

## Other Businesses

Financial	Environment	Social	Governance	Stakeholder Engagement
<p><b>Achieve Growth in Predictable and Recurring Sources of Cashflow</b></p> <ul style="list-style-type: none"> <li>Owned 11 dual-fuel low-carbon vessels (including 3 vessels under construction).</li> <li>Secured a USD527 million 11-year Sustainability Linked Loan (SLL) to finance the delivery of its six large ethane carriers (VLEC).</li> <li>Internal Carbon Pricing (Shadow Price) at USD50/tonne.</li> </ul>	<p><b>Towards Decarbonisation</b></p> <ul style="list-style-type: none"> <li>Developed Material Scope 3 Inventory.</li> <li>17 per cent reduction in GHG intensity.</li> <li>Total GHG: 4.2 Million tCO<sub>2</sub>e.</li> <li>Signed two MoUs to build 2 VLCCs and 2 Aframax zero-emissions by 2025 and 2026.</li> </ul> <p><b>Promoting Circular Economy</b></p> <ul style="list-style-type: none"> <li>Initiated Ship Recycling Yard Assurance Programme.</li> <li>99 per cent hazardous waste recycled.</li> </ul> <p><b>Biodiversity Conservation</b></p> <ul style="list-style-type: none"> <li>Developed MISC Group Heart of the Ocean (HOTO) Guidelines.</li> <li>Sponsored RM200,000 for UMT-MMS Sea Turtle Conservation Initiative.</li> <li>Launched Employee Participation Programme for reef surveys and capacity building at Mersing Island and UMT-MMS Sea Turtle Conservation Programme.</li> <li>32 reef sites surveyed and 3 reef sites rehabilitated.</li> <li>2,181 turtle nests conserved, with 78 per cent turtle hatching success.</li> </ul>	<p><b>Health and Safety</b></p> <ul style="list-style-type: none"> <li>47 per cent improvement in LTIF compared to 2021 (2021: 0.15).</li> <li>64 per cent improvement in TRCF compared 2021 (2021: 0.39).</li> <li>14 HSE Management System Assurance completed.</li> <li>135,929 UCUA raised.</li> <li>42 Management walkabouts conducted.</li> </ul> <p><b>Talent Excellence</b></p> <ul style="list-style-type: none"> <li>Enhanced Leadership Pathway and Functional Curriculum to fulfil current and future development needs.</li> <li>Continued with FlexWork (optimise work-life integration and maximise work efficiency).</li> <li>Introduced FlexCareer (introducing contingent workforce).</li> <li>94 per cent high performance talent retention.</li> <li>Maintained successor ratio of 2:1.</li> </ul> <p><b>Community Investment</b></p> <ul style="list-style-type: none"> <li>RM24.2 million channelled in sponsorship for ALAM cadets.</li> </ul>	<p><b>Values, Assurance and Business Ethics</b></p> <ul style="list-style-type: none"> <li>42 per cent women Board members.</li> <li>Implemented Compliance and Ethics Survey 2022 Management Scorecard FY2022.</li> <li>Recertification of ISO 37001:2016 Anti-Bribery Management System.</li> <li>Carried out annual review of MISC Group Bribery and Corruption Risk Assessment 2022.</li> <li>Zero human rights grievance reports.</li> <li>Zero major cybersecurity breach.</li> </ul> <p><b>Responsible Supply Chain Management</b></p> <ul style="list-style-type: none"> <li>Completed ESG self-assessment on 20 critical suppliers.</li> <li>104 suppliers/vendors attended the Annual CoBE, ESG and HSE Training for MISC Group Third Parties 2022.</li> </ul>	<p><b>Create Value through Trusted Stakeholder Relationships</b></p> <ul style="list-style-type: none"> <li>Remains as a listed constituent in the Dow Jones Sustainability Index (Emerging Market) for two consecutive years and FTSE4Good Index for nine consecutive years.</li> <li>MISC is the only Malaysian transportation sector company and one of the three Malaysian companies listed in DJSI Emerging Market Index globally.</li> <li>Included in the S&amp;P Global Sustainability Yearbook 2023 as a Sustainability Yearbook Member for the first time.</li> <li>197 engagements with customers, investors and financial institutions on our approach to sustainability completed.</li> </ul>

### Outlook

- We expect the market to remain challenging this year. The ongoing geopolitical tension in Europe continues to influence economic development and trade as we cope with high inflation and increasing interest rate environment.
- Closer to our industry, the strengthening of regulations in relation to emissions will require a radical approach and closer collaboration by the industry players to ensure compliance.
- Notwithstanding the continued challenging outlook, 2023 is filled with opportunities for MISC. We see ourselves shifting gears both in terms of the execution of current projects and advancement towards achieving our 2050 objectives whilst being selective on strategic client positioning, strong recurring cash flows and cleaner energy solutions.