

SUSTAINABILITY REPORT --- 2023



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NAM CHEONG LIMITED

SUSTAINABILITY REPORT 2023

BOARD STATEMENT

Since the start of 2023, demand for offshore support vessels (“OSV”) had risen as energy companies ramped up offshore investment. With the improving industry outlook, Nam Cheong Limited (“Nam Cheong”) and its subsidiaries (“the Group”) stayed the course and grew overall Group revenue from RM365.7 million in FY2022 to RM475.3 million in FY2023, driven by improved daily chartering rates and higher vessel utilisation. In line with the revenue growth, gross profit increased by 67% year-on-year to RM168.6 million.

The Group remains committed to formulating and implementing long-term environmental, social and governance (“ESG”) strategies to respond to changing market conditions, manage risks and safeguard the Group’s long-term resilience. The Board has considered the full spectrum of ESG issues – such as climate change and impacts from the economic uncertainty – in its corporate oversight and strategy formulation. As a shipbuilder and fleet operator, Nam Cheong is looking ahead to capitalize on new opportunities, such as the demand for more efficient and low-carbon OSVs and chartering services.

The Board had assessed that FY2022’s material ESG factors – safety first, environmental protection, compliance, caring for employees, giving back to the community, and business resilience – continued to be relevant for FY2023. The Board continued to work closely with the Management to implement and monitor the progress and outcomes of various ESG initiatives.

On the environmental front, we achieved a lower emission intensity and continued to ensure that our operations do not have any adverse impact on nature or biodiversity. On the social front, we maintained diversity in our workforce by recruiting across different nationalities, ages and gender. On the governance front, we continued to deepen our understanding of climate-related risks and opportunities by making progressive climate-related disclosures using the Singapore Exchange (“SGX”)’s guidelines as a compass.

This is the seventh edition of Nam Cheong’s annual sustainability report, which affirms the Group’s philosophy in running the business in a responsible, transparent and balanced manner. On behalf of all the Board Members, I would like to thank the Nam Cheong Management, all staff and business partners for their effort and teamwork in keeping the business on a steady keel. Let us continue to work together, integrate ESG into our daily work, and create shared prosperity for the Group and 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 and stature as the leading sustainability reporting standard adopted by major corporations. This Sustainability Report 2023 (“SR2023”) has been prepared in accordance with the GRI Universal Standards 2021. While no external assurance was sought for this report, we initiated the internal review of sustainability reporting in 2023 by incorporating the identified processes relating to sustainability reporting into the internal audit plan.

This report complies with the Singapore Exchange (“SGX”)’s Listing Rule 711A, which requires every listed issuer to prepare an annual sustainability report no later than 4 months after the end of the financial year. This sustainability report covers the Group’s Offshore Support Vessel (“OSV”) building and chartering operations headquartered in Malaysia for the financial year from 1 January to 31 December 2023. 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 consistent with recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”)



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 last year’s report. This phased approach has referenced SGX’s Practice Note 7.6 Sustainability Reporting Guide. The TCFD Disclosures table at the end of this report indicates our progressive alignment with the eleven TCFD recommendations.

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





SUSTAINABILITY GOVERNANCE

Nam Cheong is committed to achieving high corporate governance standards. We believe in good corporate governance to sustain stakeholders' confidence and protect their interests. 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 provides guidance to Management on 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 national and international sustainable development policies and programmes.

Management has the responsibility to ensure that key sustainability issues are monitored on an ongoing basis and properly managed. Furthermore, 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 policies, and as well as integrating the appropriate sustainability policies and procedures into their areas of operation 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 separate 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 the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The RMC reviews regularly the Group's policies and procedures, business and operational activities, to identify areas of significant risks as well as to 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.

The Group started its climate risk journey last year by reporting the climate-related risks in the Sustainability Report 2022 ("SR2022"). This year's report has built on last year's efforts by introducing scenario analysis, examining climate-related opportunities and reviewing indirect Scope 3 emissions relevant to our business.

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

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 adopted a multi-step approach in identifying the material ESG factors for FY2023:

- We engaged stakeholders and noted their current concerns.
- We monitored external sustainability developments and industry trends, such as how geopolitical events impacted the offshore and marine industry.
- We attended forums that gather industry leaders, experts, government, agencies and professionals from the maritime and offshore sectors for sustainability updates, networking, collaboration and innovation. This helps us to understand and research up-to-date developments to implement/improve sustainability practices in our own Company.
- We examined what our industry peers were focusing on in terms of their salient ESG concerns and initiatives.
- Nam Cheong's Management shortlisted the ESG factors and scrutinised the impact, risk profile and efforts to deal with the challenges.
- The material ESG factors would be subsequently reviewed and approved by the Board.
- 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 and initiatives.



After considering the concerns of the various stakeholder groups and assessing the external and internal impacts, we assessed that the FY2022's material ESG factors continued to be relevant for FY2023:

	<p>SAFETY FIRST Workplace safety, safe operations and chartering.</p>
	<p>ENVIRONMENTAL PROTECTION Improving fuel efficiency, reducing carbon emissions, managing climate-related risks and opportunities, and implementing proper waste management.</p>
	<p>COMPLIANCE Conformity with environmental, safety, labour and anti corruption regulations and procedures.</p>
	<p>CARING FOR EMPLOYEES Training, competency building and fair employment practices.</p>
	<p>GIVING BACK TO THE COMMUNITY Providing employment and community assistance.</p>
	<p>BUSINESS RESILIENCE Adapting and responding quickly and effectively to external and internal business shocks.</p>



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 is 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. In particular, 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 aim to 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. Our employees can develop new competencies and skills to enhance their value in the labour market.
5. Giving back to the community	We strive to be a socially conscious business by taking care of the local community on an ongoing basis. The community's continued support is critical to the long-term viability and prosperity of Nam Cheong.	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

The table below presents our FY2022 and FY2023 performance on key sustainability indicators and the targets for FY2023 and FY2024. The annual targets for FY2024 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	FY2023 TARGET	FY2024 TARGET
1. SAFETY				
Loss Time Injury (LTI) based on Days Away from Work Cases	0	0	0	0
Total Recordable Case Frequency (TRCF) based on 1,000,000 hours	0	1.0	Below 0.5	Below 0.5
2. ENVIRONMENTAL PROTECTION				
Total Scope 1 + Scope 2 emissions	143,117.2 tonnes of CO ₂	136,594.6 tonnes of CO ₂ (-4.6% compared to 2022)		
Emission intensity (Scope 1 + Scope 2)/ revenue	391.35 tCO ₂ per million RM	287.4 tCO ₂ per million RM (-26.6% compared to 2022)	Improve emission intensity year-on-year	Improve emission intensity year-on-year
3. COMPLIANCE				
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	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	Maintain gender diversity	Maintain gender diversity
Age diversity: % of employees aged 50 years and above	19%	18%	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	Maintain zero incidents of employment discrimination	Maintain zero incidents of employment discrimination

SAFETY FIRST

At Nam Cheong, safety is of paramount importance across our 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 as much as possible. We complied with all local safety, vaccination and quarantine regulations, kept abreast of the latest developments and best practices, and provided all employees with the necessary safety equipment and work support. As a business headquartered in Malaysia, we ensured that our measures were 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 issued and regularly updated a set of Standard Operating Procedures ("SOPs") on Workforce Safety and Readiness, which was communicated to all employees. While COVID-19-related regulations and restrictions had mostly ended in Malaysia and internationally, the Group continued to be vigilant in enforcing strict safety measures. Our suite of measures in FY2023 included the following:

- Continued to adopt the COVID-19 regulations enforced by the Ministry of Health in Malaysia whilst implementing 100% working at the office.
- Continue using audio and video conferencing means to conduct meetings where possible.
- An Emergency Response Team is in place to deal with any emergency in the office including fire response and provision of first aid. Volunteers were sent for training.
- Established the Safety & Health Committee ("SHC"), chaired by the CEO, comprising employer and employee representatives. The SHC's role is to establish a health and safety programme to plan and implement activities such as safety campaigns, safety talks, fire evacuation drills, incentive and sports programmes.



SAFETY MANAGEMENT SYSTEM

SKOM Sdn Bhd (formerly known as SK Offshore and Marine 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 about 7 years old, 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 FY2023, 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.

In October 2023, the Environmental Management System at our shipyard in Miri, Sarawak was certified 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 2023 inspection by the Department of Occupational Safety and Health ("DOSH"). DOSH had also certified all our cranes and compressors in use.

In FY2023, SKOM had 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

Onboard drills were carried out on a monthly, quarterly and six-monthly basis across all our vessels in line with the Annual Drill Matrix. The following safety measures continued to be practised onboard our vessels in 2023:

- Provision of Personal Protective Equipment (“PPE”) such as face masks, isolation gowns, 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 close contacts and COVID-19 positive cases onboard, which included transferring of close contacts and positive cases 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 2019 to 2023 is shown below.

KEY METRICS	FY2019	FY2020	FY2021	FY2022	FY2023
Man Hours	1,793,120	2,718,593	2,292,125	2,353,104	1,924,204
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	0	1	0	0	0
Medical Treatment Cases	1	0	1	0	2
Total Recordable Cases	1	1	1	0	2
Total Recordable Incident Rate (TRIR) based on 200,000 hours	0.1	0.07	0.09	0	0.2
Total Recordable Case Frequency (TRCF) based on 1,000,000 hours	0.55	0.37	0.44	0	1.0



For FY2023, we had two recordable injury cases and this raised the Total Recordable Incident Rate (“TRIR”) and Total Recordable Case Frequency (“TRCF”). The two cases were incidents that caused injuries to workers which required first aid and medical attention but not hospitalisation. 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, SKOM runs a Health Risk Assessment (“HRA”) programme for employees throughout the year. HRA programmes include 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. In FY2023, on a monthly average, 450 marine crew participated in HRA programmes.

ENVIRONMENTAL PROTECTION

ASSESSMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

We started to identify climate-related risks relevant to our business in FY2022. Climate change would 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), business disruption due to facility shut down, 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, technological risks, market risks and reputational risks.

In FY2023, we reviewed our analysis of climate-related risks and started to look at climate-related opportunities. The review also considered two divergent scenarios based on the Representative Concentration Pathways (“RCPs”) as spelt out in the Fifth Assessment Report on climate change by the Intergovernmental Panel on Climate Change (“IPCC”):

- An optimistic scenario (RCP 2.6) whereby global CO₂ emissions would progressively decline and global temperature rise would be capped below 2°C by 2100, in line with the Paris Agreement. The impacts of climate change would be relatively less adverse. Extreme weather events become 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.
- A pessimistic scenario (RCP 8.5) whereby emissions would rise throughout the 21st century and global temperature rise would far exceed the 2°C limit by 2100, exacerbating climate-related risks such as sea-level rise, extreme temperatures, and natural disasters. Companies would face escalating physical risks from climate change, including damage to infrastructure, disruption of supply chains, and loss of assets. Regulatory pressures would intensify as governments impose stricter emissions regulations, carbon taxes, and other measures to curb environmental damage. Businesses that fail to adapt to these changing regulations and mitigate climate risks face financial losses, lawsuits, and reputational damage.

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			
Catastrophic extreme weather events Such as hurricanes and wildfires	Short Term	<ul style="list-style-type: none"> Adverse impacts are often unpredictable and location-specific. Costs to repair or replace damaged or destroyed assets, value impairment. Property downtime and business disruption. Potential for increased insurance costs or reduced/no insurance availability. 	Consider such climate-related risks in planning and managing operations.
Gradual changes in weather patterns 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"> Increased wear and tear or damage to buildings and assets, leading to increasing maintenance costs. Increased operating costs due to need for additional or alternative resources (e.g. energy and water) for operations, i.e. some of the risks and impacts can be indirect. Cost of investment in adaptation measures, such as elevating buildings or retrofitting of existing fleet. Potential for increased damages from catastrophic events. Potential for increased insurance costs or reduced insurance availability. 	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			
Market risks 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"> Reduced economic activity in vulnerable markets. Reduced asset value. 	Communicate steps taken to identify and manage climate-related risks to investors and other stakeholders. Double down on such efforts in the event that climate change follows the pessimistic scenario pathway.
Policy and regulation risks E.g. climate risk disclosure, tougher building standards, carbon pricing and emissions caps	Medium to long-term	<ul style="list-style-type: none"> Increased cost of doing business due to new disclosure requirements and compliance measures. Increased taxes, e.g. from carbon pricing, and from monitoring requirements for Scope 3 emissions. Additional capital investment to comply with stricter regulations. 	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 in line with the adverse climate change scenario.
Resource risks Changes in the availability, pricing and supply volatility of key resources such as construction materials, energy and water	Short Term	<ul style="list-style-type: none"> Increased costs and reduced net operating income due to higher prices for water and fuel. Additional capital expenditures to adapt buildings to operate with reduced/ alternative resources. 	Enhance our supply chain resilience by diversifying our pool of partners and suppliers. We can also explore the use of greener alternatives.

RISK DESCRIPTION	TIMEFRAME	IMPACT	RESPONSE MEASURES
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ASSESSMENT OF CLIMATE-RELATED TRANSITION RISKS

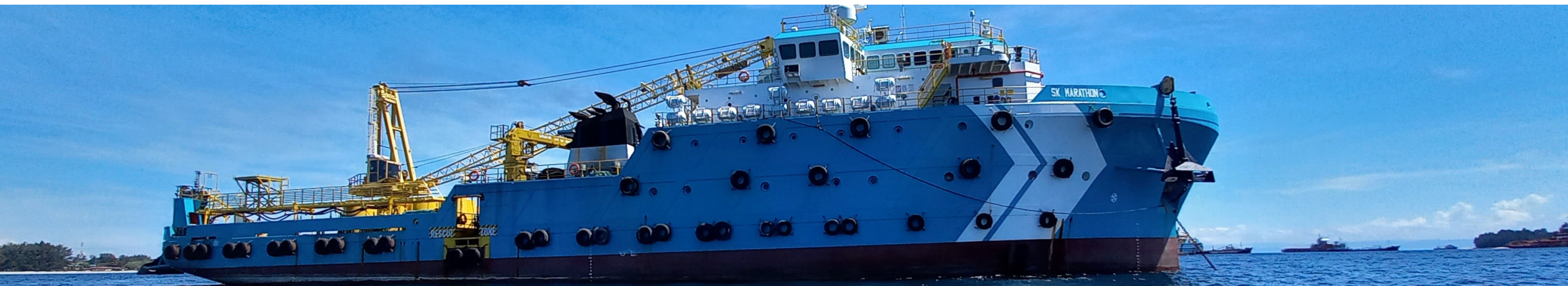
<p>Reputational risks Growing stakeholder preference to work with companies incorporating climate risk into investment decisions and operations</p>	<p>Medium to long-term</p>	<ul style="list-style-type: none"> ▪ Risk to brand and market perception if the company is not on par with industry peers in managing climate risks. ▪ Lower liquidity and/or reduced attractiveness of assets that have not incorporated climate mitigation. 	<p>Continue efforts to develop and implement sound sustainability strategies, adopt good governance practices, and engage external stakeholders clearly and transparently.</p>
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ASSESSMENT OF CLIMATE-RELATED OPPORTUNITIES

<p>Resource efficiency 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</p>	<p>Short to medium-term</p>	<ul style="list-style-type: none"> ▪ Green fuels and propulsion systems (such as electric or hybrid power) for our fleets. ▪ Circular business models and practices can reduce energy, waste and resource usage. 	<p>Explore such innovations and opportunities, and adopt a balanced approach by considering environmental benefits, safety, cost and operational efficiency.</p>
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<p>Transition to renewable and clean energy As countries move away from fossil fuels to low emission energy sources, the costs of clean energy are declining</p>	<p>Short to medium-term</p>	<ul style="list-style-type: none"> ▪ Electrification and switching to renewable energy reduce Greenhouse Gas (“GHG”) emissions and enhance resilience by diversifying energy sources. 	<p>Consider adopting renewable energy throughout the business, subject to availability, pricing and operational requirements.</p>
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<p>Growing demand for green chartering services Driven by the need of offshore oil and gas as well as wind energy players to report and manage their corporate value chain emissions</p>	<p>Short to medium-term</p>	<ul style="list-style-type: none"> ▪ OSV chartering service providers will have to report on their GHG emissions and mitigation measures. ▪ Service providers that cannot meet these new requirements will become less competitive. 	<p>Look at equipment-related, operational and digitalization measures to help in managing and reporting of emissions.</p>
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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 Greenhouse Gas ("GHG") Protocol and reference the environmental metrics in SGX's recommended Core ESG Metrics.

We are using GHG emissions 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 and Scope 2 emissions are contributed by the use of fossil fuels and purchased electricity, and the annual target is to reduce emissions intensity. Our long-term goal is to switch to greener fuels and renewable energy, taking into consideration availability, cost effectiveness, government regulations, market norms and operational needs. Once we identify the means and pathways of decarbonization, we can set meaningful emission reduction targets.

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 voluntarily support and align with the IMO's environmental goals and regulations. In 2023, our vessels continued to use Marine Gas Oil, which has only 0.05% of sulphur content, which is well 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 aim at reduction of 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 fuel efficient 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 would improve fuel efficiency, which has a direct relationship with reducing 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 reduction of 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 Engineering team holds regular internal meetings to improve efficiency, optimize fuel usage and discuss ways to comply with the latest regulations. In FY2023, we reviewed our Fuel Management Plan for the vessels and reduced the utilization of the second unit of diesel generator during vessel standing by outside of the 500-meter zone from the rigs.

GREENHOUSE GAS EMISSIONS

We have referenced the GHG Protocol Corporate Standard in reporting our corporate emissions for FY2023. The Group's Scope 1 direct emissions come from burning of marine fuel for SKOM's operating fleet.

SKOM tracks the fuel usage of its operating fleet through a Daily Average Fuel Consumption Report submitted by each vessel. The table below shows FY2023's aggregate annual fuel usage for the fleet under SKOM's management and the estimated Scope 1 carbon emissions.

FLEET OVERVIEW IN FY2023	AGGREGATE FUEL USAGE IN FY2023	ESTIMATED GHG EMISSIONS FROM FUEL USAGE IN FY2023
<ul style="list-style-type: none"> Anchor Handling Tug Supply Vessels – 12 Platform Supply Vessels – 5 Accommodation Work Boats – 5 Accommodation Work Barge – 1 Standby Vessel – 1 Landing Craft – 1 	42,539 tonnes (marine gas oil) (-4.5% compared to 44,564 tonnes in FY2022) Of the 42,359 tonnes, 38,674 tonnes were used during chartered services for SKOM's clients and 3,685 tonnes were used off-hire. The fuel usage breakdown was started only in FY2023	136,380 tCO ₂ ¹ (-4.5% compared to 142,872 tCO ₂ in FY2022) Of the 136,380 tCO ₂ emissions, the 123,989 tCO ₂ emitted during chartered services could be considered as Scope 3 emissions, i.e. downstream leased assets because the customers have operational control over SKOM's vessels. The 12,391 tCO ₂ emitted during off-hire would be considered as our Scope 1 emissions. We will reclassify these emissions in next year's report when we have FY2023 and FY2024 data for comparability
<hr/> Total fleet of 25 vessels compared to 28 vessels in FY2022		

SKOM encourages prudent fuel oil usage through strict operational guidelines such as Fuel Management Plans and providing consumption benchmarks for the vessels to adhere to. 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. In FY2023, the average utilization of vessels was higher at 78.7% compared to 76.3% in FY2022. There were vessels deployed on longer charter durations which resulted in higher fuel consumption (per vessel) for FY2023.

The Group's Scope 2 emissions come from the operations in Malaysia. We used a total of 551,926 kWh of electricity in FY2023, a 15% decrease compared to the 651,480 kWh used in FY2022. The FY2023 electricity consumption comprised 127,405 kWh at our offices and 424,520 kWh at our Miri shipyard. Taking into consideration the grid emission factors in different parts of Malaysia, the Group's Scope 2 emissions amounted to 214.6 tonnes of CO₂² in FY2023.

The Group's total Scope 1 and Scope 2 emissions was 136,594.6 tonnes of CO₂ in FY2023, a 4.6% decrease compared to 143,117.4 tonnes of CO₂ in FY2022. In terms of emission intensity (total Scope 1 and Scope 2 emissions per revenue), the Group achieved a 26.6% reduction, from 391.35 tonnes of CO₂ per million RM in FY2022 to 287.4 tonnes of CO₂ per million RM in FY2023.

In FY2023, we started to examine Scope 3 corporate value chain emissions, which are a recommended and not mandatory disclosure under the TCFD recommendations. According to the GHG Protocol, there are eight upstream and seven downstream categories of Scope 3 emissions. Based on an industry scan of OSV service providers, the emissions from vessels chartered by customers account for the bulk of the Scope 3 emissions. Reducing such emissions would require charterers to define their GHG reduction requirements and goals to accelerate the decarbonisation journey of the OSV industry.

¹ The conversion from fuel usage to CO₂ emissions is based on the IMO's emission factor of 3.206 for marine gas oil as published in the Fourth IMO Greenhouse Gas Study, 2020.

² This is based on Malaysia's grid emission factors of 0.585 kgCO₂/kWh for Peninsular Malaysia, 0.525 kgCO₂/kWh for Sabah and 0.330 kgCO₂/kWh for Sarawak, as published in the Institute for Global Environmental Strategies ("IGES") List of Grid Emission Factors, October 2022.

WASTE MANAGEMENT

SKOM has a target of no harm to the environment. The vessels under SKOM track the amount, type and discharge point of all vessel-generated waste. All waste is recorded as hazardous and non-hazardous waste. SKOM has included the tracking of cargo residuals and tank washing wastes. There is also an e-waste category, which includes any electronic equipment, including its components, sub-assemblies and consumables when disposed of as waste materials.

In FY2023, 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.

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 FY2023, 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 FY2023 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 all 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 FY2023, 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 or misleads or hinders investigators inquiring into potential violations shall be subject to disciplinary action.

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 FY2023, there were no cases of corruption or bribery-related investigations or disciplinary actions. Our target is to maintain zero cases of bribery or corruption.



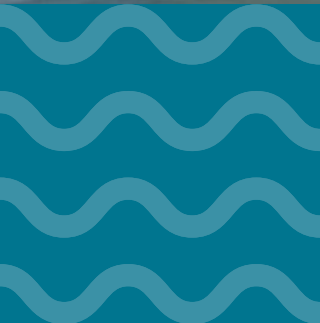
WHISTLE BLOWING SYSTEM

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

Employees can provide their whistle blowing observations and concerns in writing, through the telephone or in person. All disclosures are sent directly to Nam Cheong's Human Resource Department.

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 FY2023, we did not receive any disclosures of alleged corruption or bribery-related activities through the Whistle Blowing 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, keeping our customers happy, and ensuring that we maintain business integrity and sustainability.

In FY2023, we had 264 (compared to 244 in FY2022) onshore employees on our payroll with 65 new joiners and 51 resignations. The 264 employees excluded offshore crew who were engaged on short-term contracts based on vessel on/off requirements. We conducted several hiring exercises in FY2023, such as to fill marine services roles that support our OSV chartering business. 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.

In FY2023, we reviewed the employment terms and benefits in line with amendments to Malaysia’s Employment Act, which included overtime limit and the computation formula, compensation for working on rest days extended to all levels of staff, extension of maternity leave from 90 to 98 days, and changing paternity leave from 5 working days to 7 consecutive days.

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 FY2023, Nam Cheong continued our longstanding focus on training and development to enhance our people’s functional efficiency and long-term employability, despite ongoing challenges such as restrictions on classroom training, reduction in claimable funding from the government, and the need to adapt to online classes.

In FY2023, we delivered a total of 3,221 training hours (+21.1% compared to 2,659 training hours in FY2022), which averaged out to 10.3 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 each customer’s needs and compliance requirements.

Most training courses were online bite-sized programmes for large groups, with an emphasis on critical areas such as digitalization; health, safety and environment (“HSE”); and anti-bribery and anti-corruption (“ABAC”). The training programmes included the following:

- ISO-related training (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018).
- Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- Occupational Safety and Health Coordinator (OSH-C).
- Safe Handling of Chemical Hazardous to Health.
- Assistant Medical Review Officer (AMRO).
- CEPSWAM: Course for Certified Environmental Professional in Scheduled Waste Management.
- Commercial Contracts for Non-Lawyers.
- Effective Supervisory Skills.
- How to Handle a Full Set of Account (from Accounting Basics to Financial Statements).
- Project Management Professional (PMP) Certification Preparation.
- Domestic Inquiry.

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 will have to be registered with or accredited by the relevant industry authorities such as the Malaysian Human Resources Development Fund.

In FY2023, 162 of our onshore staff strength of 264 were eligible for performance evaluation and all 162 employees went through the exercise. This was to assess which employees 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 FY2023.

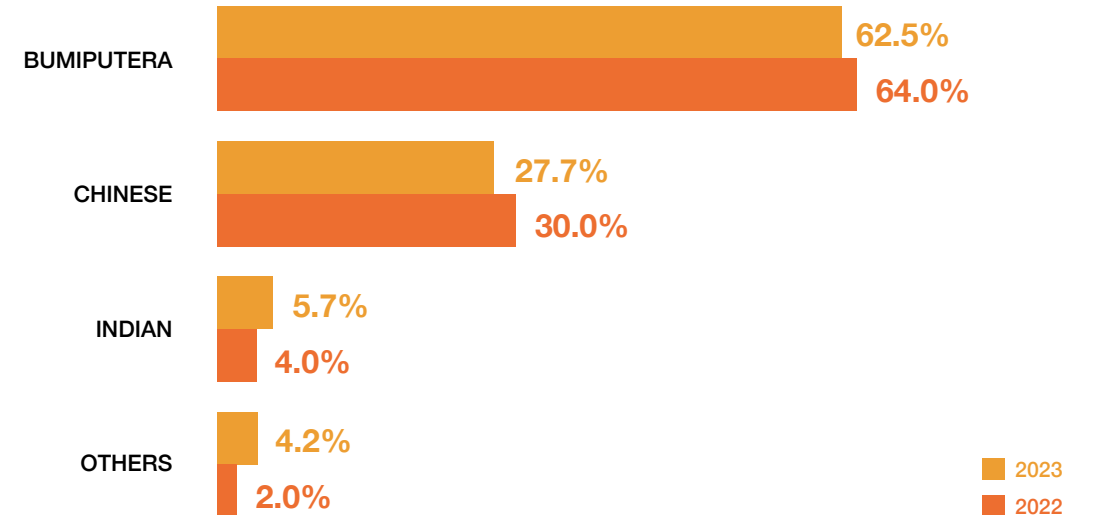
In FY2023, our workforce had a 27:73 (compared to 26:74 in FY2022) female to male gender ratio with 18% (compared to 19% in FY2022) aged 50 years and above. While most of our workers were Malaysian nationals, there was ethnic diversity as shown in the charts below. Our target is to maintain workforce diversity by continuing efforts to recruit across different nationalities, ages and gender.



ONSHORE EMPLOYEES BY NATIONALITY



ONSHORE EMPLOYEES BY ETHNICITY



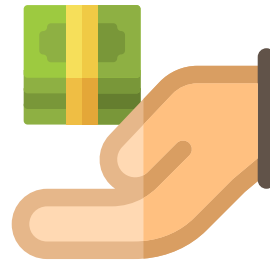
COMMUNITY GIVING

In FY2023, Nam Cheong and our employees supported various charitable and community causes in Malaysia and Singapore. Our target is to continue providing volunteer opportunities to our staff, and being responsive to community requests for financial and in-kind support.

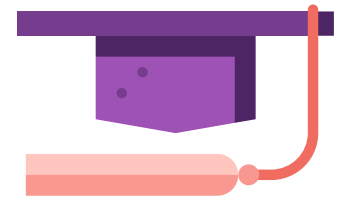
In April 2023, our employees volunteered to do housekeeping at Zoo Negara, as part of Project Zookeeper.



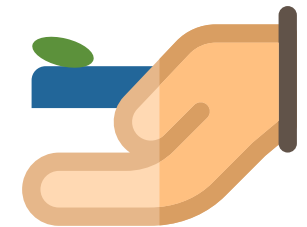
We donated S\$1,500 to the Singapore Children's Society, in support of their *1000 Enterprises for Children-in-Need fundraising programme*.



We provided educational funds to support our employees and their families via the *Tan Sri Datuk Tiong Su Kouk Puan Sri Datin Wong Bak Hee Education Incentive Awards* for children of staff who achieved good examination results or good academic performance, and the *"Bridge of Love" Educational Help Fund* for staff who meet qualifying income criteria and have children in school or university.



After raising RM2,126 as part of "Give for Good" project, we purchased and donated 21 mattresses for the children of Kompleks Kebajikan Hamidah Yakup, an orphanage located in Miri, Sarawak.



BUSINESS RESILIENCE

In FY2023, Nam Cheong continued to look at managing better for resilience whereby we could take active measures to cushion against business shocks, prepare for the recovery, and strengthen ourselves organisationally. This way, we can ride out the volatility brought about by business cycles and global crises as well as improve corporate performance over the long-term.

DRIVING INNOVATION

One critical aspect of business resilience is driving innovation so that we stay ahead of our competition in meeting customers' needs. We continued to roll out digitalization measures across the organization to streamline processes and achieve higher efficiency. In FY2023, we expanded the use of the fleet management system for our OSV chartering services. We continued to study market developments so that we could develop new service and product offerings to capture new opportunities.

DIVERSIFICATION AND EFFICIENCY

Another two aspects of managing for resilience are diversifying our revenue streams and running efficient operations throughout the organization. In 2007, 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 FY2023. 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 constantly stress the need to run efficient operations. In FY2023, we continued our efforts in optimizing staffing levels, adopting efficiency measures, and minimizing administrative and travelling expenses. Process improvements included the rationalisation and alignment of job scopes between head office and Miri shipyard and the standardisation of working hours across the different groups of staff in Miri. There were also other enhancements such as the implementation of TimeTac biometric system (to replace traditional manual punch cards) at the Miri shipyard and a new video conferencing facility at our Kemaman office.

In FY2023, we reached a significant milestone in completing our debt restructuring and business recovery processes. These would pave the way to enhance our financial flexibility and put us in a better position to seize opportunities in the growing sector and strive for sustainable growth in the future.



GRI CONTENT INDEX

Nam Cheong Limited has reported in accordance with the GRI Standards 2021 for the period 1 January 2023 to 31 December 2023.

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE
GRI 2: General Disclosures 2021			
2-1	Organizational details	Corporate website (http://www.namcheong.com.my/)	
2-2	Entities included in the organization's sustainability reporting	Reporting Scope	4
2-3	Reporting period, frequency and contact point	Reporting Scope	4
2-4	Restatements of information	Nil	
2-5	External assurance	Nil	
2-6	Activities, value chain and other business relationships	Corporate website	
2-7	Employees	Human Resource Overview	20
2-8	Workers who are not employees	Human Resource Overview	20
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	
2-12	Roles of the highest governance body in overseeing the management of impacts	Sustainability Governance	5
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	5
2-14	Roles of the highest governance body in sustainability reporting	Sustainability Governance	5

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE
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	20
2-20	Process to determine remuneration	Human Resource Overview	20
2-21	Annual total compensation ratio	Human Resource Overview	20
2-22	Statement on sustainable development strategy	Sustainability Governance	5
2-23	Policy commitments	Sustainability Governance	5
2-24	Embedding policy commitments	Sustainability Governance	5
2-25	Processes to remediate negative impacts	Compliance Philosophy	18
2-26	Mechanisms for seeking advice and raising concerns	Whistle Blowing System	19
2-27	Compliance with laws and regulations	Compliance Philosophy	18
2-28	Membership associations	Nam Cheong is an Ordinary Member of the Malaysia OSV Owners' Association ("MOSVA")	

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE
2-29	Approach to stakeholder engagement	Stakeholder Engagement	6
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	7
3-2	List of material topics	Materiality Assessment	8
3-3	Management of material topics	Materiality Assessment	8
Safety			
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Safety Management System	10
403-2	Hazard identification, risk assessment, and incident investigation	Onboard Safety Policies and Procedures	11
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Targets and Performance	11
403-5	Worker training on occupational health and safety	Safety Targets and Performance	11
403-6	Promotion of worker health	Safety Targets and Performance	11
403-9	Work-related injuries	Safety Targets and Performance	11
403-10	Work-related ill health	Safety Targets and Performance	11
Environmental Protection			
GRI 303: Water and Effluents			
303-2	Management of water discharge-related impacts	Waste Management	17

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions	16
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions	16
305-4	GHG emissions intensity	Greenhouse Gas Emissions	16
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Waste Management	17
Compliance			
GRI 205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption	18
205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti-Corruption	18
Human Resource			
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Training and Development	20
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development	20
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development	20

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE
Community Impact			
GRI 406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	Employment and Economic Opportunities	21
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Giving	22



TCFD DISCLOSURES

TCFD THEMATIC AREAS	RECOMMENDED DISCLOSURES	REFERENCES AND REMARKS	PAGE
1. Governance 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 Sustainability Governance section.	5
	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 Sustainability Governance section.	5
2. Strategy 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 Assessment of Climate-related Risks and Opportunities section.	12
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	See the Assessment of Climate-related Risks and Opportunities section.	12
	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 Assessment of Climate-related Risks and Opportunities section.	12
3. Risk Management 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 Risk Management section.	5
	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.	



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