data consolidation system.

Indicator	Assumptions
Major Cybersecurity Breach	A cybersecurity breach that has major adverse impact on any of our asset, data, environmental, functional, people or reputation per MISC Cybersecurity Incident Response Plan definitions.

## Bursa Malaysia Common Sustainability Matters and Indicators

## Bursa Malaysia Common Sustainability Matters and Indicators

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00 *	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	29,600,000.00	20,970,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	829	732
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management 30 and below	Percentage	No Data Provided	0.28	0.09
Management Between 31-50	Percentage	No Data Provided	74.26	74.35
Management Above 50	Percentage	No Data Provided	25.46	25.56
Executive 30 and below	Percentage	No Data Provided	25.71	24.35
Executive Between 31-50	Percentage	No Data Provided	66.70	66.70
Executive Above 50	Percentage	No Data Provided	7.59	8.95
Non-executive 30 and below	Percentage	No Data Provided	38.19	31.21
Non-executive Between 31-50	Percentage	No Data Provided	50.48	55.78
Non-executive Above 50	Percentage	No Data Provided	11.32	13.01
Gender Group by Employee Category				
Management Male	Percentage	76.00	75.28	75.88
Management Female	Percentage	24.00	24.72	24.12

Internal assurance

External assurance

No assurance

(\*)Restated

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Diversity)</b>				
Executive Male	Percentage	84.50	82.19	81.41
Executive Female	Percentage	15.50	17.81	18.59
Non-executive Male	Percentage	90.20	89.27	90.16
Non-executive Female	Percentage	9.80	10.73	9.84
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	60.00	55.56
Female	Percentage	-	40.00	44.44
30 and below	Percentage	-	0.00	0.00
Between 31-50	Percentage	-	0.00	0.00
Above 50	Percentage	-	100.00	100.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	17,130,924.00 *	16,666,104.00 *	15,579,251.00
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	3	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.08	0.09	0.05
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	6,361	3,884
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	-	88,505 *	44,818
Executive	Hours	-	135,636 *	98,785
Non-executive	Hours	-	67,498 *	81,658
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	70.90	73.59	70.31
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	-	153	125
Executive	Number	-	284	442
Non-executive	Number	-	461	833
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	11 *	9

Internal assurance

External assurance

No assurance

(\*)Restated

## Bursa Malaysia Common Sustainability Matters and Indicators

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	60.00	45.00
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	313.390000	308.930000	294.460000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	21,756.00 *	25,124.00 *	19,369.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	21,078.00 *	19,238.00 *	16,448.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	5,353.00 *	5,086.00 *	2,422.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	4,200,139.00 *	4,120,702.00 *	3,800,082.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	40,581.00 *	39,875.00 *	45,024.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	2,447,044.00 *	2,345,620.00 *	2,198,289.00

**Note:**  
Hyphens and "No Data Provided" refer to data previously undisclosed which MISC started tracking in 2023.

(\*)Restated

## Sustainability Reporting Standards &amp; Disclosures - GRI Content Index

<b>Statement of Use</b>	MISC has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>GRI 2: General Disclosures 2021</b>	<b>Location of the Disclosures</b> <b>Page No.</b>
GRI 2-1: Organisational details	<ul style="list-style-type: none"> <li>About This Report</li> <li>Who We Are</li> <li>Our Businesses</li> </ul>
GRI 2-2: Entities included in the organisation's sustainability reporting	About This Report 4
GRI 2-3: Reporting period, frequency and contact point	
GRI 2-4: Restatements of information	<ul style="list-style-type: none"> <li>Greenhouse Gas Management</li> <li>Other Environmental Matters</li> </ul>
GRI 2-5: External assurance	Independent Assurance Statement 206-209
GRI 2-6: Activities, value chain, and other business relationships	<ul style="list-style-type: none"> <li>Who We Are</li> <li>What We Do</li> <li>How We Move Energy</li> </ul>
GRI 2-7: Employees	Performance Data: Social Pillar - Talent Excellence 219
GRI 2-9: Governance structure and composition	Sustainability Governance 34
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	
GRI 2-13: Delegation of responsibility for managing impact	Sustainability Governance 34-36
GRI 2-14: Role of the highest governance body in sustainability reporting	
GRI 2-15: Conflicts of interest	Operating Responsibly 184-185
GRI 2-16: Communication of critical concerns	Sustainability Governance 36
GRI 2-17: Collective knowledge of the highest governance body	
GRI 2-18: Evaluation of the performance of the highest governance body	Integrated Annual Report: Corporate Governance Overview
GRI 2-20: Process to determine remuneration	
GRI 2-22: Statement on sustainable development strategy	Chairman's Message 14-17
GRI 2-23: Policy commitments	Respecting Human Rights at Sea and Shore 173
GRI 2-24: Embedding policy commitments	<ul style="list-style-type: none"> <li>Respecting Human Rights at Sea and Shore</li> <li>Operating Responsibly</li> </ul>
GRI 2-25: Process to remediate negative impacts	Respecting Human Rights at Sea and Shore 179
GRI 2-26: Mechanism for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>Operating Responsibly</li> <li>Respecting Human Rights at Sea and Shore</li> </ul>
GRI 2-27: Compliance with laws and regulations	<ul style="list-style-type: none"> <li>Operating Responsibly</li> <li>Performance Data: Governance Pillar</li> </ul>
GRI 2-28: Membership associations	Our Stakeholders' Universe 62-65

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<b>GRI 2: General Disclosures 2021</b>	<b>Location of the Disclosures</b>	<b>Page No.</b>
GRI 2-29: Approach to stakeholder engagement	Our Stakeholders' Universe	42-60
GRI 2-30: Collective bargaining agreements	Performance Data: Social Pillar – Talent Excellence	222
<b>GRI 3: Material Topics 2021</b>		
GRI 3-1: Process to determine material topics	• Prioritising What Is Most Material	37-41
GRI 3-2: List of material topics	• Throughout the report	
GRI 3-3: Management of material topics		

<b>GRI Content Index</b>	<b>Location of the Disclosures</b>	<b>Page No.</b>
<b>GRI 201: Economic Performance 2016</b>		
Disclosure 201-1: Direct economic value generated and distributed	• Economic Value Creation	70,
Disclosure 201-2: Financial implications and other risks and opportunities due to climate change	• Climate-related Financial Disclosures Report	80-87
<b>GRI 203: Indirect Economic Impacts 2016</b>		
Disclosure 203-2: Significant indirect economic impacts	Economic Value Creation	78-79
<b>GRI 204: Procurement Practise 2016</b>		
Disclosure 204-1: Proportion of spending on local suppliers	Performance Data: Supply Chain	225
<b>GRI 205: Anti-corruption 2016</b>		
Disclosure 205-1: Operations assessed for risks related to corruption	Performance Data: Governance Pillar	224
Disclosure 205-2: Communication and training about anti-corruption policies and procedures	Operating Responsibly	186-188
Disclosure 205-3: Confirmed incidents of corruption and action taken	Performance Data: Governance Pillar	224
<b>GRI 206: Anti-competitive Behaviour 2016</b>		
Disclosure 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Performance Data: Governance Pillar	224
<b>GRI 207: Tax 2019</b>		
Disclosure 207-1: Approach to tax		
Disclosure 207-2: Tax governance, control and risk management	Economic Value Creation	71-72
Disclosure 207-3: Stakeholder engagement and management of concerns related to tax		

<b>GRI Content Index</b>	<b>Location of the Disclosures</b>	<b>Page No.</b>
<b>GRI 302: Energy 2016</b>		
Disclosure 302-1: Energy consumption within the organisation	• Greenhouse Gas Management	106,
	• Performance Data: Environmental Pillar	212
Disclosure 302-3: Energy intensity	Performance Data: Environmental Pillar	213
Disclosure 302-4: Reduction of energy consumption	Greenhouse Gas Management	106
<b>GRI 303: Water and Effluents 2018</b>		
Disclosure 303-1: Interactions with water as a shared resource	Water Management	125
Disclosure 303-2: Management of water discharge-related impacts	Wastewater Management	123-124
Disclosure 303-3: Water withdrawal	• Water Management • Performance Data: Environmental Pillar	125, 213
Disclosure 303-5: Water consumption	Performance Data: Environmental Pillar	213
<b>GRI 304: Biodiversity 2016</b>		
Disclosure 304-3: Habitats protected or restored	Conserving Marine Biodiversity	115-121
Disclosure 304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	Performance Data: Environmental Pillar	215
<b>GRI 305: Emissions 2016</b>		
Disclosure 305-1: Direct (Scope 1) GHG emissions		
Disclosure 305-2: Energy indirect (Scope 2) GHG emission	• Greenhouse Gas Management	105,
Disclosure 305-3: Other indirect (Scope 3) GHG emissions	• Performance Data: Environmental Pillar	211
Disclosure 305-4: GHG emissions intensity		
Disclosure 305-5: Reduction of GHG emissions		
Disclosure 305-6: Emission of ozone – depleting substances (ODS)	Other Environmental Matters	123
Disclosure 305-7: Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Other Environmental Matters	122
<b>GRI 306: Waste 2020</b>		
Disclosure 306-1: Waste generation and significant waste-related impacts	Promoting Circular Economy	107-109
Disclosure 306-2: Management of significant waste-related impacts		
Disclosure 306-3: Waste generated	Performance Data: Environmental Pillar	213
Disclosure 306-4: Waste diverted from disposal		
Disclosure 306-5: Waste directed to disposal		
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
Disclosure 308-1: New suppliers that were screened using environmental criteria	Performance Data: Supply Chain	225
Disclosure 308-2: Negative environmental impacts in the supply chain and actions taken		

**Sustainability Reporting Standards & Disclosures -  
GRI Content Index**

<b>GRI Content Index</b>	<b>Location of the Disclosures</b>	<b>Page No.</b>
<b>GRI 401: Employment 2016</b>		
Disclosure 401-1: New employee hires and employee turnover	Performance Data: Social Pillar – Talent Excellence	219-220
Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, Our Strength	159, 161
Disclosure 401-3: Parental leave	Performance Data: Social Pillar – Talent Excellence	222
<b>GRI 403: Occupational Health and Safety 2018</b>		
Disclosure 403-1 Occupational health and safety management system	<ul style="list-style-type: none"> <li>Operating Safely</li> <li>Performance Data: Social Pillar – Health, Safety and Security</li> </ul>	126-127, 216
Disclosure 403-3: Occupational health services	Operating Safely	142
Disclosure 403-4: Worker participation, consultation, and communication on occupational health and safety	Operating Safely	135
Disclosure 403-5: Worker training on occupational health and safety	<ul style="list-style-type: none"> <li>Operating Safely</li> <li>Performance Data: Social Pillar – Health, Safety and Security</li> </ul>	136, 217
Disclosure 403-6: Promotion of worker health	Operating Safely	140-144
Disclosure 403-9: Work-related injuries	<ul style="list-style-type: none"> <li>Operating Safely</li> <li>Performance Data: Social Pillar – Health, Safety and Security</li> </ul>	131, 216
<b>GRI 404: Training and Education 2016</b>		
Disclosure 404-1: Average hours of training per year per employee	Performance Data: Social Pillar – Talent Excellence	221
Disclosure 404-2: Programmes for upgrading employee skills and transition assistance programmes	Performance Data: Social Pillar – Talent Excellence	222-223
Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	Our People, Our Strength	158
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
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<b>GRI Content Index</b>	<b>Location of the Disclosures</b>	<b>Page No.</b>
<b>GRI 406: Non-discrimination 2016</b>		
Disclosure 406-1: Incidents of discrimination and corrective actions taken	Performance Data: Governance Pillar	225
<b>GRI 413: Local Communities 2016</b>		
Disclosure 413-1: Operations with local community engagement, impact assessments, and development programmes	<ul style="list-style-type: none"> <li>Partnering With the Community</li> <li>Respecting Human Rights at Sea and Shore</li> </ul>	163-171
<b>GRI 414: Supplier Social Assessment 2016</b>		
Disclosure 414-1: New suppliers that were screened using social criteria	Performance Data: Supply Chain	225
Disclosure 414-2: Negative social impacts in the supply chain and actions taken		
<b>GRI 415: Public Policy 2016</b>		
Disclosure 415-1: Political contributions	Performance Data: Governance Pillar	224
<b>GRI 418: Customer Privacy 2016</b>		
Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Performance Data: Governance Pillar	224

**Sustainability Reporting Standards & Disclosures -  
GRI Content Index**

## Sustainability Reporting Standards & Disclosures - SASB Index

MISC recognises the value of SASB's approach to create disclosures expectations based on the material issues for each sector. SASB Standards identify the subset of environmental, social and governance issues most relevance to financial performance.

Topic	Accounting Metric	Unit	Data/Location of Disclosures
Greenhouse Gas Emissions	Gross global Scope 1 emissions <sup>1</sup>	Metric tons (t) CO <sub>2</sub> e	Performance data – Environment Pillar
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Our Decarbonisation Pathway
	(1) Total energy consumed <sup>2</sup> , (2) percentage heavy fuel oil <sup>3</sup> , and (3) percentage renewable <sup>4</sup>	Gigajoules (GJ), Percentage (%)	Performance data – Environment Pillar
	Average Energy Efficiency Design Index (EEDI) for new ships <sup>5</sup>	Grams of CO <sub>2</sub> per ton-nautical mile	Performance data – Environment Pillar
Air Quality	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O) <sup>6</sup> , (2) SO <sub>x</sub> <sup>7</sup> and (3) particulate matter (PM10) <sup>8</sup>	Metric tons (t)	Performance data – Environment Pillar
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	0
	Percentage of fleet implementing ballast water (1) exchange <sup>12</sup> and (2) treatment <sup>13</sup>	Percentage (%)	Performance data – Environment Pillar
	(1) Number <sup>9</sup> and (2) aggregate volume of spills and releases to the environment <sup>10</sup>	Number, Cubic meters (m <sup>3</sup> )	Performance data – Environment Pillar
Employee Health & Safety	Lost time incident rate (LTIR)	Rate	Performance data – Social Pillar (Operating Safely)
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	14
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0
Accident & Safety Management	Number of marine casualties, percentage classified as very serious	Number, Percentage (%)	1 - Fatalities 2 - NAD Cases 1 - Missing person
	Number of (1) Conditions of Class or (2) Recommendations	Number	(1) 86
	Number of port state control (1) deficiencies and (2) detentions	Number	Number of port state control (1) 39 (2) 0

## Our Commitment and Performance Activity Metrics

Activity Metric	Unit	Value
Number of shipboard employees	Number	6,025
Total distance travelled by vessels <sup>11</sup>	Nautical miles (nm)	5,117,241
Operating days	Days	23,753
Deadweight tonnage	Thousand deadweight tons	10,999,607
Number of vessels in total shipping fleet	Number	85
Number of vessel port calls	Number	4,065

## Sustainability Reporting Standards & Disclosures - SASB Index

## Sustainability Reporting Standards & Disclosures - Climate-related Financial Disclosures

MISC Climate Framework		Location of Disclosures
<b>Governance</b>		
a. Board's oversight of climate-related risks and opportunities	Board Level Governance	
b. Management's role in assessing and managing climate-related risks and opportunities	Management Level Governance	
<b>Strategy</b>		
a. Risks and opportunities identified in the short, medium, and long term	Time Horizons Identifying Climate-related Risks and Opportunities	
b. Actual and potential impacts on the business, strategy, and financial planning	Strategic Planning to Manage Risk	
c. Scenario analysis of impacts including a 2°C scenario	Climate Scenarios	
<b>Risk Management</b>		
a. Processes for identifying and assessing climate-related risks	Identifying Climate-related Risks and Opportunities	
b. Process for managing climate-related risks	Risk Management	
c. Integration of climate-related risk into overall risk management	Risk, Strategic Risk and Enterprise Risk Management	
<b>Metrics &amp; Targets</b>		
a. Metrics used to assess climate-related risks and opportunities	Metrics and Targets	
b. All GHG emissions (Scopes 1,2 and 3) and related risks	GHG Emissions Performance	
c. Targets used to manage climate-related risks and opportunities and performance against targets	GHG Target and Commitment	

## List of Abbreviations

<b>3R</b>	Recycle, Reduce and Reuse
<b>4Rs</b>	Refuse, Reduce, Reuse and Recycle/ Recover
<b>ABC</b>	Anti-Bribery and Corruption
<b>ABMS</b>	Anti-Bribery Management System
<b>ABS</b>	American Bureau of Shipping
<b>ADIPEC</b>	Abu Dhabi International Petroleum Exhibition and Conference
<b>AER</b>	Annual Efficiency Ratio
<b>AERCO<sub>2</sub>e</b>	Annual Efficiency Ratio Carbon Dioxide Equivalent
<b>AET</b>	American Eagle Tankers Private Limited
<b>AiP</b>	Approval in Principle
<b>ALAM</b>	Akademi Laut Malaysia
<b>ALARP</b>	As-low-as-reasonably-possible
<b>AMIM</b>	Association of Marine Industries of Malaysia
<b>ASB</b>	Asia School of Business
<b>ASC</b>	Advanced Safety Communication
<b>BAC</b>	Board Audit Committee
<b>BCM</b>	Business Continuity Management
<b>BCP</b>	Business Continuity Planning
<b>BCRA</b>	Bribery and Corruption Risk Assessment
<b>BESS</b>	Bersih, Selamat & Sihat
<b>Board</b>	The Board of Directors of MISC Berhad
<b>BoG</b>	Boil off gas
<b>BNTC</b>	Board Nomination and Remuneration Committee
<b>BSRC</b>	Board Sustainability and Risk Committee
<b>BWTS</b>	Ballast Water Treatment System
<b>C2H6</b>	Ethane
<b>CA</b>	Collaboration Agreement
<b>CACCC</b>	Corporate Anti-Corruption Compliance Center
<b>CAPEX</b>	Capital Expenditure
<b>CCS</b>	Carbon Capture and Storage
<b>CCUS</b>	Carbon Capture, Utilisation & Storage
<b>CDP</b>	Carbon Disclosure Project
<b>CEO</b>	Chief Executive Officer
<b>CePIETSO</b>	Certified Environmental Professional in the Operation of Effluent Treatment Systems
<b>CePSTPO</b>	Certified Professional Sewage Treatment Operator
<b>CFD</b>	Computational Fluid Dynamics
<b>CFO</b>	Cash flows from operating activities
<b>CGM</b>	Climate Governance Malaysia
<b>CH4</b>	Methane
<b>CHEMEX</b>	Chemical and Explosives Terrorism Prevention
<b>CII</b>	Carbon Intensity Indicator
<b>CIDB</b>	Construction Industry Development Board
<b>CLA</b>	Critical Legal Areas
<b>CMC</b>	Crisis Management Centre
<b>CMT</b>	Crisis Management Team
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CO<sub>2</sub>e</b>	Carbon Dioxide Equivalent
<b>CoBE</b>	Code of Conduct and Business Ethics
<b>CoBE Third Party</b>	Code of Conduct and Business Ethics for Third Parties
<b>COE</b>	Centre of Excellence
<b>COI</b>	Conflict of Interest
<b>Company/ Corporation</b>	MISC Berhad
<b>COP26</b>	26 <sup>th</sup> Conference of Parties @ UN's 26 <sup>th</sup> annual climate meeting
<b>COP28</b>	28 <sup>th</sup> Conference of Parties @ UN's 28 <sup>th</sup> annual climate meeting
<b>CPR</b>	Cardiopulmonary resuscitation
<b>CSA</b>	Chamber of Shipping of America
<b>CSR</b>	Corporate Social Responsibilities
<b>CWW</b>	Compressed Work Week
<b>D&amp;I</b>	Diversity and Inclusion
<b>DDE</b>	Detailed Design Engineering
<b>DIP</b>	Declaration and Integrity Pledge
<b>DJSI</b>	Dow Jones Sustainability Indices
<b>DLW</b>	Dream, Learn, Work
<b>DNV GL</b>	Det Norske Veritas and Germanischer Lloyd
<b>DOE</b>	Department of Environment
<b>DOSH</b>	Department of Occupational Safety and Health
<b>DP</b>	Dynamic Positioning
<b>DPST</b>	Dynamic Positioning Shuttle Tanker
<b>DWT</b>	Deadweight tonnage
<b>EAP</b>	Employee Assistance Programme
<b>ECA</b>	Emissions Control Area
<b>ECDD</b>	Enhanced Compliance Due Diligence
<b>EGR</b>	Exhaust Gas Recirculation

## List of Abbreviations

<b>EEDI</b>	Energy Efficiency Design Index
<b>EEOI</b>	Energy Efficiency Operational Indicator
<b>EEXI</b>	Energy Efficiency Existing Ship Index
<b>EMT</b>	Emergency Management Team
<b>EPA</b>	Environmental Protection Agency
<b>EPCIC</b>	Engineering, Procurement, Construction, Installation and Commissioning
<b>EPF</b>	Employee Provident Fund
<b>EPP</b>	Employee Participation Programme
<b>EQA</b>	Environmental Quality Act
<b>ERM</b>	Enterprise Risk Management
<b>ERM</b>	Environmental Resources Management
<b>ESG</b>	Environment, Social and Governance
<b>EU ETS</b>	European Union Emission Trading Scheme
<b>EU SRR</b>	European Union Ship Recycling Requirement
<b>EVP</b>	Executive Vice President
<b>FC</b>	Functional Checklist
<b>FCPA</b>	Foreign Corrupt Practices Act
<b>FCSU</b>	Floating CO <sub>2</sub> storage unit
<b>FEED</b>	Front-End Engineering Design
<b>FLNG</b>	Floating liquefied natural gas
<b>FPMF</b>	Fire Prevention and Mitigation Framework
<b>FPS</b>	Floating production system
<b>FPSO</b>	Floating Production, Storage and Offloading
<b>FSC®</b>	Forest Stewardship Council
<b>FSO</b>	Floating Storage and Offloading
<b>FSRU</b>	Floating storage and regasification unit
<b>FSU</b>	Floating Storage Unit
<b>FTSE4GOOD</b>	Financial Times Stock Exchange for Good
<b>FY2021</b>	Financial year ended 31 December 2021
<b>FY2022</b>	Financial year ended 31 December 2022
<b>FY2023</b>	Financial year ended 31 December 2023
<b>FY2024</b>	Financial year ended 31 December 2024
<b>GAS</b>	Gas Assets and Solutions
<b>GCB</b>	Generative HSSE Culture Behaviours
<b>GCFL</b>	Generative Culture Front Liners
<b>GCLP</b>	Generative Culture Leadership Training
<b>GCMM</b>	Generative Culture for Middle Management
<b>gCO<sub>2</sub></b>	Gramme CO <sub>2</sub>
<b>gCO<sub>2</sub>/ton-nm</b>	Gramme CO <sub>2</sub> per tonnage nautical miles

<b>GCTL</b>	Generative Culture for Top Leaders
<b>Gentari</b>	Gentari Hydrogen Sdn. Bhd
<b>GHG</b>	Greenhouse Gas
<b>GHSSE</b>	Group Health, Safety, Security and Environment
<b>GIA</b>	Group Internal Audit
<b>GlobalMET</b>	Global Maritime Education & Training
<b>GMF</b>	Global Maritime Forum
<b>PGP</b>	Group Procurement Guidelines
<b>GRAC</b>	Grievance Resolution/Appeal Committee
<b>GRI</b>	Global Reporting Initiative
<b>GSP</b>	Green Ship Programme
<b>GTC</b>	Gas Tanker Committee
<b>GWP</b>	Global Warming Potential
<b>HAZID</b>	Hazard Identification
<b>HFC</b>	Hydrofluorocarbon
<b>HKC</b>	Hong Kong Convention
<b>HOTO</b>	Heart of The Ocean
<b>HRA</b>	Health Risk Assessment
<b>HRA</b>	High-risk Area
<b>HRRA</b>	Human Rights Risk Assessment
<b>HRDD</b>	Human Rights Due Diligence
<b>HSE</b>	Health, Safety and Environment
<b>HSEQ</b>	Health, Safety and Environment and Quality
<b>HSEMS</b>	HSE Management System
<b>HSSE</b>	Health, Safety, Security and Environment
<b>HVDC</b>	High voltage direct current
<b>IAR</b>	Integrated Annual Report
<b>IBAT</b>	Integrated Biodiversity Assessment Tool
<b>iCER</b>	Integrated Compact EGR
<b>ICP</b>	Internal Carbon Price
<b>ICT</b>	Information and communications technology
<b>IEA</b>	International Energy Agency
<b>IFC</b>	Information Fusion Centre of the Republic of Singapore's Navy
<b>IFRS</b>	International Financial Reporting Standards
<b>IGU</b>	International Gas Union
<b>IH</b>	Industrial Hygiene
<b>IHM</b>	Inventory of Hazardous Materials

<b>ILO</b>	International Labour Organisation
<b>IMarEST</b>	Institute of Marine Engineering, Science and Technology's
<b>IMCA</b>	International Marine Contractors Association
<b>IMD</b>	International Men's Day
<b>IMMA</b>	Important Marine Mammals Areas
<b>IMO</b>	International Maritime Organization
<b>IMO CII</b>	International Maritime Organisation Carbon Intensity Indicator
<b>INSEAD</b>	Institut Européen d'Administration des Affaires
<b>INSTEP</b>	Institut Teknologi Petroleum PETRONAS
<b>INTERTANKO</b>	International Association of Independent Tanker Owners
<b>IOGP</b>	International Association of Oil & Gas Producers
<b>IP</b>	Intellectual Property
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IRENA</b>	The International Renewable Energy Agency
<b>IRSO</b>	Integrated Regional Satellite Office
<b>ISO</b>	International Organization for Standardization
<b>ISPS</b>	International Ship and Port Facility Security
<b>ISSB</b>	International Sustainability Standards Board
<b>ITOL</b>	Industry Taskforce on Offshore Lightering
<b>IWD</b>	International Women's Day
<b>JDP</b>	Joint Development Project
<b>JSSC</b>	Jiangsu Shipping College
<b>KPI</b>	Key Performance Indicators
<b>KPSB</b>	Kertih Port Sdn. Bhd.
<b>KRI</b>	Key Risk Indicator
<b>KSRM</b>	Kelab Sukan Rekreasi MMHE
<b>KWAP</b>	Retirement Fund (Incorporated)
<b>KYC</b>	Know Your Counterparty
<b>LBV</b>	LNG bunker vessel
<b>LCO<sub>2</sub></b>	Liquefied Carbon Dioxide
<b>LCSC</b>	Legal, Corporate Secretarial and Compliance
<b>LNG</b>	Liquefied Natural Gas

<b>LNGC</b>	Liquefied Natural Gas Carrier
<b>LOA</b>	Limits of Authority
<b>LOPC</b>	Loss of Primary Containment
<b>LPG</b>	Liquefied Petroleum Gas
<b>LR</b>	Lloyd's Register
<b>LR2</b>	Long Range 2
<b>LSHSC</b>	Lone Star Harbour Safety Committee
<b>LSR</b>	Life-Saving Rules
<b>LSV</b>	Lightering Support Vessels
<b>LTI</b>	Lost Time Injury
<b>LTIF</b>	Lost Time Injury Frequency
<b>LWC</b>	Lost Workday Cases
<b>MACA</b>	Malaysian Anti-Corruption Academy
<b>MACC</b>	Malaysian Anti-Corruption Commission
<b>MACN</b>	Maritime Anti-Corruption Network
<b>MAPA</b>	Malaysian Auxiliary Police Association
<b>MAPCU</b>	Malaysian Association of Private College & Association
<b>MARDEP</b>	Marine Department Malaysia
<b>MARPOL</b>	International Convention for the Prevention of Pollution from Ships
<b>MARSEC</b>	Maritime Security
<b>MASA</b>	Malaysia Shipowners' Association
<b>MBOT</b>	Malaysia Board of Technologists
<b>MBPG</b>	Majlis Bandaraya Pasir Gudang
<b>MC</b>	Management Committee
<b>MCCG</b>	Malaysian Code on Corporate Governance
<b>MCF</b>	Mandatory Control Framework
<b>MCV</b>	Modular Capture Vessel
<b>MDdC</b>	Marechal Duque de Caxias
<b>MDM</b>	Mobile Device Management
<b>MDPC</b>	Malaysia Deepwater Production Contractors
<b>MDS</b>	Managers Development Series
<b>MEF</b>	Malaysia Employers Federation
<b>MEAT</b>	Management Effectiveness Assessment Tool
<b>MEGI</b>	M-Type Electronically Controlled Gas Injection
<b>MEPC</b>	Marine Environment Protection Committee
<b>MFRS</b>	Malaysian Financial Reporting Standards
<b>MFS</b>	Managers Foundation Series

## List of Abbreviations

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<b>MGA</b>	Malaysian Gas Association
<b>MGC</b>	Medium Gas Carrier
<b>MGMF</b>	MISC Group Management Framework
<b>MHB</b>	Malaysia Marine and Heavy Engineering Holdings Berhad
<b>MIA</b>	Malaysian Institute of Accountants
<b>MIMA</b>	Maritime Institute of Malaysia
<b>MISC/the Group</b>	MISC Berhad and its subsidiaries, joint ventures and associate companies
<b>MiSHA</b>	Malaysian Industrial Safety and Health Association
<b>MITM</b>	Man-in-the-Middle
<b>MLA</b>	Malacca State Legislative Assembly
<b>MLC</b>	Maritime Labour Convention
<b>MMEA</b>	Mega-Module Engineering and Green Architecture
<b>MMHE</b>	Malaysia Marine and Heavy Engineering Sdn. Bhd.
<b>MMLR</b>	Main Market Listing Requirements
<b>MMS</b>	MISC Maritime Services Sdn. Bhd.
<b>MOC</b>	Management of Change
<b>MOCA</b>	Malaysian Offshore Contractors
<b>MOF</b>	Ministry of Finance
<b>MOGSEC</b>	Malaysia Oil & Gas Services Council
<b>MOHE</b>	Ministry of Higher Education
<b>MOL</b>	Mitsui O.S.K Lines, Ltd.
<b>MOT</b>	Ministry of Transport
<b>MoU</b>	Memorandum of Understandings
<b>MPA</b>	Maritime and Port Authority of Singapore
<b>MPA</b>	Marine Preservation Association
<b>MPDC</b>	Malaysia Deepwater Production Contractors
<b>MRC</b>	Management Risk Committee
<b>MRCSB</b>	Malaysia Refining Company Sdn. Bhd.
<b>MLA</b>	Malacca State Legislative Assembly
<b>MSOSH</b>	Malaysian Society for Occupational Safety and Health
<b>MSS</b>	Maldives State Shipping
<b>MT</b>	Metric Tonnes
<b>MTC</b>	Medical Treatment Case
<b>MTCO<sub>2</sub>e</b>	Metric Tonnes of Carbon Dioxide Equivalent

<b>MVOT</b>	Malaysia Vietnam Offshore Terminal Limited
<b>MyWiE</b>	Malaysia Women in Energy
<b>N2H</b>	Nothing to Hide Program
<b>N<sub>2</sub>O</b>	Nitrous Oxide
<b>NAPEI</b>	National Association of Private Educational Institutions
<b>NACGSA</b>	National Corporate Governance & Sustainability Award
<b>NBFPSO</b>	Newbuild floating production, storage and offloading
<b>NCB</b>	National Central Bureau
<b>NEDs</b>	Non-Executive Directors
<b>NFXP</b>	North Field Expansion Project
<b>NGO</b>	Non-Governmental Organisation
<b>NIOSH</b>	National Institute for Occupational Safety and Health
<b>NINEDs</b>	Non-Independent Non-Executive Directors
<b>NIST</b>	National Institute of Standards & Technology
<b>NNAVSAC</b>	National Navigation Safety Advisory Committee
<b>NOAA</b>	National Oceanic and Atmospheric Administration
<b>NO<sub>x</sub></b>	Nitrogen Oxide
<b>NRC</b>	Nomination and Remuneration Committee
<b>NSC</b>	National Security Council
<b>NSRF</b>	National Standard Reporting Framework
<b>OCIMF</b>	Oil Companies International Marine Forum
<b>ODS</b>	Ozone Depleting Substances
<b>OE</b>	Operational Excellence
<b>OER</b>	Online Environmental Reporting
<b>OLA</b>	Operational Legal Areas
<b>OLP</b>	Ocean Learning Platform
<b>OMSA</b>	Offshore Marine Service Association
<b>OPEC</b>	Organization of the Petroleum Exporting Countries
<b>OPEX</b>	Operating Expense
<b>OSH</b>	Occupational Safety and Health
<b>OSRP</b>	Oil Spill Response Plan
<b>OSS</b>	Offshore Substation
<b>OT</b>	Operating Technology
<b>OTC</b>	Offshore Technology Conference

<b>OVID</b>	Offshore Vessel Inspection Database
<b>OVMSA</b>	Offshore Vessel Management and Self Assessment
<b>OWF</b>	Offshore wind farm
<b>PAGEMA</b>	Pasir Gudang Emergency Mutual Aid
<b>P&amp;I</b>	Protection and Indemnity
<b>PBCF</b>	Propeller Boss Cap Fin
<b>PCASP</b>	Privately Contracted Armed Security Personnel
<b>PCSB</b>	PETRONAS Carigali Sdn. Bhd.
<b>PCP</b>	Psychological Counselling Programme
<b>PDC</b>	People Development Council
<b>PDPA</b>	Personal Data Protection Act
<b>PETRONAS</b>	Petroliam Nasional Berhad
<b>PETRONAS Group</b>	PETRONAS and its subsidiaries
<b>PGB</b>	PETRONAS Gas Berhad
<b>PGCEO</b>	President/Group Chief Executive Officer
<b>PLSB</b>	Petronas LNG Sdn. Bhd.
<b>PLL</b>	PETRONAS LNG Ptd
<b>PLNG2SB</b>	Pengerang LNG (Two) Sdn. Bhd.
<b>PM10</b>	Particulate Matter ≤10 Microns
<b>PMP</b>	Project Management Professional
<b>PMS</b>	Planned Maintenance System
<b>PNB</b>	Permodalan Nasional Berhad
<b>POCS</b>	PETRONAS Organisational Cultural Survey
<b>PPD</b>	Permanent Partial Disabilities
<b>PPE</b>	Personal Protective Equipment
<b>PRA</b>	Project Risk Assessment
<b>PRASC</b>	Project Risk Assessment Committee
<b>Pre-FEED</b>	Preliminary Front-end Engineering Design
<b>PRM</b>	PETRONAS Resiliency Model
<b>PSM</b>	Process Safety Management
<b>PSPI</b>	Process Safety Performance Indicators
<b>PTD</b>	Permanent Total Disabilities
<b>PTG 19.90.05</b>	PETRONAS Technical Guideline on Social Risk Assessment
<b>PTLCL</b>	PETCO Trading Labuan Company Ltd.
<b>PTT</b>	Petroleum Authority of Thailand
<b>PTTEP</b>	PTT Exploration and Production
<b>PTW</b>	Permit-to-Work
<b>PUSPATRI</b>	Johor Skill Development Centre

<b>PV</b>	Solar Photovoltaic
<b>R&amp;L</b>	Regulatory and Law
<b>RACI</b>	Responsible, Accountable, Consulted, Informed
<b>RCM</b>	Reef Check Malaysia
<b>RCP</b>	Representative Concentration Pathways
<b>RGTP</b>	PETRONAS LNG Regasification Terminal Pengerang
<b>RGTSU</b>	PETRONAS LNG Regasification Terminal Sungai Udang
<b>RM</b>	Ringgit Malaysia
<b>RMC</b>	Risk Management Committee
<b>RMMS</b>	Roving Marine Marshall Services
<b>RMN</b>	Royal Malaysian Navy
<b>RMN-NID</b>	Naval Intelligence Department of Royal Malaysia Navy
<b>RMP</b>	Royal Malaysian Police
<b>RPTs</b>	Related party transactions
<b>RRPTs</b>	Recurrent related party transactions
<b>RSC</b>	Responsible Supply Chain
<b>RWC</b>	Restricted Workday Cases
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SBF</b>	Singapore Business Federation
<b>SBTi</b>	Science Based Target Initiative
<b>SCMG</b>	Strategic Crisis Management Guidelines
<b>SCR</b>	Selective Catalytic Reduction
<b>SDG</b>	Sustainable Development Goals
<b>SDLC</b>	MISC's System Development Lifecycle
<b>SEATEC</b>	South-East Asian Technical Committee
<b>SEATRU</b>	Sea Turtle Research Unit
<b>SEEMP</b>	Ship Energy Efficiency Management Plan
<b>Semi-FPS</b>	Semi-submersible Floating Production System
<b>SeMS</b>	Security Management System
<b>SETWAC</b>	Southeast Texas Waterway Advisory Council
<b>SFDR</b>	Sustainability Finance Disclosure Regulation
<b>SGMF</b>	The Society of Gas as a Marine Fuel
<b>ShaPoLi</b>	Shaft Power Limitation
<b>SHI</b>	Samsung Heavy Industries Co Ltd
<b>SIGTTO</b>	Society of International Gas Tanker and Terminal Operators

## List of Abbreviations

## List of Abbreviations

<b>SIRE</b>	Ship Inspection Report Programme
<b>SIRIM</b>	Standard and Industrial Research Institute of Malaysia
<b>SKM</b>	Malaysian Skills Certificate
<b>SLL</b>	Sustainability-linked Loan
<b>SLP</b>	Strategic Leaders Programme
<b>SLS</b>	Senior Leaders Series
<b>SMA</b>	Society of Maritime Arbitrators
<b>SMF</b>	Singapore Maritime Foundation
<b>SMW</b>	Singapore Maritime Week
<b>SNEF</b>	Singapore National Employers Federation
<b>SOGSC</b>	Sabah Oil & Gas Service Council
<b>SOGDC</b>	Sabah Oil & Gas Development Corporation
<b>SOC</b>	Security Operation Center
<b>SOLAS</b>	Safety of Life at Sea
<b>SOP</b>	Standard Operating Procedures
<b>SO<sub>x</sub></b>	Sulphur Oxide
<b>SPC</b>	Sea Power Centre
<b>SPM</b>	Single Point Mooring
<b>SRA</b>	Social Risk Assessment
<b>SSA</b>	Singapore Shipping Association
<b>SSDF</b>	MISC Secure System Development Framework
<b>SSP</b>	Shared Socioeconomic Pathways
<b>STL</b>	Shipping Department of Satellite Chemical Co. Ltd.
<b>STWAC</b>	South Texas Waterways Advisory Committee
<b>STCW</b>	Standards of Training, Certification and Watchkeeping for Seafarers
<b>STS</b>	Ship-to-Ship
<b>SUPSB</b>	Sungai Udang Port Sdn. Bhd.
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TCP</b>	Time Charter Party
<b>TI</b>	Transparency International
<b>TMDC</b>	Technical Management Development Committee
<b>TMS</b>	Talent Management System
<b>TMSA</b>	Tanker Management and Self-Assessment
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosure
<b>TOR</b>	Terms of Reference
<b>TPCDDOG</b>	Third Party Compliance Due Diligence Operational Guidelines
<b>TRCF</b>	Total Recordable Case Frequency
<b>TTC</b>	Trash-To-Cash
<b>TVET</b>	Technical and Vocational Education and Training
<b>UAS</b>	Unmanned Aerial System
<b>UCUA</b>	Unsafe Condition and Unsafe Act
<b>UCUAs</b>	Unsafe Conditions and Unsafe Acts
<b>ULEV</b>	Ultra-Low Emission Vessels
<b>UMT-MMS</b>	University Malaysia Terengganu - Port Management and Maritime Services
<b>UMT-SEATRU</b>	University Malaysia Terengganu - Sea Turtle Research Unit
<b>UNCLOS</b>	United Nations Convention on the Law of the Sea
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNGC</b>	United Nations Global Compact
<b>USCG</b>	United States Coast Guard
<b>USD</b>	United States Dollar
<b>UTM</b>	Universiti Teknologi Malaysia
<b>VLCC</b>	Very Large Crude Carrier
<b>VLEC</b>	Very large ethane carrier
<b>VOC</b>	Volatile Organic Compound
<b>VP</b>	Vice President
<b>WGMA</b>	West Gulf Maritime Association
<b>WinGD</b>	Winterthur Gas & Diesel
<b>WIM</b>	Welding Institute of Malaysia
<b>WISTA</b>	Women's International Shipping & Trading Association
<b>WMI</b>	Wavelink Maritime Institute Singapore
<b>WtV</b>	Waste-To-Value
<b>YLP</b>	Young Leaders Programme
<b>ZEUS</b>	Zero Emission Power Station
<b>ZEV</b>	Zero Emission Vessel

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