

Sustainability Statement

Sealink International Berhad (“Sealink” or the “Company”) presents its Sustainability Statement published in line with Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) in Company’s Annual Report for the financial year ended 31 December 2022 (“FYE 2022”). The Sustainability Reporting Guide 3rd Edition was used as a reference in the preparation of this Statement.

The Board of Directors (“Board”) of Sealink and all its subsidiary companies (collectively known as the “Group”) is pleased to present our commitment to create long-term sustainable value and business growth to achieve our strategic objectives and enhance shareholders value in the long term. The Group undertake developments that are economically, environmentally and socially conducive for a sustainable long-term future and that are substantial to our business operations.

We are committed to continually improving the integration of sustainability into our working environment and business processes. Our Sustainability Policy is based upon the following principles:

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

The Board establishes a Sustainability Committee (“the Committee”), which comprises a majority of independent directors, to oversee, consider, deliberate and resolve matters relating to Sustainability Practices.

The Sustainability Committee comprises of the following:

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

The Committee is established to assist the Board in fulfilling its oversight responsibilities in relation to the Sealink Group of Companies sustainability strategy and initiatives covering environmental, social and economical aspect as well as embedding sustainability practices into the business. The Committee is also responsible to oversee and monitor the strategic management of material sustainability matters, risks as well as opportunities driven by Senior Management and monitor progress against the achievement of the Groups’ sustainability targets (sustainability key performance indicators).

The Board also has appointed a Designated Personnel at the Company level to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Groups. Sub-Committee was also involved to support Company level sustainability strategy is being formulated and implemented.

STAKEHOLDERS’ ENGAGEMENT

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

Stakeholders	Engagement Methods	Frequency	Initiatives
Shareholders	<ul style="list-style-type: none"> • Annual reports • Annual general meeting • Quarterly reports • Company website 	Annual Annual Quarterly Ongoing	<ul style="list-style-type: none"> • Timely financial reporting and updates • Business management and governance

Sustainability Statement (cont'd)

STAKEHOLDERS' ENGAGEMENT (cont'd)

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

SUSTAINABILITY MATTERS

We integrate environmental and social considerations along with good governance in all that we do. We are committed to identifying, managing and minimising adverse environmental impact of our business operations through our sustainability initiatives that contribute towards a better future for all. Based on the Sustainability Reporting Guide 3rd Edition, we have used the prescribe sustainability matters as a basis of our information disclosure.

1. Economic and Governance

1.1 Supply Chain Engagement

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

Sustainability Statement (cont'd)

1. Economic and Governance (cont'd)

1.1 Supply Chain Engagement (cont'd)

- We maintain a healthy and long-term relationship with our suppliers, contractors and sub-contractors. The unprecedented COVID-19 pandemic has resulted in various challenges to the business environment globally. We took several precautions to minimise business disruption and supply chain challenges such as having better engagement with our supply chain to always maintain good services in providing critical spares and equipment.

1.2 Corporate Governance and Regulatory Compliance

- The Group have established policies, procedures and guidelines in order to comply with the best practices of good governance guided by the latest Malaysian Code on Corporate Governance (“MCCG”) and MMLR of Bursa Securities and The Companies Act 2016 throughout our operations.
- We focus on building sustainable relationship with stakeholders and utilise our resources to economic growth and bring value to our stakeholders. The Board places great importance on corporate governance and believes in the correlation between good governance and performance.
- The Board has formalised in writing a Code of Conduct/Ethics and an Employee Handbook that emphasises, amongst others, zero tolerance for unethical practices. The Anti-Bribery and Corruption Policy was also added to the Group undertaking in addressing our commitment in doing our operations and business.
- The Group conducts business in an honest and ethical way to protect all our stakeholders. There are policies that can be found on the Company’s website such as the Whistleblower Policy, the Anti-Bribery Policy and the Code of Conduct/Ethics, which applies also to Directors.
- The Group has also been progressively developing pertinent policies and procedures addressing its key business operations to ensure the adequacy and integrity of the Group’s internal control system and management systems. They guide and align with corporate initiatives the Group has implemented to address industry challenges and help us achieve operational excellence.
- Our policies, procedures and guidelines are subjected to regular review and have been communicated to all employees via various communication channels amongst others, Company’s website and intranet, Employee Handbook, internal memo and internal trainings. We endeavour to observe high standards of transparency, accountability and integrity. We believe that good corporate governance will help achieve long-term success and sustainable growth as well as to ensure trust amongst shareholders and stakeholders.
- Details of the Group’s corporate governance practices are elaborated in the Corporate Governance Overview Statement in this Annual Report and which is also available on the Company’s website at www.asiasealink.com.

2. Environmental

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

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

Sustainability Statement (cont'd)

2. Environmental (cont'd)

Health and safety have become our priorities, particularly since the pandemic outbreak and the ensuing endemic process. The Group's COVID-19 Standard Operating Procedures ("SOPs") has been shared with all employees for strict adherence and compliance.

2.1 Energy Management

- The Group's energy consumption comprises a mix of direct and indirect sources of energy. Our direct sources of energy consumption comprises of gases and diesel, while the indirect source of energy consumption is electricity.
- Using shore electricity supply to vessel at our designated wharf to prevent usage of diesel fuel to the ships equipment's and activity. This has reduce vessel carbon emission while berthing at wharf.
- We are committed to reducing our energy consumption with the objectives of resource conservation, climate protection and cost savings. We constantly ensure that our buildings and equipment are energy-efficient to reduce our environmental footprint.
- We switched from using conventional fluorescent light to light-emitting diodes ("LED") lamps, where possible, in the office almost all of more than 200 lamps/lighting.
- It is Company in-house practice to switch off all office lights and air conditioning during lunch break and non-office hours, and other electrical appliances in the office and pantry whenever they are not required.
- We have purchased energy saver electrical products such as inverter air conditioner and refrigerator for all new purchases in office and onboard vessels.
- We have optimised centralised printing to cut down on energy use.
- We only buy asbestos free products and where possible, we purchase biodegradable and oxone protection products for all office and onboard vessels purchases.

2.2 Air Quality

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

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

Nonetheless, the Group has taken additional measures:-

- to ensure that our vessels use MGO, which has a lower amount of sulphur content. Our Charter Party Agreement ("CPA") only allows the charterer to use fuel oil with sulphur content not exceeding the maximum limit as stipulated by ISO 8217 1996 – Fuel Standard for marine distillate fuels and to comply with the relevant provisions of the International Convention for the Prevention of Pollution from Ship ("MARPOL").

Sustainability Statement (cont'd)

2. Environmental (cont'd)

2.2 Air Quality (cont'd)

- A certification of quality of the MGO must be provided to the Chief Engineer during bunkering for verification and recording purposes. Additionally, samples of the MGO used are retained. Should any claim arise in respect of the quality of the fuel supplied, the samples shall then be analysed by a qualified and independent laboratory.
- Our shipbuilding division is providing free bicycles for operational in-house usage from our yard office building to worksite. This is to reduce vehicle usage within the Company's premises and this contribute to lower down the carbon emission.

2.3 Waste Management

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

Some of the approaches taken by the Group on waste management:-

- In-house practice that minimising the usage of paper by encouraging reduced printing and photocopying and emphasising on paperless digital mode. In addition to this, the practise of double-sided printing or usage of recycling papers are encouraged. As a result, we saved up of more than 500 reams of papers.
- Used vessels batteries are properly disposed of through authorised agent at agreed interval of collection.
- Reduced plastic waste. The Company has given out free water containers to crew onboard vessel for storage of drinking waters. Company discourage the purchase and use of plastic mineral water bottle of single use. The Company has given out more than 200 containers to our crew to date.

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

As required by MARPOL, any oil or oily mixture discharge into the sea must be processed through an oil filtering equipment and the oil content must not exceed 15 parts per million ("ppm"). These oily waters must not be discharged in special areas due to oceanographical and ecological reasons. An Oily Water Separator ("OWS") is used to discharge water collected in the Engine Room bilges from water leakages. Before water is being discharged, the OWS ensures that the oil content of the effluent without dilution does not exceed 15 ppm.

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

Sustainability Statement (cont'd)

3. Social

3.1 COVID-19 Health and Safety Measures

For COVID-19 preventive and safety, although the Malaysian Government has announced the transition from pandemic to endemic effective from 1st April 2022, we continue to remain vigilant. Some measures have been maintained and continued to be put in place such as:

- Daily cleaning and regular disinfection of defined areas in the office
- Supply of face masks to employees
- Providing self-test kits to employees as and when necessary
- Self-isolation
- Placing of hand sanitizers at strategic locations
- Conducting regular sanitization
- Enabling remote work

The Group is promoting full vaccination of our staff (except those with valid reasons) with at least one booster dose.

The Group's adherence to SOPs has enabled our operations to achieve progressive levels of productivity. With this and the resumption of business activities in FYE 2022, the Group is able to maintain progress on its onshore and offshore operations and activities.

3.2 Labour Practices & Standards

3.2.1 Maritime Labour Convention, 2006

- Company comply with all necessary provision of Maritime Labour Convention (MLC), 2006 accordingly as regulated by Marine Department Malaysia in terms of crew welfare, provision and management undertaking. All our vessels are certified to be MLC, 2006 compliance.

3.2.2 Employee Training and Development

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

Training Record by Employee Category

No	Training/Course Attended	Date	Training Hours per pax	Non Executive	Executive	Managerial, Professional
1	ISO 9001:2015 QMS Awareness & ISO 9001:2015 QMS Internal Auditor	Jan-22	8 hrs	1	5	3
2	Employment Act 1955 latest amendment 2022	Feb-22	8 hrs	1		1
3	Pengawal Keselamatan yang Efektif dan Profesional	Apr-22	8 hrs		1	
4	KWPSM Workshop (2 days)	Jul-22	14 hrs		1	
5	Company Secretaries Training Programme Essential 1.0 (3 days)	Aug-22	24 hrs	1	1	

Sustainability Statement (cont'd)

3. Social (cont'd)

3.2 Labour Practices & Standards (cont'd)

3.2.2 Employee Training and Development (cont'd)

Training Record by Employee Category

No	Training/Course Attended	Date	Training Hours per pax	Non Executive	Executive	Managerial, Professional
6	Labour Ordinance of Sarawak (With the latest amended act)	Sep-22	8 hrs	1		1
7	Compliance with Guidelines For The Reporting Framework for Beneficial Ownership of Legal Persons	Sep-22	7 hrs		1	
8	Effective Secretarial Practice for Accountants Series (Module 1) - Meetings & Written Resolutions: Managing the Process & Procedures	Sep-22	7 hrs			1
9	Effective Secretarial Practice for Accountants Series (Module 2) - Auditor's Appointment, Resignation & Removal and Financial Statements	Sep-22	7 hrs			1
10	Effective Secretarial Practice for Accountants Series (Module 3) - Beneficial Ownership Reporting of Legal Persons: The Technicalities and Practicalities	Oct-22	7 hrs			1
11	Effective Secretarial Practice for Accountants Series (Module 4) - Issue & Allotment of Shares: Navigating the Processes & Procedures & Best Practices	Oct-22	7 hrs			1
12	Company Secretaries Training Programme Significant 2.0 (3 days)	Nov-22	24 hrs	1	1	
13	TBOSIET (OPITO Approved) with CAEBS (3 days)	Jan-Dec	24 hrs	7		1
14	TFOET (OPITO Approved)	Jan-Dec	8 hrs	4		1
15	CAEBS	Jan-Dec	3 hrs	14		7
16	Safe Food Handling	Jan-Dec	8 hrs	11		
17	Rigging & Slings (2 days)	Jan-Dec	16 hrs	5		1
18	Rigger (API-U Approved) (2 days)	Jan-Dec	16 hrs	2		
19	Banksman (API-U Approved) (3 days)	Jan-Dec	24 hrs	2		
20	HACCP - Hazard Analysis Critical Control Point (SSB Approved)	Jan-Dec	8 hrs	2		
21	Designated First Aider (5 days)	Jan-Dec	40 hrs			1
22	Loss Prevention System with SSHE Induction	Jan-Dec	8 hrs	11		9

Sustainability Statement (cont'd)

3. Social (cont'd)

3.2 Labour Practices & Standards (cont'd)

3.2.3 Diversity and Equality

Employee diversity is of significant importance to the Group, as we believe a diverse workforce fosters mutual respect among employees, creates an open-minded culture, boosts creativity and innovative, all these are important qualities for a global minded corporation.

Below is the Group's workforce distribution for the financial year:-

Workforce by Employment Level, Age and Gender:

Age Group	GW, Elementary Labourers		Non Executive		Executive		Managerial, Professional		Director		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Age 30 and under	-	-	7	89	4	2	-	5	-	-	107
Age 31-40	-	9	11	78	9	9	2	42	-	-	160
Age 41-50	-	5	4	31	8	6	6	31	-	-	91
Age 51 and above	1	16	3	25	1	2	-	32	-	2	82
Total	1	30	25	223	22	19	8	110	-	2	440

Note(s): Including offshore crew

Workforce by Employment Term:

Employment Term	No of Staff	Percentage (%)
Normal Terms Employees	75	17.05 %
Fix Term Contract Employees	365	82.95 %
Total	440	100.00 %

Note(s): Including offshore crew

Employee Turnover:

Overall Turn Over Rate FYE 2022
10.14%

Note(s): Including offshore crew

Sustainability Statement (cont'd)

3. Social (cont'd)

3.3 Health, Safety and Environment

In FYE 2022, we continue to be committed to provide a safer and healthier environment for employees (ship crews and shore staff) and minimise any preventable accidents and health hazards that may occur at business premises or during on board ships. Our vision is 'Goal Zero Incident' work environment and our aspiration is to be a 'value creating partner' to our clients (customers), shareholder and communities where we work and live. To achieve our vision, we have put in place our Health, Safety, Security and Environment ("HSSE") Policy which has been endorsed by top management and communicated to all staff through various platforms, such as the Company's intranet and newsletters, to instil the importance of safety and to promote safety awareness at the workplace. We are committed to a HSSE policy whereby we manage HSSE matters as a critical business activity, pursue the goal of 'no harm to people, to our assets and protect the environment'. With reference with our HSSE management practices, we continuously comply with our Safety Management System (SMS) as well as to close any gaps in the work or safety procedures in line with the Class requirements and other safety best practices to ensure that we comply with the standard of Offshore Vessel Management and Self-Assessment (OVMSA) Level 1 which was audited by MISC Maritime Service Sdn. Bhd. (MMS) which was appointed by Petronas.

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

The SMS system ensures that:

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

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

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

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

Sustainability Statement (cont'd)

3. Social (cont'd)

3.3 Health, Safety and Environment (cont'd)

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

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

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

HSE Performance for FYE 2022:

Category	Total Reported/Cases
Injurious Accident:	
- Fatality	0
- Lost Time Injury (LTI)	2
- Restricted Work Case (RWC)	0
- Medical Treatment Case (MTC)	1
Non-Injurious Accident:	
- Property Damage/Loss	4
- Fire/Explosion	0
- Propeller Entanglement	0
- Oil Spill	0
Near Miss	
UCUX Reporting	3751
Occupational Illness	0
Act of Violence	0
Non-Recordable Case:	
- First Aid Case (FAC)	0

Sustainability Statement (cont'd)

3. Social (cont'd)

3.3 Health, Safety and Environment (cont'd)

We had an industrial accident related to Lost Time Injury (LTI) in October 2022. This LTI accident has affected our Man hours (MH) and LTI/Goal Zero Day was reset back to Zero again. The Company utmost priority is the lives and wellbeing of the employee. The Company has sought the best possible care in relation to the injured crew and in good will, had spent more than RM42,000.00 to date on medical treatment and care. As of February 2023, our Total Exposed Man-hours since last LTI is 737,957 MH and LTI Free Day/Goal Zero Day is 123 days.

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

3.3.1 Emergencies and Accidents Management

The Group is continuously seeking and implementing more effective measures to promote a safe workplace in both onshore operation and offshore vessel crew. This is being supervised by the HSE Department and that complies to ISM Code and SMS and the Designated Person Ashore (DPA) is supervising in all aspect of vessel's and the safety, health and environment related matter.

The DPA plays a crucial role in the successful implementation of a SMS and is accountable for the verification and monitoring of all Safety and Pollution control measures.

3.3.2 Vessel Visitation and Crew Engagement

The Group is committed to fostering trust and open communication with its fleet crew through a variety of employee engagement sessions and programmes involving both onshore and offshore staff, including periodic vessel inspections and staff engagement sessions on board vessels/at sites.

Every year we conducted engagement sessions with our staff. These engagements are summarised below:

- HSE Week on November 2022 – Programmes held includes: Be Safe Photography Competition, Creative Safety Poster Competition, First Aid Talk & Demonstration by Miri Red Crescent & Fire Safety & Prevention Talk by Miri Bomba.

This Statement is issued in accordance with a resolution of the Board dated 12 April 2023.