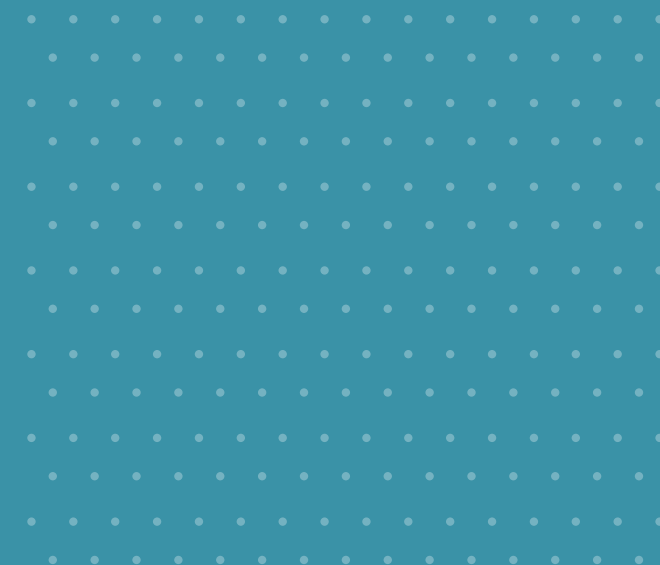




# | Sustainability Report



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# | Board Statement

In FY2024, Nam Cheong Limited (“**Nam Cheong**”) and its subsidiaries (“**the Group**”) continued to navigate a dynamic operating environment shaped by rising demand for offshore support vessels (“**OSV**”). This trend reflects the ongoing ramp-up in offshore investment by energy companies. Against this backdrop, the Group’s overall revenue rose from RM475.3 million in FY2023 to RM684.7 million in FY2024, driven by fleet expansion, improved daily charter rates and higher vessel utilisation of larger vessels.

The successful completion of the debt restructuring process has improved the Group’s sustainability and laid the foundation for capturing new business opportunities. The Board remains committed to long-term environmental, social, and governance (“**ESG**”) strategies to address evolving challenges, mitigate risks and enhance the Group’s resilience. ESG considerations such as climate change, safety and regulatory compliance are embedded in our corporate oversight and strategic planning. As a shipbuilder and fleet operator, Nam Cheong continues to align with global sustainability trends, including the demand for low-carbon OSVs and energy-efficient chartering services, positioning the Group to meet emerging needs.

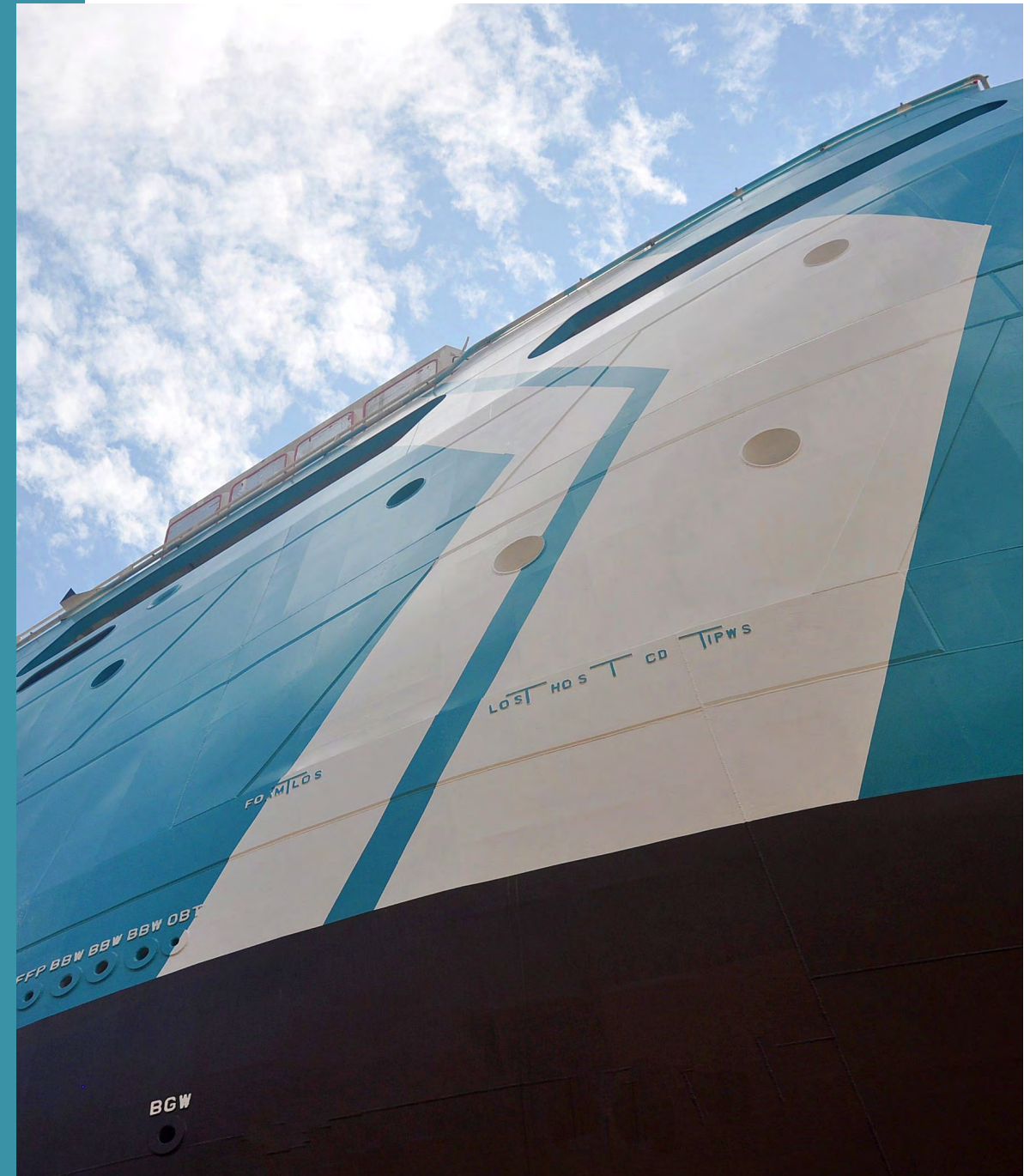
The Board acknowledged the continued relevance of FY2023’s material ESG factors – safety first, environmental protection, compliance, caring for employees, giving back to the community and business resilience – for tracking and sustainability reporting in FY2024. The Board provided oversight to Management to track the implementation and outcomes of key ESG initiatives.

- ▶ **Environmental:** The Group made progress in reducing emission intensity and ensuring our operations align with regulatory requirements and market practices.
- ▶ **Social:** Nam Cheong fostered an inclusive and diverse workforce, maintaining diversity across gender, ages and nationalities, and fostering a collaborative environment where all employees are valued and empowered.
- ▶ **Governance:** We continued our climate-related disclosures by aligning with the Singapore Exchange (“**SGX**”)’s guidelines, enhancing transparency and accountability in our reporting.

This eighth edition of Nam Cheong’s annual sustainability report underscores our unwavering commitment to operating responsibly, transparently and sustainably. On behalf of the Board, I extend my gratitude to the Management, staff, partners and customers for their invaluable contributions to the Group’s success. Let us continue integrating ESG into our daily operations and collectively drive sustainable value creation for all stakeholders.

**Tan Sri Datuk Tiong Su Kouk**

*Executive Chairman*





# | Overview

## REPORTING SCOPE

Nam Cheong has consistently adopted the Global Reporting Initiative (“GRI”) Standards since the 2019 Sustainability Report in view of the GRI’s global recognition as the leading sustainability reporting standard adopted by major corporations. This Sustainability Report 2024 (“SR2024”) has been prepared in accordance with the GRI Universal Standards 2021. While no external assurance was sought for this report, we conducted an internal review of sustainability reporting in 2024 in line with the SGX’s requirements.

This report complies with the SGX’s Listing Rule 711A, which requires every listed issuer to prepare an annual sustainability report no later than four months after the end of the financial year. This sustainability report covers the Group’s OSV building and chartering operations headquartered in Malaysia for the financial year from 1 January 2024 to 31 December 2024. The report includes the six primary reporting components as stipulated in SGX’s Listing Rule 711B, namely:



Material environmental, social and governance factors



Targets



Climate-related disclosures



Sustainability reporting framework



Policies, practices and performance



Board statement and associated governance structure for sustainability practices

The Group has adopted a phased approach in climate-related reporting commencing with SR2022. This phased approach has referenced SGX’s Practice Note 7.6 Sustainability Reporting Guide. The Task Force on Climate-related Financial Disclosures (“TCFD”) Index at the end of this report indicates our progressive alignment with the eleven TCFD recommendations.

Beginning with the financial year starting 1 January 2025, the SGX will require all issuers’ climate-related disclosures to transition from the TCFD recommendations to incorporating the climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“ISSB”). Nam Cheong will adopt these new requirements for next year’s report onwards.

We welcome readers’ feedback on this sustainability report. Please email us at: [enquiry@ncl.com.sg](mailto:enquiry@ncl.com.sg).





SUSTAINABILITY GOVERNANCE

Nam Cheong is committed to achieving good corporate governance standards to sustain stakeholders’ confidence and promote long-term value. To ensure that we run our operations and grow our business with integrity, we have implemented robust governance policies and procedures to ensure compliance and transparency in our business conduct.

The Board oversees the corporate governance and sustainability strategy of the Group, and ensures the development of policies and management structures to implement, monitor and report on ESG performance. The Board takes into consideration sustainability issues as part of its strategic formulation, as well as how the Group should achieve positive impacts and minimise negative impacts on the economy, environment and community, so as to contribute to broader sustainable development policies and programmes.

Management has the responsibility to ensure that key sustainability issues are monitored on an ongoing basis and properly managed. All issues of critical concern are surfaced to the Board expeditiously. Managers from the business units are involved in the implementation of Nam Cheong's sustainability initiatives, integrating the appropriate sustainability practices and procedures into their work with operational guidance from the CEO and Management.

RISK MANAGEMENT

The Board has the overall responsibility for Nam Cheong’s sustainability strategy, including climate-related risks and opportunities. The Board has established a Risk Management Committee (“**RMC**”) chaired by the CEO to oversee risk governance in the Group and maintain a sound system of risk management and internal controls. The RMC monitors and assists the Board in determining and managing enterprise-level risks in achieving the Group’s strategic objectives and value creation.

The RMC reviews the Group’s policies and procedures, business and operational activities to identify areas of significant risks; determine appropriate measures to control and mitigate these risks; and subsequently report these findings to the Audit Committee (“AC”) and Board. To strengthen oversight, the RMC will progressively incorporate climate-related risks into its overall risk universe for ongoing monitoring and management.





# | Stakeholder Engagement

Our stakeholders have a material voice and value-add to Nam Cheong's operations, hence ongoing stakeholder engagement is essential to Nam Cheong's long-term success. We build and maintain mutually beneficial relationships with all stakeholders through regular, two-way communication channels. Stakeholders' feedback and suggestions are invaluable in helping Nam Cheong fine-tune our business strategy and ensure we operate in a transparent and accountable manner.

The stakeholder groups, modes of engagement and salient concerns are summarised in the table below.

STAKEHOLDERS ENGAGEMENT TABLE

Stakeholder Groups	Engagement Modes	Salient Concerns
1. Customers	<ul style="list-style-type: none"><li>Marketing materials and promotional events</li><li>Customers' feedback (including through electronic channels)</li><li>Regular contact and networking</li></ul>	<ul style="list-style-type: none"><li>Fair and transparent business practices</li><li>Safe and reliable operations</li><li>Cost-effective services</li></ul>
2. Suppliers & Business Partners	<ul style="list-style-type: none"><li>Regular meetings and networking sessions, including virtual meetings</li><li>Correspondences through email and letters</li></ul>	<ul style="list-style-type: none"><li>Fair and transparent business practices</li><li>Good governance</li></ul>
3. Investors	<ul style="list-style-type: none"><li>Annual General Meetings</li><li>Investor Relations section on the corporate website (<a href="http://www.namcheong.com.my/">http://www.namcheong.com.my/</a>)</li><li>SGXNet announcements</li><li>Press releases</li></ul>	<ul style="list-style-type: none"><li>Material ESG practices and processes</li><li>Safe, efficient and competitive operations</li><li>Long-term business viability</li></ul>
4. Government & Regulatory Agencies	<ul style="list-style-type: none"><li>Regular correspondences, e.g. policy changes, reporting and compliance matters</li><li>Interactions via corporate service providers such as the company secretary and share registrar</li><li>Timely communication through email updates and web portals.</li></ul>	<ul style="list-style-type: none"><li>Strong compliance practices, including adherence to government and industry regulations and guidelines</li><li>Vigilance in environmental protection as well as occupational health and safety</li></ul>
5. Employees	<ul style="list-style-type: none"><li>Two-way communication and feedback through various channels</li><li>Training and development programmes</li><li>Performance appraisals</li></ul>	<ul style="list-style-type: none"><li>Competitive pay and benefits package</li><li>Training and upgrading opportunities</li><li>Fair employment practices</li><li>Focus on workplace safety, health and job security</li></ul>
6. Community	<ul style="list-style-type: none"><li>Corporate Social Responsibility ("CSR") programmes</li><li>Media coverage</li></ul>	<ul style="list-style-type: none"><li>Availability of jobs and collaboration opportunities</li><li>Efforts to engage and help the local community</li></ul>



# | Material ESG Factors

## IDENTIFYING MATERIAL ESG FACTORS

Nam Cheong's material factors are those with significant economic, environmental, social and governance impacts on the wider community, and which would substantively influence the assessment and decision making of the key stakeholders. The Board, with Management's inputs, has determined the identified ESG factors as material to the business and that these factors are considered in setting strategic objectives and providing corporate oversight.

Nam Cheong has adopted a multi-step approach in identifying the material ESG factors:

- ▶ **Engaged stakeholders:** Consulted with stakeholders to understand and address their current concerns regarding ESG matters.
- ▶ **Monitored external sustainability developments:** Monitored relevant sustainability trends and external factors, including geopolitical events, to understand their potential impact on the offshore and marine industry.
- ▶ **Participated in Industry Forums:** Attended forums that gather industry leaders, experts, government, agencies and professionals from the maritime and offshore sectors for sustainability updates, networking, collaboration and innovation.
- ▶ **Reviewed Industry Peers' ESG Practices:** Examined industry peers' salient ESG concerns and initiatives.
- ▶ **Management's Assessment:** Nam Cheong's Management shortlisted the most relevant ESG factors and scrutinised the impact, risk profile and efforts to deal with the challenges.
- ▶ **Board Engagement:** The identified material ESG factors were reviewed and formally approved by the Board.
- ▶ **Ongoing Oversight:** Under the Board's oversight, Nam Cheong's Management would be responsible for the ongoing implementation, tracking and reporting of the various ESG factors' policies, practices and performance.

The Group has assessed that the FY2023's material ESG factors continue to be relevant for FY2024:



1. **Safety first**

Prioritizing workplace safety, ensuring safe operations and maintaining high standards in chartering.



2. **Environmental protection**

Improving fuel efficiency, reducing carbon emissions, managing climate-related risks and opportunities, and implementing effective waste management.



3. **Compliance**

Adhering to environmental, safety, labour, and anti corruption regulations and procedures as well as complying with the requirements of government and regulatory agencies and industry standards.



4. **Caring for employees**

Offering training, skills development and promoting fair employment practices.



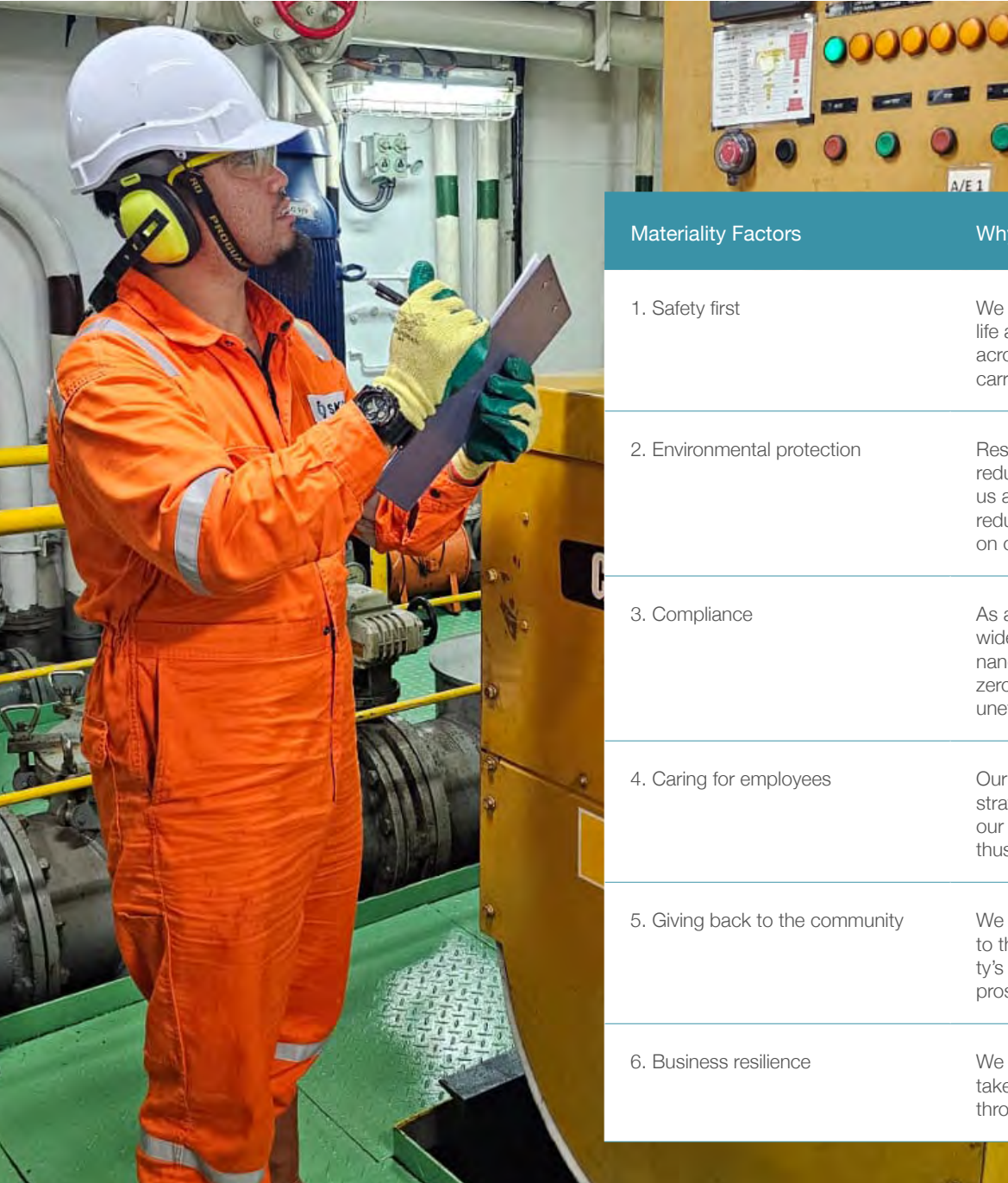
5. **Giving back to the community**

Providing employment opportunities and supporting community initiatives.



6. **Business resilience**

Responding quickly to business challenges and adapting to internal and external business shocks.



MATERIALITY ASSESSMENT

The table below elaborates why we assess the factors to be material and their significance to our stakeholders.

Materiality Factors	Why Is It Material?	Why Is It Significant to Stakeholders?
1. Safety first	We remain fully committed to placing safety first, safeguarding life and limb, and addressing health and safety-related risks across all our workplaces. This ensures that operations can be carried in a smooth and responsible manner.	Safety is critical to building a trusting relationship with our employees, business partners and other stakeholders. We have a duty of care towards the people who work for and with us.
2. Environmental protection	Responsible usage of resources, such as fuel and water, reduces the environmental impact on the ecology and makes us a prudent and cost-effective organization. Monitoring and reducing our corporate emissions are in line with global efforts on climate action.	This is an ongoing effort that contributes towards a cleaner, greener and healthier environment. It helps us to manage climate-related risks and opportunities, and improves our long-term performance.
3. Compliance	As a listed entity accountable to our shareholders and the wider community, we must uphold strong corporate governance standards and adhere to the rules of the land. There is zero tolerance towards any form of corruption, bribery or other unethical business practices.	Strong governance and corporate reputation have a long-term bearing on our stakeholders' trust and willingness to invest in and work with us.
4. Caring for employees	Our people are critical assets to implementing organisational strategies and creating value for stakeholders. We look after our employees' livelihoods and personal development needs, thus becoming a choice employer.	Sound employment policies and practices are essential to attracting, developing and retaining diverse, skilled and committed employees.
5. Giving back to the community	We strive to be a socially conscious business by contributing to the local community on an ongoing basis. The community's continued support is critical to the long-term viability and prosperity of Nam Cheong.	Active community engagement fosters connection and affirms our commitment to protect the environment and create a better future for all. Our stakeholders will perceive Nam Cheong as a good corporate citizen and trusted brand.
6. Business resilience	We aim to build a culture of innovation, efficiency and agility to take advantage of new opportunities, so that we can weather through crises and become a stronger organization.	Our stakeholders expect us to create value throughout good and adverse times.



# | Sustainability Performance Overview

The table below presents our FY2022 to FY2024 performance on key sustainability indicators and the targets for FY2024 and FY2025. The annual targets for FY2025 will serve as baseline targets for the short-term (within next 5 years), medium-term (next 5-10 years) and long-term (beyond 10 years).

Indicator	FY2022 Performance	FY2023 Performance	FY2024 Performance	FY2024 Target	FY2025 Target
1. Safety					
Loss Time Injury (LTI) based on Days Away from Work Cases	0	0	0	0	0
Total Recordable Case Frequency (TRCF) based on 1,000,000 hours	0	1.0	0	Below 0.5	Below 0.5
2. Environmental Protection					
Total Scope 1 + 2 + 3 emissions (Note: Scope 3 emissions include downstream leased assets only)	143,069.2 tCO <sub>2</sub>	148,619.5 tCO <sub>2</sub> (+3.9% YOY)	162,030.9 tCO <sub>2</sub> (+9.0% YOY)	Improve emission intensity year-on-year	Improve emission intensity year-on-year
Emissions intensity (Scope 1 + 2 + 3 emissions)/Group Revenue	391.2 tCO <sub>2</sub> per million RM	312.7 tCO <sub>2</sub> per million RM (-20.1% YOY)	236.6 tCO <sub>2</sub> per million RM (-24.3% YOY)		
3. Compliance					
Regulatory non-compliance	No cases of regulatory non-compliance	No cases of regulatory non-compliance	No cases of regulatory non-compliance	Maintain zero cases of regulatory non-compliance	Maintain zero cases of regulatory non-compliance
Anti-corruption and anti-bribery	No cases of corruption or bribery-related investigations or disciplinary actions	No cases of corruption or bribery-related investigations or disciplinary actions	No cases of corruption or bribery-related investigations or disciplinary actions	Maintain zero cases related to corruption or bribery	Maintain zero cases related to corruption or bribery
4. Caring for Employees					
Gender diversity: Female to male ratio	26:74	27:73	26:74	Maintain gender diversity	Maintain gender diversity
Age diversity: % of employees aged 50 years and above	19%	18%	17%	Maintain age diversity	Maintain age diversity
Employment discrimination	No incidents or reports of any form of discrimination	No incidents or reports of any form of discrimination	No incidents or reports of any form of discrimination	Maintain zero incidents of employment discrimination	Maintain zero incidents of employment discrimination



# | Safety First

At Nam Cheong, safety is of paramount importance across every aspect of our business, including shipyards, offices, operations and chartering business. This forms the backbone of smoothly-run and incident-free operations vital for sustainable long-term growth.



## CORPORATE SAFETY MEASURES

Our objective is to minimise health risks to individuals and business disruptions to the Group. We comply with all local safety, vaccination and quarantine regulations, keep abreast of the latest developments and best practices, and provide all employees with the necessary safety equipment and work support. As a business headquartered in Malaysia, we ensure that our measures are aligned with the Ministry of Health of Malaysia (Kementerian Kesihatan Malaysia)'s applicable regulations and advisories, as well as with our chartering clients' requirements.

We issue and regularly update a set of Standard Operating Procedures ("**SOPs**") on Workforce Safety and Readiness, which is communicated to all employees. The Safety & Health Committee ("**SHC**"), chaired by the CEO and comprising employer and employee representatives, was established in FY2023 to provide ongoing monitoring and oversight. The SHC has a health and safety programme to plan and implement activities such as safety campaigns, safety talks, fire evacuation drills, incentive and sports programmes. An Emergency Response Team is in place to deal with any emergency in the office including fire response and provision of first aid. Volunteers are sent for training.

## SAFETY MANAGEMENT SYSTEM

SKOM Sdn Bhd ("**SKOM**") was established by Nam Cheong in 2016 as the dedicated ship management subsidiary to enhance control, safety and operational efficiency. With an average vessel age of 8.5 years, SKOM operates one of the youngest fleets in Malaysia. The Group's Safety Culture follows the International Maritime Organisation ("**IMO**") Safety Management System ("**SMS**") code.

Nam Cheong has put in place internal and external audit programmes to ensure that we comply with the IMO standards. In FY2024, the American Bureau of Shipping ("**ABS**") and Lloyds Register continued to be appointed as SKOM's external auditors to ensure compliance with the IMO's International Safety Management ("**ISM**"), International Ship and Port Facility Security ("**ISPS**") and Maritime Labour Convention ("**MLC**") requirements.

The Environmental Management System at our shipyard in Miri, Sarawak continued to meet the requirements of ISO 14001:2015 and the Occupational Health and Safety Management was certified to meet the requirements of ISO 45001: 2018. Our shipyard also achieved Grade A for the 2024 inspection by the Department of Occupational Safety and Health ("**DOSH**"). DOSH had also certified all our cranes and compressors in use.

SKOM has a 7-member Health, Safety, Security, and Environment ("**HSSE**") team in charge of two areas – Strategic and Operations. The Strategic HSSE portfolio covers quality, tender vetting, training, procedure development and administrative tasks. The Operations HSSE portfolio covers day-to-day operational tasks, client interfacing and vessel audits.



ONBOARD SAFETY POLICIES AND PROCEDURES

In FY2024, onboard drills were carried out on a monthly basis across all our vessels in line with the Annual Drill Matrix. The annual exercise between Ship and Shore-Based Teams was carried out based on scenarios affecting the safety and security of the vessel and the crew.

The following safety measures continued to be practised onboard our vessels in 2024:

- ▶ Provision of Personal Protective Equipment (“PPE”) such as face masks, isolation gowns and hand sanitizers.
- ▶ Proper disposal of used PPE.
- ▶ Daily sanitation routines and temperature log monitoring.
- ▶ Shore leave was carefully managed and granted only for medical purposes with management’s approval.
- ▶ Risk Assessments and SOPs were developed for managing cases of personnel with infectious illnesses onboard, which included transferring from platform to ship and to shore, as well as the management of their belongings and food delivery to isolation rooms until they were transferred onshore.

SAFETY TARGETS AND PERFORMANCE

SKOM aims to have zero personal injuries with a target of zero Loss Time Injury (“LTI”) every year. Loss Time Injury refers to any injury sustained by an employee resulting in the employee missing work. SKOM’s safety performance from 2020 to 2024 is shown below.

Key Metrics	FY2020	FY2021	FY2022	FY2023	FY2024
Man Hours	2,718,593	2,292,125	2,353,104	1,924,204	2,558,140
Fatalities	0	0	0	0	0
Loss Time Injury (LTI) based on Days Away from Work Cases	0	0	0	0	0
Restricted Work Cases	1	0	0	0	0
Medical Treatment Cases	0	1	0	2	0
Total Recordable Cases	1	1	0	2	0
Total Recordable Incident Rate (TRIR) based on 200,000 hours	0.07	0.09	0	0.2	0
Total Recordable Case Frequency (TRCF) based on 1,000,000 hours	0.37	0.44	0	1.0	0

Our annual and long-term target is to maintain the TRCF at below 0.5, which is the industry benchmark. We will continue to be vigilant in sustaining safety standards and developing a safety-first culture onboard the vessels, which includes having a detailed Hazards and Effects Management process as codified in the Risk Management Manual.

Employees’ active feedback and involvement – such as through Unsafe Act, Unsafe Condition (“UAUC”) observations and submissions – are important inputs for the annual review and approval of safety policies. As part of the overall HSSE plan, 7 Health Risk Assessment (“HRA”) programmes were successfully conducted in FY2024 on the following topics: mental health awareness, waterborne pathogens, airborne pathogens, drugs and alcohol misuse, hygiene and health, food quality management, and manual handling.

HRA materials are periodically cascaded to all employees to promote awareness and encourage them to take personal responsibility in health and wellness matters.



# Environmental Protection

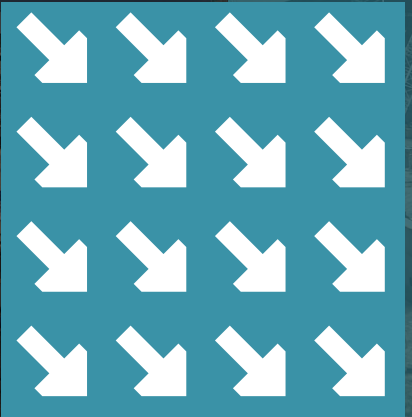
## ASSESSMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

We started to identify climate-related risks relevant to our business in FY2022. Climate change will expose our operations to physical risks and transition risks. Physical risks include physical damage from extreme weather events (e.g. water damage from floods and infrastructural damage from tornados), disruption in chartering services, and costs/provisions for repairs. Transition risks are business-related risks that follow societal and economic shifts toward a low-carbon future. These risks can include policy and regulatory risks, rising compliance and insurance costs, obsolete infrastructure and equipment, technological risks, market risks and reputational risks.

In FY2024, we continued to monitor climate-related risks and opportunities. An external consultant helped to review the climate change scenarios to anchor our climate-related analysis. The updated scenarios are based on the Sixth Assessment Report on climate change published by the Intergovernmental Panel on Climate Change (“**IPCC**”) in March 2023:



An **optimistic scenario** whereby the world would reach or exceed 1.5°C during the 21st century with a likelihood of  $\leq 67\%$ , and limit warming to 1.5°C in 2100 with a likelihood  $>50\%$ , in line with the Paris Agreement. The impacts of climate change would be relatively less adverse. Extreme weather events become relatively less frequent and less severe, reducing the physical risks associated with climate change for businesses. Additionally, companies that have proactively invested in climate resilience measures and sustainable practices benefit from enhanced operational efficiency and reduced exposure to regulatory and reputational risks. This scenario assumes the implementation of strict carbon mitigation regulations, a societal shift toward renewable energy and increased market demand for sustainable products and services.



A **pessimistic scenario** whereby the world would limit peak warming to 3°C throughout the 21st century with a likelihood of  $>50\%$ , exacerbating climate-related physical risks such as sea-level rise, extreme temperatures, and natural disasters. Companies could face escalating damage to infrastructure and equipment, disruption of supply chains and operations, and loss of assets. This scenario assumes that global mitigation efforts fall short with geopolitical tensions in place. Climate policies exist in a fragmented manner and are significantly less aggressive than in the Paris-aligned scenario. The physical impacts of climate change worsen, transition risks are moderate, and companies will need to focus on climate adaptation as much as if not more so than emission mitigation.

The updated analysis of climate-related risks and opportunities is presented in the table below, using short-term (within next 5 years), medium-term (next 5–10 years) and long-term (beyond 10 years) timeframes.

Risk Description	Timeframe	Impact	Response Measures
Assessment of Climate-Related Physical Risks			
<b>Catastrophic extreme weather events</b> – Such as hurricanes and wildfires	Short-term	<ul style="list-style-type: none"><li>▶ Adverse impacts are often unpredictable and location-specific</li><li>▶ Costs to repair or replace damaged or destroyed assets, value impairment</li><li>▶ Property downtime and business disruption</li><li>▶ Potential for increased insurance costs or reduced/no insurance availability</li></ul>	Consider such climate-related risks in planning and managing operations.
<b>Gradual changes in weather patterns</b> – Such as higher temperatures, rising sea levels, increasing frequency of heavy rain and wind, and decreased rainfall	Medium to long-term	<ul style="list-style-type: none"><li>▶ Increased wear and tear or damage to buildings and assets, leading to increasing maintenance costs</li><li>▶ Increased operating costs due to the need for additional or alternative resources for operations</li><li>▶ Some of the risks and impacts can be indirect, e.g. supply chain disruptions</li><li>▶ Cost of investment in adaptation measures, such as elevating buildings or retrofitting of existing fleet</li><li>▶ Potential for increased damages from catastrophic events</li><li>▶ Potential for increased insurance costs or reduced insurance availability</li></ul>	Comply with regulatory requirements and adopt best practices in ensuring that our assets are resilient against gradual changes in weather patterns. We will have to be prepared for higher costs of adaptation measures if the pessimistic climate change scenario pans out.
Assessment of Climate-Related Transition Risks			
<b>Market risks</b> – The possibility that markets and industries vulnerable to climate change will become less attractive to investors over time. This can lead to rising capital costs for infrastructure and equipment to manage climate risks	Medium to long-term	<ul style="list-style-type: none"><li>▶ Reduced economic activity in vulnerable markets</li><li>▶ Reduced asset value</li></ul>	Communicate steps taken to identify and manage climate-related risks to investors and other stakeholders. Step up investments and communication efforts in the event that climate change follows the pessimistic scenario pathway.
<b>Policy and regulation risks</b> – E.g. climate risk disclosure, tougher building standards, carbon pricing and emissions caps	Medium to long-term	<ul style="list-style-type: none"><li>▶ Increased cost of doing business due to new disclosure requirements and compliance measures</li><li>▶ Increased taxes, e.g. carbon pricing on emission-intensive operations</li><li>▶ Additional capital investment to comply with stricter regulations</li></ul>	Monitor changes in government climate-related policies and regulations. Ensure strict compliance with relevant regulatory requirements in the jurisdictions where we operate. We can expect increased regulatory oversight in line with governments' national decarbonization strategies, especially if the impacts of climate change intensify over time.
<b>Resource risks</b> – Changes in the availability, pricing and supply volatility of key resources such as construction and shipbuilding materials, energy and water	Short-term	<ul style="list-style-type: none"><li>▶ Increased costs and reduced net operating income due to higher resource prices</li><li>▶ Additional capital expenditures to adapt buildings and equipment to operate with reduced/alternative resources</li></ul>	Enhance our supply chain resilience by diversifying our pool of partners and suppliers. We can also explore the use of greener alternatives.
<b>Reputational risks</b> – Growing stakeholder preference to work with companies incorporating climate risks into investment decisions and operations	Medium to long-term	<ul style="list-style-type: none"><li>▶ Risk to brand and market perception if the company is not on par with industry peers in managing climate risks</li><li>▶ Lower liquidity and/or reduced attractiveness of assets that have not incorporated climate mitigation</li></ul>	Continue efforts to develop and implement sound sustainability strategies, adopt good governance practices, and engage external stakeholders clearly and transparently.



Risk Description	Timeframe	Impact	Response Measures
Assessment of Climate-Related Opportunities			
<b>Resource efficiency</b> – With innovation and improvements in technology, there are increasingly more resource efficient products and services available in the market. Switching to such options can reduce costs and environmental impacts	Short to medium-term	<ul style="list-style-type: none"> <li>▶ Green fuels and propulsion systems (such as electric or hybrid power) for our fleet of vessels</li> <li>▶ Circular business models and practices can reduce energy, waste and resource usage</li> </ul>	Explore innovations and opportunities, and adopt a balanced approach to growth by considering environmental benefits, safety, cost and operational efficiency
<b>Transition to renewable and clean energy</b> – As countries move away from fossil fuels to low emission energy sources, the costs of clean energy are declining	Short to medium-term	<ul style="list-style-type: none"> <li>▶ Switch to electrification and renewable energy to reduce Greenhouse Gas (“GHG”) emissions</li> <li>▶ Enhance business resilience by diversifying energy sources</li> </ul>	Consider adopting renewable energy throughout the business, subject to availability, pricing and operational requirements
<b>Growing demand for green chartering services</b> – Driven by the need of offshore oil and gas as well as wind energy players to report and manage their corporate value chain emissions	Short to medium-term	<ul style="list-style-type: none"> <li>▶ OSV chartering service providers will have to report on their GHG emissions and mitigation measures</li> <li>▶ Service providers that cannot meet these new requirements will become less competitive</li> </ul>	Adopt equipment-related, operational and digitalization measures to help in managing and reporting of emissions





METRICS FOR CLIMATE-RELATED ASSESSMENT

In line with SGX’s Sustainability Reporting Guide, we are following the TCFD recommendations in reporting our climate-related disclosures around the four areas of governance, strategies, risk management, and metrics and targets. For disclosures on emissions, we follow the guidelines of the GHG Protocol and reference the environmental metrics in SGX’s recommended Core ESG Metrics. We will transition to the ISSB requirements for climate-related disclosures for next year’s report onwards.

We are using GHG emissions and emissions intensity as the primary metrics to assess climate-related risks and opportunities. This is because an increase in emissions would expose the Group to higher levels of climate-related risks. Scope 1, Scope 2 and Scope 3 (primarily from customers’ vessel chartering) emissions are contributed by the use of marine gas oil (“MGO”) and purchased electricity, and the short-term target is to reduce emissions intensity. Our long-term goal is to switch to greener fuels, electrification and renewable energy, taking into consideration availability, cost effectiveness, government regulations, market norms and operational needs.

USE OF CLEANER FUEL

Nam Cheong has a strong focus on building and operating a fuel-efficient fleet. This makes our product and service offerings cost-effective and competitive in the marketplace. It also helps us to protect the environment by reducing air pollution and GHG emissions.

Nam Cheong’s target is to support and align with the IMO’s environmental goals and regulations. In 2024, our vessels continued to use Marine Gas Oil, which has only 0.05% of sulphur content and within the IMO’s upper limit of 0.5% sulphur content.

Nam Cheong supports the IMO’s policies through the following policies and actions:

- ▶ We invest in research and product development of OSVs that can reduce GHG emissions with a two-pronged approach. Firstly, we are keeping a close watch on the latest energy efficient machinery and equipment,

promoting greater use of fuelefficient internal combustion engines for electric propulsion with potential of integrating battery hybrid and/or use of dual fuels or FAME/HVO biofuels, non-toxic but low friction hull coatings, big data acquisition and analytics, automation and unmanned control, optimizing vessel size and hull shape, speed optimization, speed reduction, and weather routing. These measures can improve fuel efficiency and reduce GHG emissions. Secondly, in the long term, we aim to replace marine fuel oil entirely with low-carbon fuels (such as LNG and e-Methanol), carbon-neutral fuels (such as FAME/HVO biofuels) or potentially zero carbon fuels (such as hydrogen and ammonia).

We design vessels with advance technologies that are fuel efficient, environmentally friendly, operationally flexible and cost-effective. We initiated the shipbuilding of diesel-electric OSVs as early as 2010, recognising that this form of propulsion can achieve potential fuel consumption by 30% or more when coupled with more efficient operations. From 2013 to 2022, we built and delivered 33 diesel-electric OSVs to various clients across the world. This includes 10 NCA80E electric-driven Anchor Handling Tug Supply (“AHTS”) Vessels, which are in operations globally.

- ▶ We optimize our daily operations. The Operation team holds regular internal meetings to review fuel consumption and operational efficiency, optimize fuel usage, and discuss ways to comply with the latest regulations. In FY2024, the vessels’ fuel consumption was being monitored on daily basis. Vessels on long term contracts are fitted with a Vessel Fuel Monitoring System (“VFMS”) to provide more accurate fuel consumption figures.





GREENHOUSE GAS EMISSIONS

Burning of MGO for SKOM's operating fleet can be classified as Scope 1 emissions when vessels are used off-hire and Scope 3 emissions (downstream leased assets) during chartered services for SKOM's clients. There was an 9% increase in MGO usage in FY2024 compared to FY2023 due to an increase in number of active vessels from 25 to 30 and that the average utilization of vessels was higher compared to FY2023.

SKOM encourages prudent fuel oil usage through strict operational guidelines such as Fuel Management Plans and adherence to consumption benchmarks for the vessels. SKOM does not set targets on the fuel usage and carbon emissions because it does not control the chartered vessels' movements, which are determined by SKOM's customers.

Year	Number of Vessels	Fuel Usage (tonnes)*	Scope 1 and Scope 3 GHG Emissions (tCO <sub>2</sub> )**
FY2022	28	Total = 44,564	Total = 142,872.2
FY2023	25	Off-hire = 3,685 Chartering = 42,615  Total = 46,300 (+3.9% YOY)	Scope 1 = 11,814.1 Scope 3 = 136,623.7  Total = 148,437.8 (+3.9% YOY)
FY2024	30	Off-hire = 4,316 Chartering = 46,156  Total = 50,472 (+9.0% YOY)	Scope 1 = 13,837.1 Scope 3 = 147,976.1  Total = 161,813.2 (+9.0% YOY)

\* Tracking of the fuel usage breakdown was started in FY2023.

\*\* The conversion from fuel usage to CO<sub>2</sub> emissions is based on the IMO's emission factor of 3.206 for MGO as published in the Fourth IMO Greenhouse Gas Study, 2020.

The Group's Scope 2 emissions are from purchased electricity at our offices and shipyard in Malaysia.

Year	Electricity Usage (kWh)	Scope 2 GHG Emissions (tCO <sub>2</sub> )***
FY2022	651,480.4	197.0
FY2023	551,925.6 (-15.3% YOY)	181.7 (-7.8% YOY)
FY2024	714,032.4 (+29.4% YOY)	217.6 (+19.7% YOY)

\*\*\* The conversion from purchased electricity to CO<sub>2</sub> emissions is based on emission factors published by the Malaysia Energy Commission. The Scope 2 emissions for FY2022 and FY2023 in this report have been restated compared to last year's report because of the updated emission factors.

We track the collective Scope 1, Scope 2 and Scope 3 (downstream leased assets only) emissions as well as the emission intensity per RM million of Group revenue.

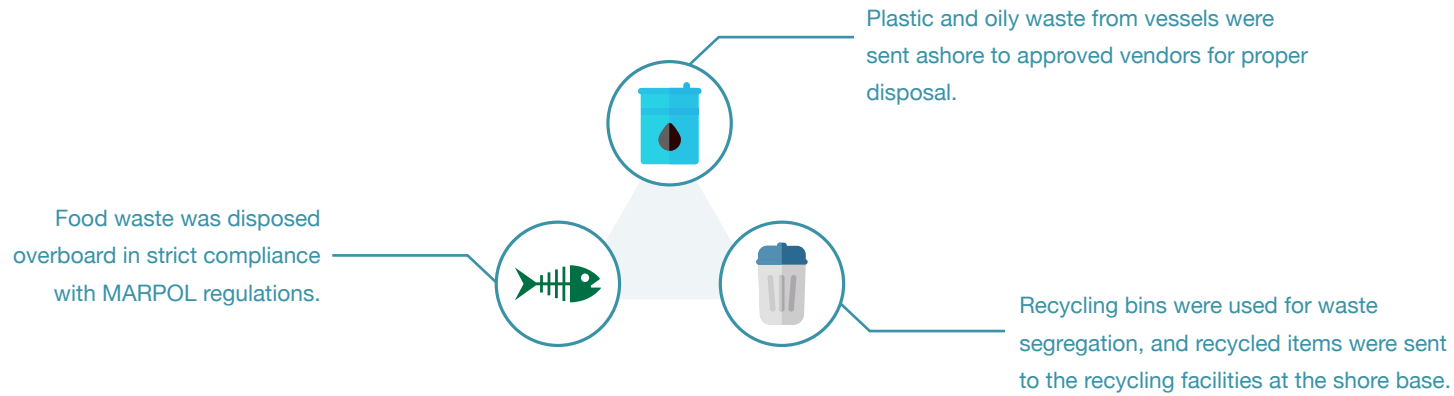
Year	Scope 1 + 2 + 3 Emissions (tCO <sub>2</sub> )	Group Revenue (RM million)	Emission Intensity (tCO <sub>2</sub> per RM million)
FY2022	143,069.2	365.7	391.2
FY2023	148,619.5 (+3.9% YOY)	475.3	312.7 (-20.1% YOY)
FY2024	162,030.9 (+9.0% YOY)	684.7	236.6 (-24.3% YOY)

For Scope 3 emissions, we are currently tracking emissions from downstream leased assets and not the other emission categories. A review of international OSV operators indicates that downstream leased assets is the main contributor to their overall Scope 3 emissions. In September 2024, Singapore Exchange Regulation (“SGX RegCo”) announced the intention for large issuers by market capitalization to report Scope 3 GHG emissions from the financial year commencing on or after 1 January 2026 onwards. We will monitor the feasibility of measuring and disclosing comprehensive Scope 3 emissions in future sustainability reports, bearing in mind the latest requirements, evolving reporting standards, stakeholders’ needs and market practices.

WASTE MANAGEMENT

Waste management is a corporate-wide priority. Our shipyard manages waste according to the ISO 14001:2015 standard and in compliance with the Environment Quality Act 1974 and Environmental Quality (Scheduled Waste) Regulations 2005 imposed by Malaysia’s Department of Environment (“DOE”). Our office adopts the 3R approach (Reduce, Reuse, Recycle) by using a recycling bin, separating from general waste and ensuring recyclable materials are sent to a processing centre.

In FY2024, SKOM maintained its compliance with the International Convention for the Prevention of Pollution from Ships (“MARPOL”), which prescribes that no waste is to be discharged into the sea to minimise pollution and reduce adverse impact on marine life. Our vessels maintain a Garbage Record Book as per the MARPOL requirements. The initiatives in FY2024 included:



To prevent the unintended transfer of invasive species and impact on indigenous marine life, the International Convention for the Control and Management of Ships’ Ballast Water and Sediments (“BWM Convention”) was adopted by the IMO Member States and came into force on 8 September 2017. In FY2024, SKOM’s vessels complied with the Convention, such as implementing a ballast water management plan and carrying a ballast water record book.

SKOM’s operations in FY2024 did not record any adverse impact on nature areas or biodiversity. The vessels’ cargo handling systems were designed to contain any onboard oil spills and minimise the environmental impact. Thanks to well-documented procedures and staff vigilance, there were no recorded incidents of onboard oil spills in the Safety Management System.






# | Compliance


## COMPLIANCE PHILOSOPHY

Compliance and good governance are critical for Nam Cheong as an established and publicly listed corporate citizen. Compliance, insofar as adhering to applicable domestic and international laws and regulations, cuts across all our areas of work.


Our corporate philosophy towards ensuring good compliance is as follows:



The external environment is dynamic and we have to constantly adapt how we conduct our business, which includes understanding new rules and mitigating governance risks.



We constantly educate our people on regulatory matters and instil in them the individual and collective responsibility to follow rules and report any form of wrongdoing.



We have an in-house compliance unit to advise on key compliance issues, clarify doubts and provide an added level of assurance.


Nam Cheong keeps a watchful eye on business-critical and ESG areas such as safety, labour laws, environmental protection as well as anti-bribery and anti-corruption. These areas are important because any infringements can result in business disruptions, impact to life and limb, as well as reputational loss. We have policies and processes in place to safeguard our operations and people, as well as remediate any negative impacts.

There are comprehensive SOPs in place to check on the performance and compliance standards, including onboard the vessels. Safety, labour matters and environmental protection are material ESG factors and have been discussed in the other sections of this Sustainability Report.


In FY2024, there were no cases of regulatory non-compliance. Our target is to maintain 100% compliance with all applicable laws and regulations.

## ANTI-BRIBERY AND ANTI-CORRUPTION


Nam Cheong has in place a clear and extensive anti-bribery and anti-corruption policy that applies to all employees and external business partners. Critical aspects of this policy include:




The Company's officers and employees shall be responsible for upholding the anti-bribery and anti-corruption policy and adhering to relevant laws in any jurisdiction where our business operates.



We are committed to conducting business in an ethical and honest manner, and implementing systems to prevent bribery.



We have zero tolerance for bribery and corrupt activities.



Any officer, employee or business partner who commits a violation, fails to report potential violations, misleads or hinders investigators inquiring into potential violations shall be subject to the actions outlined in the Company's Anti-Bribery and Anti-Corruption Policy.

Any non-compliance will be handled according to the decision of the internal inquiry, which will include whether any punishment is deemed appropriate. In any event of a major non-compliance (such as criminal activity), a police report will be lodged accordingly.

In FY2024, there were no cases of corruption or bribery-related investigations or disciplinary actions. Our target is to maintain zero cases of bribery or corruption.



**WHISTLEBLOWING SYSTEM**

Nam Cheong has a Whistleblowing System for employees to confidentially report on any form of improper behaviour, which includes alleged corruption or bribery-related activities.

Employees can provide their whistleblowing observations and concerns through the platform provided in the Whistleblowing Policy.

Nam Cheong shall investigate any received disclosures fully and promptly. All disclosures are treated with the strictest confidence and employees who report any suspicious activities in good faith will be protected against possible retaliation.

In FY2024, we did not receive any disclosures of alleged corruption or bribery-related activities through the Whistleblowing System.





# | Caring for Employees

## HUMAN RESOURCE OVERVIEW

Nam Cheong focuses on the comprehensive development and wellbeing of all staff, and our Human Resource (“HR”) policies are communicated to all staff through briefings and the employee handbook. We constantly cultivate a positive work environment at all levels that empowers and motivates all employees to learn, grow and contribute. This is recognising that our people make the difference in running safe and smooth operations, maintaining strong customer relationships, and ensuring that we maintain business integrity and sustainability.

In FY2024, we had 285 (compared to 264 in FY2023) onshore employees on our payroll with 73 new joiners and 35 resignations. The 285 employees excluded offshore crew who were engaged on short-term contracts based on vessel on/off requirements. Hiring of offshore crew follows the Maritime Labour Convention (“MLC”) requirements.

We adhere strictly to the labour laws in Malaysia and other locations where we operate, including the statutory retirement ages. When an employee reaches his or her retirement age and is eligible for re-employment, Nam Cheong will provide an option of a fixed term contract, renewable annually. None of our employees are represented by any labour union.

To ensure that employees are remunerated fairly and competitively, we provide salaries that are commensurate with the employee’s education, work experience and skillsets. Given that wage levels are market-driven and vary across seniority and job scope, we do not track or disclose the annual total compensation ratio between the organisation’s senior management and the median compensation for all employees.

## TRAINING AND DEVELOPMENT

In FY2024, Nam Cheong delivered a total of 4,122 training hours (+28.0% compared to 3,221 training hours in FY2023), which averaged out to 14.5 training hours per onshore employee. This exceeded our target of 8 hours of training per onshore employee. For offshore crew, the training periods ranged from 1 to 4 days, depending on customers’ needs and compliance requirements.

The training programmes were meant to enhance our employees’ competencies and personal development, and included the following:

- ▶ Assistant Medical Review Officer (AMRO).
- ▶ Basic Fire Fighting & Emergency Response Plan Training.
- ▶ Basic Occupational First Aid.
- ▶ CEPSSWAM: Course for Certified Environmental Professional in Scheduled Waste Management.
- ▶ Crisis Communication and Media Handling.
- ▶ Enhancement on Terms & Conditions of Allowable Cost Matrix.

- ▶ Environment Social & Governance (ESG) Awareness Training.
- ▶ Healthier Workplace, Happier Employees.
- ▶ HR Analytics, Data Driven People Decision Making.
- ▶ ISO-related training (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018).
- ▶ Occupational Psychology First Aid & Mental Health Awareness Course.
- ▶ Occupational Safety & Health Conference 2024: Moving towards a Sustainable OSH Self-Regulation in a Challenging Business Environment.
- ▶ Project Management and Compliance : Planning, Scheduling and Control.
- ▶ Safe Chemical Handling Awareness Training.

Nam Cheong adheres to strict standards in terms of the training delivery and outcomes. All of Nam Cheong’s internal and external courses are selected in accordance with respective industry and charter requirements and best practices. Trainers have to be registered with or accredited by the relevant industry authorities such as the Malaysian Human Resources Development Fund.

175 out of our total onshore staff of 285 (or 61.4%) were eligible for performance evaluation, and all 175 employees went through the exercise. This evaluation aimed to identify employees who would qualify for promotion and career development opportunities.

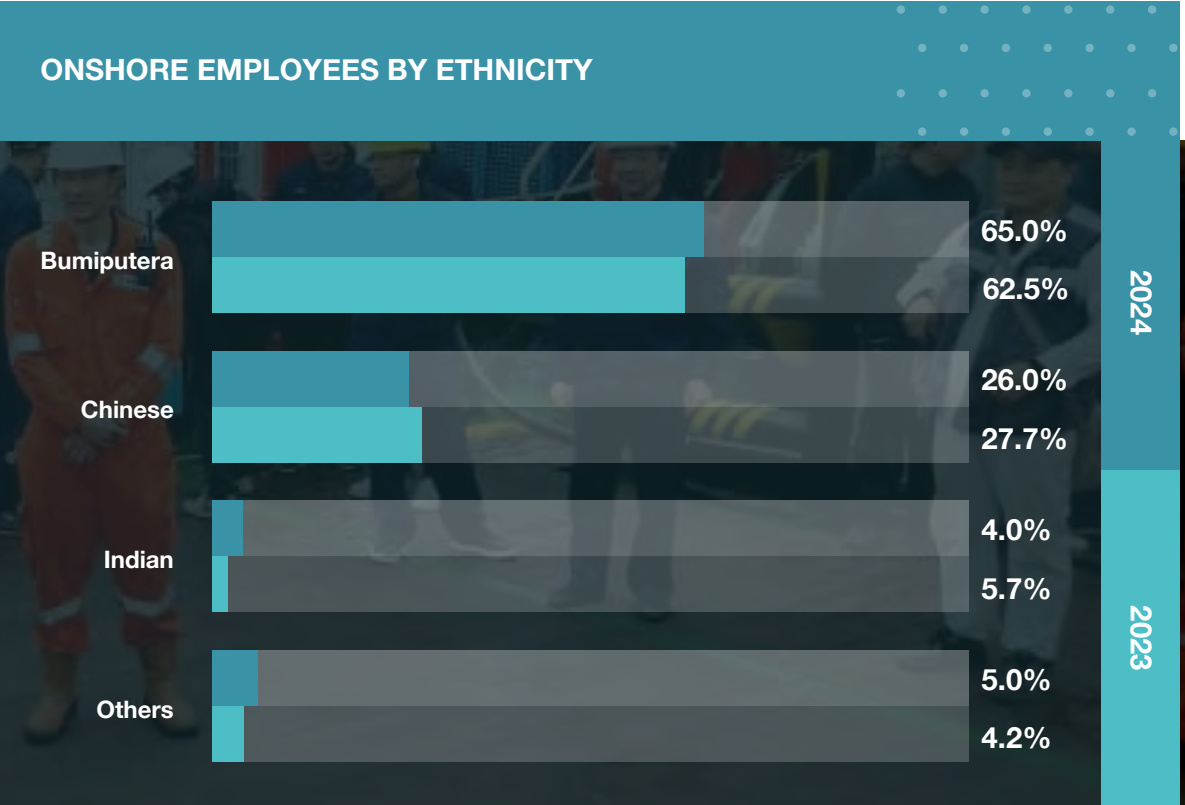
# | Giving Back to the Community

## EMPLOYMENT AND ECONOMIC OPPORTUNITIES

As a company founded in 1968, Nam Cheong’s salient community contributions have consistently been in creating steady employment and economic opportunities in countries where we operate and hire from. This is in line with our belief that the best way to help the local community is to provide meaningful and stable jobs.

It is stated in our recruitment policies that “*The principle of equal employment prohibits discrimination in employment on the basis of race, colour, religion, gender, national origin, age and disability unrelated to job requirement, genetic information or other protected status.*” Equal employment allows Nam Cheong to attract good people from a wider talent pool and contribute back across social boundaries. There were no incidents or reports of any form of employment discrimination in FY2024.

In FY2024, our workforce had a 26:74 (compared to 27:73 in FY2023) female to male gender ratio with 17% (compared to 18% in FY2023) aged 50 years and above. While most of our workers were Malaysian nationals, there was ethnic diversity as shown in the charts below. Our target is to maintain workforce diversity by continuing recruitment across different nationalities, ages and gender.





COMMUNITY GIVING

In FY2024, Nam Cheong and our employees supported various charitable and community causes in Malaysia and Singapore. Our target is to continue providing volunteer opportunities



In August 2024, 51 employees from Kuala Lumpur and Miri participated in a beach cleaning activity at Pantai Lutong, Miri, Sarawak.



In November 2024, the Company and employees contributed a total of RM19,701 to a colleague who lost his house due to fire.



# | Business Resilience

In FY2024, regional energy companies ramped up offshore capital expenditure for new hydrocarbon projects and infrastructure maintenance in Asia-Pacific, boosting demand for OSVs. The Group announced in November 2024 that it had clinched multi-year OSV charter contracts worth up to RM1.22 billion, including options for extension, from the regional and international oil majors. These charters would begin in 2025 for a firm charter period of 3 years, which ensures a steady income stream for business resilience.

## DRIVING INNOVATION

One critical aspect of business resilience is driving innovation so that we stay ahead of our competition in meeting customers' needs. The Group is ready to build green technology ships, including vessels with hybrid propulsion and reduced GHG emissions, to meet the future needs of the maritime and port industries in line with environmental sustainability trends.

## DIVERSIFICATION AND EFFICIENCY

Two aspects of managing for resilience are diversifying our revenue streams and running efficient operations throughout the organization. In line with this, we expanded beyond our core shipbuilding business by starting vessel chartering operations. This strategy has served us well as vessel chartering has become a major revenue contributor from FY2021 to FY2024. The growth in revenue from the vessel chartering division was mainly attributable to improved daily charter dates and vessel utilisation.

At all levels of the organization, we continued stressing the need to run efficient operations and manage costs. In FY2024, finance costs decreased significantly following the successful conclusion of the debt restructuring. Managing our expenses prudently would enhance our financial flexibility and put us in a better position to seize opportunities in the OSV sector and strive for sustainable growth in the future.





# | GRI Content Index

Statement of use	Nam Cheong Limited has reported in accordance with the GRI Standards 2021 for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Nil

GRI Standard	Disclosure	Reference	Page/s
GRI 2: General Disclosures 2021			
2-1	Organizational details	Corporate website ( <a href="http://www.nam-cheong.com.my/">http://www.nam-cheong.com.my/</a> )	
2-2	Entities included in the organization's sustainability reporting	Reporting Scope	3
2-3	Reporting period, frequency and contact point	Reporting Scope	3
2-4	Restatements of information	Greenhouse Gas Emissions	15
2-5	External assurance	Nil	
2-6	Activities, value chain and other business relationships	Corporate website	
2-7	Employees	Human Resource Overview	19
2-8	Workers who are not employees	Human Resource Overview	19
2-9	Governance structure and composition	Corporate Governance, Annual Report	
2-10	Nomination and selection of the highest governance body	Corporate Governance, Annual Report	
2-11	Chair of the highest governance body	Corporate Governance, Annual Report	

GRI Standard	Disclosure	Reference	Page/s
2-12	Roles of the highest governance body in overseeing the management of impacts	Sustainability Governance	4
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	4
2-14	Roles of the highest governance body in sustainability reporting	Sustainability Governance	4
2-15	Conflicts of interest	Corporate Governance Report, Annual Report	
2-16	Communication of critical concerns	Corporate Governance, Annual Report	
2-17	Collective knowledge of the highest governance body	Corporate Governance, Annual Report	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, Annual Report	
2-19	Remuneration policies	Human Resource Overview	19
2-20	Process to determine remuneration	Human Resource Overview	19
2-21	Annual total compensation ratio	Human Resource Overview	19
2-22	Statement on sustainable development strategy	Sustainability Governance	4
2-23	Policy commitments	Sustainability Governance	4
2-24	Embedding policy commitments	Sustainability Governance	4

GRI Standard	Disclosure	Reference	Page/s
2-25	Processes to remediate negative impacts	Compliance Philosophy	17
2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing System	18
2-27	Compliance with laws and regulations	Compliance Philosophy	17
2-28	Membership associations	Nam Cheong is an Ordinary Member of the Malaysia OSV Owners' Association ("MOSVA")	
2-29	Approach to stakeholder engagement	Stakeholder Engagement	5
2-30	Collective bargaining agreements	Nam Cheong's employees are not covered under any collective bargaining agreement	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Identifying Material ESG Factors	6
3-2	List of material topics	Materiality Assessment	7
3-3	Management of material topics	Sustainability Governance Identifying Material ESG Factors	4 6
Safety			
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Safety Management System	9
403-2	Hazard identification, risk assessment, and incident investigation	Onboard Safety Policies and Procedures	10
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Targets and Performance	10

GRI Standard	Disclosure	Reference	Page/s
403-5	Worker training on occupational health and safety	Safety Targets and Performance	10
403-6	Promotion of worker health	Safety Targets and Performance	10
403-9	Work-related injuries	Safety Targets and Performance	10
403-10	Work-related ill health	Safety Targets and Performance	10
Environmental Protection			
GRI 303: Water and Effluents			
303-2	Management of water discharge-related impacts	Waste Management	16
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions	15
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions	15
305-4	GHG emissions intensity	Greenhouse Gas Emissions	15
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Waste Management	16
Compliance			
GRI 205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption	17
205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti-Corruption	17

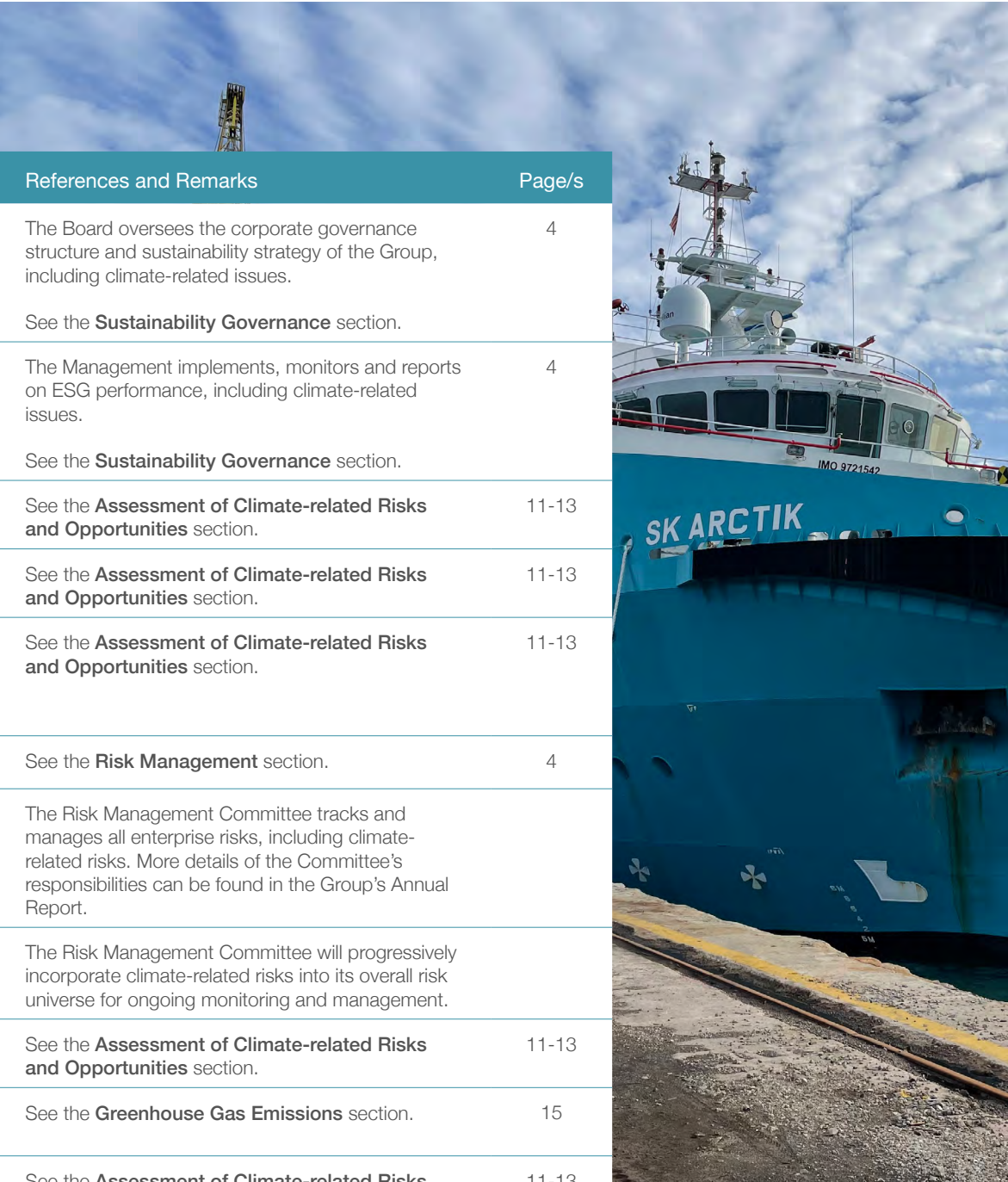


GRI Standard	Disclosure	Reference	Page/s
Human Resource			
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Training and Development	19
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development	19
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development	19
Community Impact			
GRI 406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	Employment and Economic Opportunities	20
GRI 413: Local Communities			
4013-1	Operations with local community engagement, impact assessments, and development programs	Community Giving	21



# TCFD Index

TCFD Thematic Areas	Recommended Disclosures	References and Remarks	Page/s
<b>1. Governance</b>  Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	The Board oversees the corporate governance structure and sustainability strategy of the Group, including climate-related issues.  See the <b>Sustainability Governance</b> section.	4
	b) Describe management's role in assessing and managing climate-related risks and opportunities	The Management implements, monitors and reports on ESG performance, including climate-related issues.  See the <b>Sustainability Governance</b> section.	4
<b>2. Strategy</b>  Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	See the <b>Assessment of Climate-related Risks and Opportunities</b> section.	11-13
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	See the <b>Assessment of Climate-related Risks and Opportunities</b> section.	11-13
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See the <b>Assessment of Climate-related Risks and Opportunities</b> section.	11-13
<b>3. Risk Management</b>  Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks	See the <b>Risk Management</b> section.	4
	b) Describe the organization's processes for managing climate-related risks	The Risk Management Committee tracks and manages all enterprise risks, including climate-related risks. More details of the Committee's responsibilities can be found in the Group's Annual Report.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	The Risk Management Committee will progressively incorporate climate-related risks into its overall risk universe for ongoing monitoring and management.	
<b>4. Metrics and Targets</b>  Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	See the <b>Assessment of Climate-related Risks and Opportunities</b> section.	11-13
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See the <b>Greenhouse Gas Emissions</b> section.	15
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	See the <b>Assessment of Climate-related Risks and Opportunities</b> section.	11-13







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