OTHER ENVIRONMENTAL MATTERS

WATER MANAGEMENT

Water is used across our shipping and non-shipping operations, with comparatively lower water requirements in shipping activities and higher levels of consumption in non-shipping operations. Our water management approach is detailed in the following sections.

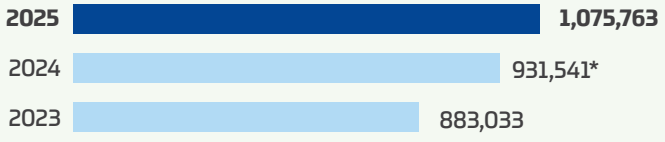
Water Use at Sea

In our shipping operations, water requirements are met predominantly through the treatment of seawater using onboard freshwater generators to produce potable water. Accordingly, freshwater withdrawal is not deemed material to these operations.

Water Use in Non-Shipping Operations

Water consumption in our non-shipping operations is mainly attributable to domestic and operational uses. Freshwater withdrawal increased by 15% in 2025 compared to 2024, primarily due to higher water consumption at MMHE and ALAM.

MISC Group Total Freshwater Withdrawal (m^3)



** Data for 2024 has been restated to reflect the actual data*

Ballast Water Management

Ballast water is used to stabilise vessels at sea, ensuring safe and efficient shipping operations. Effective ballast water management is essential to prevent ecological and economic impacts arising from the transfer of bacteria, microbes, small invertebrates, eggs, cysts and larvae, which can become invasive species in new environments. The IMO's International Convention for the Control and Management of Ships' Ballast Water and Sediments establishes the regulatory framework for the proper control and management of ballast water.

As of 2025, all MISC vessels are equipped with BWTS, fully complying with IMO ballast water discharge standards.

SOCIAL PILLAR

Our Commitment

- Provide a safe and healthy environment for employees, contractors and communities
- Achieve Generative Health, Safety, Security and Environment (HSSE) Culture

Our Initiatives

Reinforce the Health & Safety Culture by implementing the following:

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

Our Contribution to SDG

3 GOOD HEALTH AND WELL-BEING

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

STRENGTHENING SAFETY CULTURE

With a workforce of more than 8,000 employees, ensuring a safe and healthy work environment for both employees and contractors is a key priority for MISC. We have established Group's HSE Policy that serves as the cornerstone of this commitment, safeguarding the well-being of our people, contractors and the wider community, while protecting our reputation and ensuring compliance with all applicable legal and regulatory requirements.

MISC HSE Policy is an adoption of the PETRONAS HSE Policy endorsed by the Board. The Policy is operationalised through the HSSE Management System (HSSEMS) that details the establishment of the targets.

MISC places strong emphasis on proactive risk-based management, continuous training and strict adherence to HSSE procedures and protocols to maintain a safe and secure workplace. By fostering a culture of Care & Comply principles, we seek to embed safety values and responsible behaviours in all aspects of our operations.

HEALTH, SAFETY, SECURITY AND ENVIRONMENTAL MANAGEMENT SYSTEM

MISC's Health, Safety, Security and Environment (HSSE) Policies form the foundation of the Group's HSSEMS. The foundation of the HSSEMS elements are designed in alignment with applicable international standards, legislative requirements and recognised industry best practices and supports the delivery of the commitments set out in the HSSE Policies. It provides a systematic and integrated framework for managing the health, safety and security of employees and contractors, as well as for safeguarding surrounding communities and the environment.

As part of MISC's approach to strong HSSE performance, the Offshore, Marine & Heavy Engineering and Marine Services business segments are certified to the ISO 45001:2018 Occupational Health and Safety Management System standard. This certification provides assurance that consistent and recognised practices are in place to safeguard occupational health and safety across operations.

KEY ELEMENTS OF MISC'S HSSEMS

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

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

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

Identification of HSSE hazards and evaluation of HSSE risks for all activities, services and development of control and recovery measures to reduce HSSE risks to As Low As Reasonably Practicable (ALARP).

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

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

Periodic reviews of the HSSEMS for suitability and effectiveness.

For further information, MISC's Health, Safety and Environment Policy is available here.

For further information, MISC's Security Policy is available here.

CARE & COMPLY PRINCIPLES

Across our organisation, Care & Comply serve as the operating standard that guides how we protect people, assets and the environment. Care reflects our responsibility for well-being and safe operations, while Comply represents our disciplined commitment to regulations, internal requirements and the expectations we set for leadership, behaviour and decision-making. These principles establish a consistent baseline for operational integrity and responsible conduct across the Group.

Delivering on these expectations demands discipline, vigilance and a shared understanding that safety and compliance cannot be assumed. Our HSSE strategies and programmes are firmly grounded in Care & Comply, reinforcing accountability and strengthening our capability to manage risks effectively. By adopting these principles in everyday decisions, we sustain our position as a trusted operator and ensure that safe, compliant and responsible conduct remains central to how we operate.

GENERATIVE HSSE CULTURE

MISC Towards Generative HSSE Culture

At MISC, we aim to embed a Generative HSSE Culture (GC) where everyone is doing the right thing right all the time, even when no one is watching. This culture is regarded as a critical enabler of HSSE excellence. The GC model is anchored on three core elements, namely Build Psychological Safety, Conscious Risk Awareness and Role Model HSSE. The model also emphasises Generative HSSE Culture Behaviours (GCBs), which comprise a defined set of behaviours that drive the actions of employees and contractors towards achieving zero safety incidents.

To institutionalise the GC across the Group, we have introduced the Generative Culture Learning Programme (GCLP) for all employees, including new joiners since 2017. The programme is designed to equip employees with the knowledge and understanding required to contribute effectively to GC in the pursuit of zero HSSE incidents. In 2025, a total of 742 new employees have completed the GCLP.

Our approach to safety and health extends beyond our own workforce. In 2025, the programme was expanded to include business partners and contractors, recognising the shared responsibility for maintaining safe and healthy working practices across the value chain. During the year, 50 partner and contractor companies, representing 132 participants took part in the programme, contributing to a more consistent approach to safety and health across operations.

STRENGTHENING SAFETY CULTURE

Generative HSSE Culture Programmes

As part of our Generative Culture journey, we have established a series of targeted programmes to translate our values into everyday practices and strengthen HSSE ownership across the organisation.

GC Coaching for Marine Services

GC coaching for Marine Services focuses on building internal coaching capability and strengthening support for GC Change Agents. A total of 19 GC Coaches participated in the Leaders as a Coach and GC Coaching workshops, equipping them with the skills required to drive behavioural and cultural change.

Each GC Change Agent, primarily Chief Engineers and Chief Officers onboard are supported through a structured three-session coaching approach, to enable role-modelling and reinforcement of GC practices.

As of 2025, more than 120 coaching sessions have been conducted, demonstrating strong engagement and establishing a solid foundation for embracing GC behaviours across the fleet.

Mission Zero Possible

In supporting of PETRONAS Gas & Maritime's Mission Zero Possible (MZP) Programme, we have proactively coordinated a series of engagement activities, including the UCUA competition and the "Jom Patuh dan Tegur" event. The UCUA competition saw participation of six teams representing the MISC Group, with one team achieving a top 10 placement across PETRONAS Gas & Maritime. The programme also included the dissemination of a dedicated video and execution of the "Jom Patuh dan Tegur" awareness event at Dayabumi, aimed at strengthening office based HSSE culture and compliance.

Read more in the Our Stakeholders' Universe.

Care & Comply Partners' Summit 2025

The Care & Comply Partners' Summit 2025 aimed to strengthen collaboration between the Group and its business partners in enhancing HSSE, sustainability, quality, operational efficiency and contractor performance. Held under the theme "Leading With Heart, Delivering With Discipline", the summit featured a series of talks and discussion sessions focused on promoting HSSE culture among business partners.

MISC Group Care & Comply HSSE Recognition 2025

The MISC Group Care & Comply HSSE Recognition was designed around five core objectives that focus on strengthening shared safety practices across the Group. These objectives included acknowledging the contributions of internal stakeholders and valuing the efforts of frontline HSSE personnel in protecting the well-being of people across operations. The event also provided a space to share best practices and lessons learned, encouraging continued progress in HSSE performance.

Attention was given to the application of Human Performance principles, with a view to reducing errors through improvements in systems, behaviours and learning processes. The programme also reaffirmed the Group-wide Care & Comply principles, promoting empathy, accountability and responsible behaviour across all levels of the organisation.

The event culminated in an awards ceremony that celebrated both individual and operational excellence. A total of 11 HSSE Personality Awards were distributed, including 1 Platinum, 4 Golds and 6 Silvers, alongside 10 Best UCUA Awards for exceptional contributions to UCUA reporting. Special recognition was also given to specific operational units and programmes, including the vessels *Eagle Veracruz, Seri Emperor* and *Seri Daya*, as well as the Floor Safety Managers, ALAM Cadet programme and the MHB-Environment initiative, highlighting achievements across various facets of the Group's operations.

The event was more inclusive than previous editions, featuring participation from ALAM Cadets, being hosted for the first time at an external venue and showcasing a broader range of celebrations highlighting MISC's achievements.

SAFETY AND LOSS PREVENTION

At MISC, safety is a core value that guides how the Group operates and safeguards its people. Under the Social Pillar of its sustainability strategy, MISC prioritises the protection of life, the preservation of health and the development of a proactive safety culture across all operations. This approach extends to employees, contractors, partners and the communities in the areas where the Group operates.

Our approach to safety is guided by proactive risk management, regulatory compliance and continuous improvement. These principles are applied across all levels of the organisation, ensuring that safety remains integral to operational integrity and social responsibility, while enabling the Group to deliver energy solutions safely and sustainably worldwide.

MISC adopts an integrated approach to occupational safety and operational safety, ensuring that all activities, from shore-based operations to offshore and marine environments, are conducted with the highest safety standards. Key elements of this approach include:

- Visible and engaged leadership to reinforce safety values and expectations.
- Comprehensive risk assessments conducted prior to commencement of work.
- Empowerment of personnel to intervene and stop work when unsafe conditions or behaviours are observed or where there is uncertainty regarding safety.

Through these measures, we aim to cultivate a Generative HSSE culture where every individual takes ownership of their safety and that of others.

Compliance with Life-Saving Rules and HSSE Rules & Commitments

To further align with international best practices, MISC strengthened its safety foundation in 2023 through the adoption of the International Association of Oil & Gas Producers (IOGP) Life-Saving Rules (LSR). These globally recognised standards complement the existing MISC Safety Rules, which were first introduced in 2015 and further reinforce our commitment to the prevention of fatalities and serious incidents across all operations.

The LSR has been weaved into our organisational expectations and workforce requirements. Compliance with the LSR forms a condition of employment, ensuring that all individuals joining MISC understand and commit to these critical safety behaviours from day one. For our seafaring talent pipeline, the LSR has also been embedded as an inherent cultural principle for cadets, shaping safe behaviours early at an early stage of their careers and fostering a strong safety mindset as they progress into future leadership roles.

In 2025, MISC achieved a significant milestone with a 100% pledge of commitment to the LSR by all employees across the Group. We also achieved 100% pledge from our homegrown ALAM cadets. This pledge reflects our people's shared responsibility and personal accountability in maintaining a safe working environment for themselves and others.

Our HSSE Rules and Commitments further enhance this foundation by serving as guiding principles that ensure consistent compliance with workplace safety, environmental protection and health regulations. These commitments strengthen alignment across all business units and promote a culture of collective vigilance, care and shared accountability, which are essential elements of our journey toward a Generative HSSE Culture.

TOGETHER TOWARDS GENERATIVE HSSE CULTURE

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

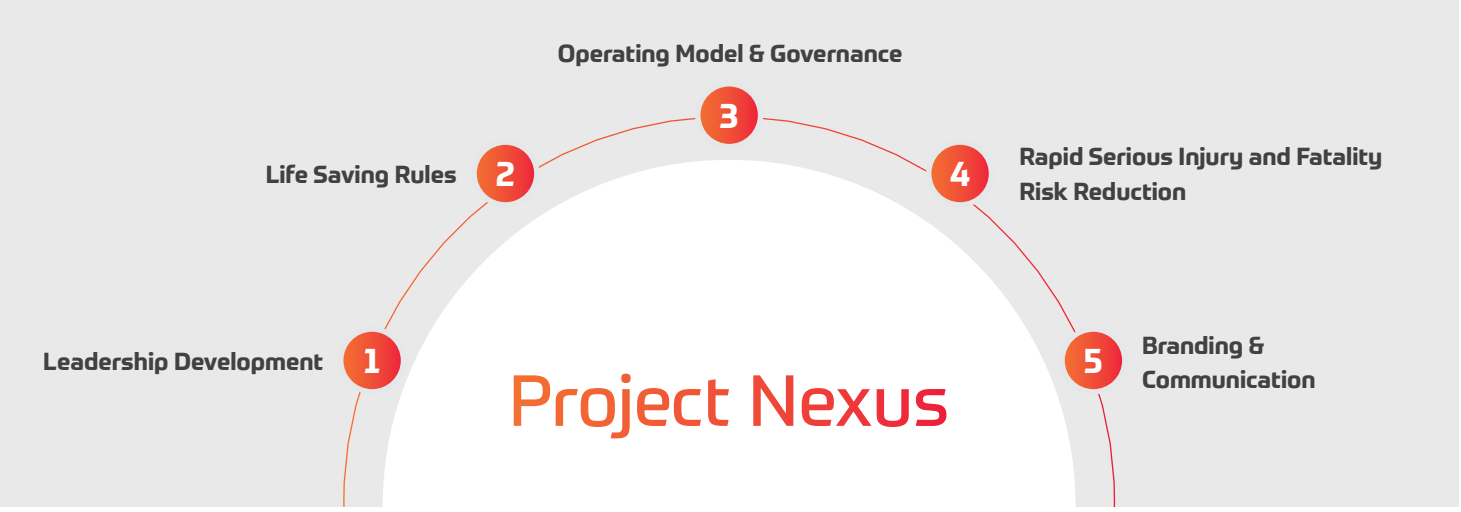
STRENGTHENING SAFETY CULTURE

MISC HSSE Culture Transformation

Following the Safety Culture Assessment conducted in 2024, Project Nexus was initiated to drive a fundamental shift in organisational safety culture. The primary objective of this project is to foster a transition from proactive or compliance-driven safety behaviours to a truly generative safety culture.

This approach emphasises the creation of an environment in which all employees are actively engaged in promoting safety and compliance. Beyond adherence to prescribed rules, the goal is for all individuals to assume personal accountability for safety, demonstrating genuine Care & Comply principles for their own well-being and that of their colleagues. Through Project Nexus, the Group seeks to embed safety as a core organisational value, ensuring it is consistently reflected in daily behaviours, decisions and actions at all levels.

In 2025, Project Nexus focused on five critical areas to drive the transformation towards a generative safety culture across the Group:



Some of the key activities under this project that were conducted in 2025 are:

1. Global LSR & HSSE Rules & Commitments pledge by employees across MISC business units.
2. Roll out LSR violation clauses for employment contracts across MISC.
3. LSR and safety as an ALAM curriculum and prerequisite for graduation.
4. Extension of Contractor GC programme to Contractors' Management.
5. Adoption Process Safety for floating assets under operational control and the threshold release quantity as per API 754 to determine Major or Minor Loss of Primary Containment (LOPC) incident based on the incident.
6. Fleet-wide Generative Culture and LSR coaching reinforcement session with Chief Officers and Chief Engineers.
7. Development and promotion of core values, with explicit emphasis on safety.

HSSE Culture Transformation Framework

In light of the above, the Group implemented a range of initiatives to complement the Safety Culture Assessment.

Focus Area	Findings from the Safety Culture Assessment	Action Plans
Strengthening Leadership Visibility and Accountability **Objective** Ensures leaders are more present, engaged and recognised as the primary drivers of safety culture	· Lack of visible felt leadership · Over-reliance on HSSE function · Perception of lack of adequate recognition	· Leadership development programmes to build capability in felt leadership, human performance and behavioural safety · Link leadership compensation to HSSE performance to reinforce responsibility at all levels · Include revised HSSE key performance indicators (KPIs) and governance into leadership scorecards, ensuring accountability for overall HSSE performance
Embedding Life-Saving Rules and HSSE Expectations **Objective** Ensures that LSR becomes a standard expectation, embedded into the lifestyle of people and contractor management	· Inconsistent implementation of LSR · Low emphasis on HSSE performance prior to contract award/employment	· Include LSR clauses and violation consequences in employment contracts to strengthen employees' accountability · Implement the Rapid Serious Injury and Fatality Reduction Programme, focusing on targeted interventions and preventive controls · Integrate LSR and HSSE conditions into vendor selection and contract evaluations, ensuring contractors uphold the same safety standards as MISC
Enhancing Incident Reporting and Preventive Learning **Objective** Break the cycle of complacency and ensure issues are surfaced early before they escalate	· Normalisation of deviance · Under-reporting of incidents	· Implement improved investigation and learning methodologies under the Serious Injury and Fatality (SIF) reduction programme · Strengthen reporting culture through simplified processes, leadership reinforcement and communication campaigns · Roll out structured feedback and recognition mechanisms to encourage transparent reporting and learning
Improving Communication and Collaborative Work Culture **Objective** Creates a more connected, aligned organisation where HSSE messages are understood, acted upon and trusted	· Communication barriers and silo work culture	· Launch a Group-wide HSSE Communications Guideline to ensure messages are consistent, targeted, actionable and timely · Strengthen cross-entity collaboration through structured engagements, joint learning sessions and shared HSSE performance dialogues · Implement branding and communication strategies that reinforce a sense of shared purpose and unity across all entities

STRENGTHENING SAFETY CULTURE

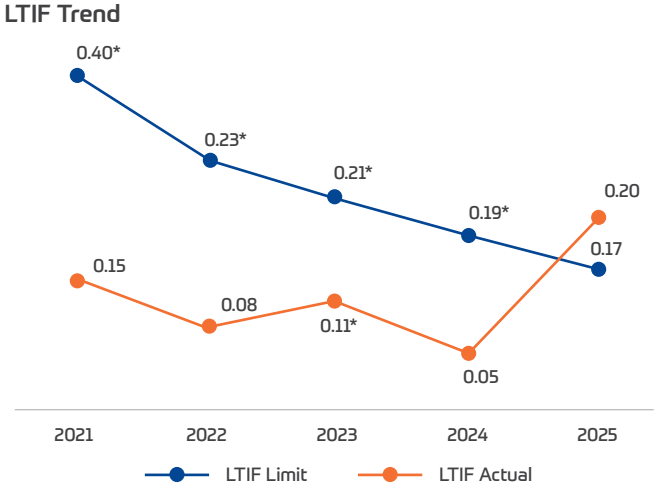
Focus Area	Findings from the Safety Culture Assessment	Action Plans
Embedding Safety Beyond Our Operations: Managing HSSE in a Contract Environment **Objective** Strengthen oversight over third-party operations through adoption of the Managing HSSE in a Contract Environment Guideline, ensuring that contractors and subcontractors practice the same or higher HSSE standards. The guideline supports a stronger HSSE culture, governance and shared accountability throughout the contract periods	· Inconsistent HSSE expectations applied across contract stages (pre-award, execution, closure) · Variability in contractor compliance with LSR and critical controls · Limited visibility of contractor HSSE culture, behaviours and reporting practices · Insufficient governance for outsourced of high-risk activities · Over-reliance on HSSE functions instead of shared responsibility between Contract Holders and operations teams · Communication barriers between MISC and contractors, impacting timely issue resolution	· Embed structured HSSE requirements into every contract stage, ensuring clear expectations for contractors before award, during mobilisation and throughout execution · Mandate full compliance with LSR and critical controls, including onboarding, verification and continuous performance monitoring by Contract Holders and HSSE · Strengthen contractor engagement by promoting a collaborative, fair and just culture with open reporting, joint walkabouts and shared learning sessions · Enhance governance for high-risk contracted works through contractor HSSE risk assessments, audits, scorecards and intervention protocols · Shift ownership to business and Contract Holders with defined roles, responsibilities and performance accountability aligned with Managing HSSE in a Contract Environment requirements · Improve communication channels through structured touchpoints, escalation pathways and transparent tracking of contractor HSSE issues

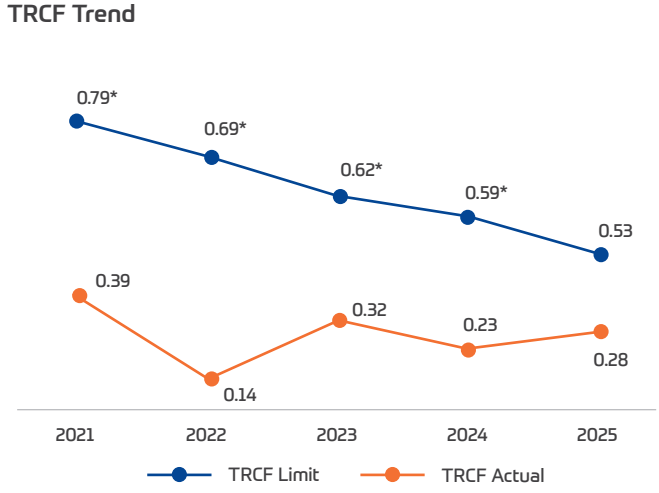
The HSSE Culture Transformation Framework is designed to systematically address the root causes identified through the Safety Culture Assessment. By integrating leadership accountability, contractor safety, reporting culture, communication and LSR implementation into a cohesive strategy, MISC is fostering a culture where:

This framework forms the foundation of MISC's long-term commitment to achieving a Generative HSSE Culture, one where safety is owned, lived and championed by everyone.

MISC Group Safety Performance

MISC Group recorded an LTIF of 0.20 and a TRCF of 0.28, with set limits of 0.17 and 0.53, respectively. Compared to 2024, results in 2025 indicated an increase in the number of lost time injuries from 2 in 2024 to 9 in 2025. Comparatively, the TRCF also increased by 22% from 2024 to 2025.





* *The data has been restated to reflect the standardisation of safety targets, alignment with the reporting approach, reclassification of incidents and updates to the underlying data*

MISC Group Contractor Safety Performance

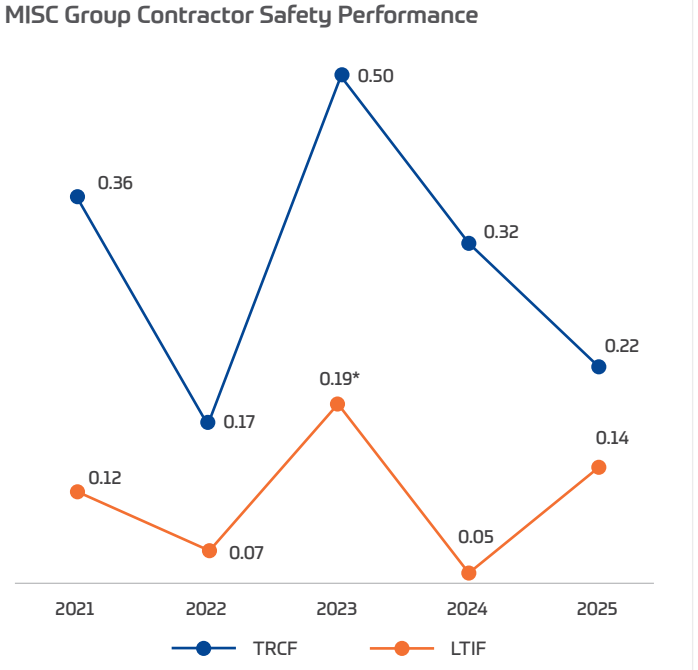
Our primary objective for contractors' safety is to maintain a secure work environment that prioritises the health and well-being of all individuals involved. We set rigorous safety targets and require all contractors to adhere to our established safety standards, policies and practices.

Safety compliance is ingrained within our contractual agreements, establishing a clear framework for adherence to safety procedures. This approach reflects a consistent focus on safeguarding people, assets and operations, while supporting reliable and responsible energy delivery across the Group's activities.

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

In 2025, contractors' LTIF and TRCF stood at 0.14 and 0.22, respectively. These figures represent an increase in lost time injuries from 1 in 2024 to 2 in 2025, but a reduction in overall recordable cases compared to 2024 from 6 in 2024 to 3 in 2025.

Contractor HSSE performance is being strengthened through the introduction of the Managing HSSE in a Contract Environment Guideline. Since its implementation, contractor HSSE performance has demonstrated positive performance trends.

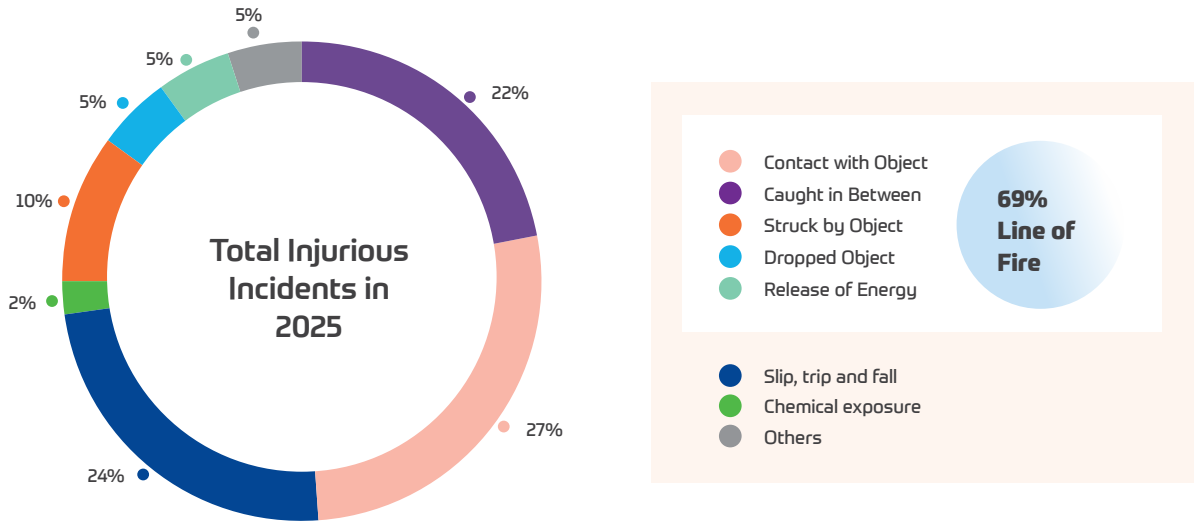


* *The data has been restated due to reclassification of incidents and updates to the underlying data*

STRENGTHENING SAFETY CULTURE

Type of Work-Related Injury

In 2025, MISC Group recorded one fatality and nine Lost Workday Case (LWC), bringing the total number of LTI incidents to 10. The LWC resulted mainly from line of fire such as caught in between, fall from height, the release of energy and contact with object. Following the casualty which resulted from an energy-release incident, we immediately initiated a Group-wide Safety Stand Down event to reinforce vigilance, pause operations for reflection, and re-emphasise critical life-saving controls. A dedicated investigation team has also been formed to establish the root causes of the incident, translate the findings into meaningful organisational learning, and recommend corrective and preventive actions. While the investigation outcomes are still in progress, comprehensive measures have already been introduced to strengthen our safety barriers and reduce the likelihood of similar events. Details of our incident prevention measures provided in the following section.



Ensuring the safety of our people and operations remains a top priority. In line with our HSSE commitments, we adopt a structured approach to address incidents through Corrective Actions and Preventive Actions, supported by continuous monitoring and reinforcement of a strong safety culture.

STRATEGIC FOCUS FOR 2025

Incident Prevention Themes

- Mitigation of Line of Fire risks, which account for the majority of major incidents
- Fall-from-height prevention measures
- Enhanced contractor safety performance monitoring through digital dashboards

Performance Targets

- Reduction of LTIF and TRCF through proactive risk management and cultural reinforcement

GOVERNANCE AND MONITORING

- Weekly Incident Review Meetings to track corrective and preventive actions implementation and share lessons learned
- HSSE communications and lateral learning sessions led by leadership to embed continuous improvement across all levels

Safety Enhancement Programme

The Safety Enhancement Programme is designed to elevate our organisational safety culture by strengthening the way we identify, manage and learn from risks across our operations. By cultivating consistent practices, empowering our workforce and reinforcing shared accountability, the programme aims to build a more resilient and proactive safety environment. Details of each programme are described below:

Strengthening Risk Assessment Practices

MISC continues to enhance its risk governance framework by reinforcing structured risk assessments across all operations. Incident analyses indicate that many avoidable incidents stem from insufficient hazard identification, including exposure to line of fire risks, during heavy machinery operations and lifting activities. The introduction of the Artificial Intelligence (AI)-driven Artificial Intelligence Incident Risk Assessment (AIIRA) system further strengthens the Group's predictive capabilities, enabling proactive intervention before incidents occur. This enhances our ability to manage day-to-day operational risks, supported by robust and established risk management practices.

Enhancing Toolbox Talks and Frontline Engagement

Daily toolbox talks remain a foundational behavioural intervention and a consistent touchpoint for reinforcing safe work practices. MISC has enhanced these sessions through the introduction of more interactive discussions, situational refreshers and post-break "second-half huddles" to address periods of reduced alertness identified through incident trend analysis. For contractors, daily toolbox meetings are mandated as part of HSSE assurance processes. These frontline engagements help address at-risk behaviours, strengthen compliance with LSR and promote proactive communication of hazards before and during work execution.

Embedding Lateral and Reflective Learning

Organisational learning is a key pillar of MISC's occupational safety approach. Lateral Learning enables the systematic sharing of incident insights across entities and business units, supporting the dissemination of practical solutions and preventive measures. This approach institutionalises a strong culture of cross-learning across the organisation, strengthening consistent and systematic work practices and enhancing the timely recognition and management of hazards across the Group.

Reflective Learning is embedded within the HSSE Incident Management Procedure and supports deeper analysis of individual and team decision-making during incidents.

This strengthens personal accountability and improves risk awareness. Together, these learning mechanisms enhance collective capability and help prevent the recurrence of similar incidents across the organisation.

Strengthening Contractor HSSE Management

As a significant portion of MISC's operations are executed by contractors, effective contractor HSSE management remains a critical area of focus. Systemic gaps have been identified in areas such as documentation, operational control, change management and hazard control implementation within contractor operations. In response, MISC has implemented a comprehensive lifecycle approach encompassing tender evaluation, HSSE plan development, bridging documents, competency requirements, emergency response alignment and continuous performance monitoring. Regular inspections, assurance exercises and structured engagement sessions ensure that contractors uphold MISC's HSSE standards, thereby strengthening supply chain stewardship and safeguarding all personnel involved in MISC operations and businesses.

Our commitment is clear:
Every incident is an opportunity to learn, improve and strengthen our safety culture. Through robust corrective and preventive actions, we aim to achieve zero harm and sustain operational excellence.

STRENGTHENING SAFETY CULTURE

Incident Prevention

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

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

Our 2025 safety strategy is anchored on five key pillars designed to strengthen operational integrity, protect lives and foster a proactive safety culture.

FOCUS AREAS FOR INCIDENT PREVENTION IN 2025

Process Safety

- Prioritise LOPC prevention and implement robust Fire Prevention frameworks to mitigate high-risk scenarios.

Human Factors

- Integrate Human Performance Improvement principles into investigations and daily operations to reduce human error and enhance decision-making.

Digital Transformation

- Advance AI-driven risk analytics via machine learning of historical incident data and safety observations for predictive safety insights.

Cultural Reinforcement

- Strengthen the Care & Comply principles to instill safety ownership at all levels.
- Promote UCUA reporting and increase leadership engagement to drive behavioural change.

Performance Metrics

- Focus on reducing LTIF and TRCF through proactive risk management and continuous improvement initiatives.

Human Performance Improvement

Human Performance Improvement (HPI) is a strategic approach designed to reduce human error, enhance system resilience and cultivate a learning-oriented culture, thereby avoiding a blame-based culture. It emphasises understanding the causes of errors, identifying organisational and systemic factors and shaping behaviours through context and leadership.

This approach is important because it helps reduce incident frequency by addressing the human and organisational factors that contribute to errors. It also embeds a Care & Comply principles across all levels of the organisation, ensuring that safety becomes an integral part of everyday decision-making. Moreover, it enables proactive risk management and drives continuous improvement, strengthening MISC's overall safety and operational excellence.

HUMAN PERFORMANCE IMPROVEMENT KEY ACTIVITIES & CAMPAIGNS IN 2025

Leadership Training and Awareness

- HPI Training for Top Leaders: Four sessions conducted in Kuala Lumpur, Johor and Singapore to equip senior leaders with tools for empathetic and disciplined decision-making
- Generative Culture Coaching: Rolled out for Chief Officers and Engineers to act as change ambassadors on board vessels

Workshops and Technical Integration

- HPI in Investigations Workshop: Focused on integrating HPI principles into Tripod Beta investigations, delivered by experts from Shell

Engagement Campaigns

- Care & Comply Partners' Summit 2025 & HSSE Recognition Day: Large-scale events promoting shared responsibility and safety culture

Digital Learning Series

- "Story of Hooper" Video Campaign: Six short episodes introducing HPI concepts and practical applications across the organisation

Process Safety

Process Safety Management (PSM) is a critical framework for the systematic identification, assessment and control of risks associated with operations involving hazardous materials, to prevent major incidents such as fires, explosions and uncontrolled chemical releases. Key elements of PSM are:

- Adoption of LOPC Prevention and Fire Mitigation Framework
- Adoption of LOPC reporting standards as per API754 for Marine Services

Safety Critical Equipment/Elements Performance Monitoring for offshore facilities LOPC prevention and response are supported by multiple layers of protection, including real-time monitoring systems, automated alarms and clearly defined escalation and response protocols. These measures are reinforced through engineering safeguards (such as inherently safe design, fail-safe and integrity-critical equipment), administrative controls (including comprehensive operating procedures and permit-to-work systems) and emergency protection systems (such as fire detection, suppression and emergency shutdown mechanisms).

The effectiveness of the PSM framework is maintained through regular audits, inspections and compliance reviews, supporting continuous improvement and sustained operational integrity.

Management of Change

Management of Change (MOC) is a key element of our HSSEMS, ensuring that any change in operations, equipment, procedures, or organisational structure is systematically evaluated, approved and implemented in a way that minimises risks to people, the environment and our assets.

We apply a risk-based approach through Hazard Identification, Risk Assessment and Risk Control (HIRARC) and require that risks are reduced to a level that is ALARP prior to implementation. A structured approval process, supported by the Change Request Approval Form (CRAF) and defined governance workflows, provides clear validation and sign-off, while integration with core process safety elements such as design integrity ensures that MOC is included across the asset lifecycle. Progress of key actions is tracked through visual dashboards and periodic reviews to verify readiness before commissioning.

STRENGTHENING SAFETY CULTURE

MOC covers a wide range of engineering, operational and organisational changes, including equipment upgrades, piping modifications, adjustments to operating philosophy or safe operating envelopes, as well as role restructuring and procedural updates. To support effective implementation, we conduct regular MOC training and awareness sessions, organise HSSE briefings and HSSE Moments to share lessons learned and perform proactive audits to identify potential changes early and prevent issues from escalating. These efforts help ensure that changes are managed safely and consistently, while supporting reliable and environmentally responsible operations.

Enhancing Safety Culture through Effective Communication

Effective communication is fundamental to maintaining a strong safety culture within the organisation. It enables regular and transparent dialogue that enhances awareness, understanding and adherence to safety rules and regulatory requirements. This proactive exchange of information supports compliance and contributes to a safer work environment, reinforcing the organisation's focus on the well-being of all employees.

HSSE Committee

Employees across the MISC Group are encouraged to raise any HSSE concerns through the HSSE Committees established across the Company. These committees provide a structured forum to consider concerns raised by employees, ensure appropriate actions are taken and review investigations, resolutions and ongoing HSSE performance and initiatives. The committees meet at a specified interval and are chaired by the respective business heads. Matters of significance are escalated to the HSSE & Sustainability Council for further consideration and follow-up, ensuring that issues are addressed with appropriate oversight and accountability.

Unsafe Condition Unsafe Act

MISC's Unsafe Condition Unsafe Act (UCUA) reporting programme serves as a fundamental and proactive safety measure to prevent incidents. The programme aims to address hazards at their earliest stage, preventing escalation and strengthening overall operational safety.

In 2025, the Group set a key performance indicator of achieving a UCUA submission ratio of 1 report per 500 manhours, demonstrating a commitment to identifying and correcting potential risks before they lead to serious incidents. In 2025, we achieved a submission ratio of 1 UCUA report per 566 manhours. As the target was recently introduced, the ratio achieved was slightly below the target. However, it showed significant improvement over the previous year's ratio of 1:679.

2024:	2025:	Target for 2025:
1:679	1:566	1:500

This success was backed by strong employee engagement, resulting in a total of 63,281 UCUA reports submitted during the period. The data analysis further validates the programme's effectiveness, showing a clear correlation between UCUA submissions and a reduction in high-potential and major incidents, proving its value as a fundamental enabler of incident prevention.

To support this critical initiative, MISC utilises a digital UCUA platform that drives efficiency and transparency. This platform enhances the process by reducing administrative workload, providing daily live data analysis for real-time risk detection and supporting anonymous submissions to empower all employees to report. Furthermore, MISC has expanded the scope of reporting to include process safety observations, ensuring early detection and timely improvement of control measures.

Overall, the UCUA mechanism remains a powerful tool for driving continuous improvement, strengthening MISC's safety culture and supporting its journey towards operational excellence and zero harm.

Stop Work Authority

The Stop Work Authority is one of several initiatives developed to promote safe behaviour amongst all employees, both at sea and shore. In 2025, we recorded a total of 9,289 stop work orders, even when employees were unsure and all concerns were resolved before recommencement of work.

2024:	2025:
5,362	9,289

Offshore HSSE Connect

In 2025, the MISC's Offshore HSSE team launched HSSE Connect, a centralised communication platform designed to streamline and strengthen HSSE communications across the Offshore segment. The platform serves as a single, integrated hub for the dissemination and tracking of HSSE campaigns, including safety awareness initiatives and environmental programmes, ensuring consistent messaging, improved visibility and effective reach.

HSSE Connect enables the timely distribution of critical HSSE updates, guidelines and regulatory requirements to relevant stakeholders, thereby enhancing awareness and compliance. In addition, the platform maintains a structured repository of lessons learned from incidents, audits and risk assessments, supporting organisational learning, continuous improvement and the prevention of incident recurrence.

With built-in engagement features and automated notifications, HSSE Connect promotes active participation, keeps teams well-informed and connected and reinforces the Offshore segment's commitment to fostering a safe, resilient and sustainable workplace.

STRENGTHENING SAFETY CULTURE

Safety Programmes

SERUMPUN: Transforming Safety Culture at Our Offshore Segment

The SERUMPUN programme represents a transformation in Offshore's safety culture, shifting from merely pursuing "zero incidents" to making safety a personal commitment rooted in Care & Comply. Launched on 17 July 2025, SERUMPUN is focusing on building trust, fostering belonging and creating a workplace where care is the foundation and safety is the natural outcome, moving beyond basic compliance toward a generative safety culture.

Core principles of SERUMPUN

S	E	R	U	M	P	U	N
Safety First	Engage Everyone	Recognise Risks	Understand Procedures	Mindful Actions	Promote Positivity	Uplift Each Other	Never Compromise

Core initiatives of SERUMPUN

SeLangkah	SayHeart	SeNada	Souk	SeArena	Selring
Invests in underprivileged Orang Asli children through education	Wellness	Mental well-being	Community building via a sustainable flea market	Recreational gaming	Extension of safety practices to include employees' families

Marine Terminal Inspection Enhancement Workshop

Marine Services conducted Terminal Inspection Enhancement (TIE) Workshop at ALAM on 16 October 2025, bringing together more than 50 participants from Marine Assurance, Sungai Udang Port Sdn. Bhd. (SUPSB), Kertih Port Sdn. Bhd. (KPSB), Offshore Terminal Operation (OTO), Peninsular Malaysia Operations (PMO), Sarawak Operations (SKO), Sabah Operations (SBO), PETRONAS GHSE Maritime Safety, Single Point Mooring SPM (SPM) asset owners Single Point Mooring (SPM) Malaysian Refining Company Sdn. Bhd. (MRCSB) and PETRONAS Penapisan Terengganu Sdn. Bhd. (PPTSB), Charterer PETCO and ALAM cadets. The workshop aimed to strengthen cross-functional collaboration and proactively address operational safety gaps within terminal inspection activities.

Introduced in response to operational findings and emerging safety concerns, the TIE initiative is designed to identify and address potential risks at an early stage, preventing escalation and reinforcing Marine Services' commitment to a generative HSE culture and continuous improvement in operational safety.

The one-day workshop provided an open and collaborative platform for participants to share challenges, operational experiences and best practices. It actively promoted a "speak up" culture, reinforcing the principle that collective engagement and open dialogue are essential to achieving safety excellence. The session also offered valuable learning and exposure for ALAM cadets, supporting the development of future maritime professionals with a strong foundation in safety awareness and accountability.

Moving forward, the TIE programme will be progressively rolled out across all PETRONAS ports and terminals, commencing at Sungai Udang Port SPM, to further strengthen a shared commitment to safe, efficient and sustainable maritime operations.

Offshore Process Safety Management: Process Safety Fundamental Launching

On 17 July 2025, in conjunction with SERUMPUN Day, the MISC's Offshore HSSE team launched the Process Safety Fundamentals (PSF) Initiative to strengthen process safety awareness among our Offshore segment's employees. The initiative focuses on reinforcing the critical principles that underpin safe and reliable operations in offshore environments.

The PSF framework comprises nine core fundamentals designed to prevent major incidents and safeguard people, assets and the environment:

- **Respect hazards** – Understand and manage risks before commencing any task
- **Watch for weak signals** – Identify early warning signs and take timely action
- **Stop if the unexpected occurs** – Pause work when abnormal or unsafe conditions arise
- **Apply procedures** – Adhere strictly to approved processes and avoid shortcuts
- **Stay within operating limits** – Operate within defined safe boundaries at all times
- **Sustain barriers** – Maintain the integrity of physical and procedural safeguards
- **Control ignition sources** – Manage energy sources to prevent fires and explosions
- **Maintain safe isolation** – Ensure effective isolation during maintenance and intervention activities
- **Recognise change** – Assess and manage risks arising from changes in conditions or scope of work

The launch of the PSF initiative marks a step forward in our Offshore segment's focus on process safety and continuous improvement. By applying these fundamentals in daily operations, the organisation seeks to strengthen safety practices, improve operational discipline and safeguard the well-being of all employees.

MHB Leadership HSSE Site Engagement

HSSE Leadership Visibility is a key strategic objective for MHB's HSSE performance in 2025. The initiative is designed to strengthen leadership presence at worksites by encouraging leaders to actively engage with employees, promote excellence in housekeeping and reinforce compliance with HSSE standards through visible commitment and direct interaction.

Leaders are encouraged to utilise every opportunity, whether through planned engagements, walkabouts, or informal discussions, to demonstrate care through safety leadership and inspire safe behaviours among the workforce.

STRENGTHENING SAFETY CULTURE

To ensure accountability and track effectiveness, HSSE Leadership Visibility has been incorporated into the Corporate Scorecard, enabling systematic review and monitoring throughout the year. The initiative establishes a cumulative target of 12 walkabouts or engagement sessions per leader annually, with each leader responsible for planning, executing and reporting their safety engagement activities with employees. This structured approach supports the continuous strengthening of safety culture and drives operational excellence across the organisation.

MHB Enhancing Contractor Health, Safety and Environment Management

The Contractor Health, Safety and Environment (HSE) Management Programme was implemented to strengthen HSE leadership competency among contractors, enhance compliance and promote consistent safety standards across all operations.

The Contractor HSE Upskilling Module was successfully developed and delivered to contractor leadership, equipping participants with the essential HSE knowledge and skills required to drive safety excellence within their organisations while performing work on site. A series of engagement and upskilling sessions was conducted throughout the year, beginning with the inaugural session on 2 July 2025, held in conjunction with the HSE Partners Roundtable Programme.

In parallel, the Significant Contractor Audit Programme was conducted to evaluate the effectiveness of HSE implementation among major contractors, focusing on their manhour contributions and high-risk activities performed on site. Significant contractors were audited, with outcomes and feedback reviewed to identify improvement opportunities and drive continuous enhancement of contractor HSE performance.

As part of the recognition and incentive effort, six subcontractors were acknowledged and awarded during the Care & Comply Partners' Summit 2025 for their exemplary HSE performance and contributions to fostering a safe and compliant work environment.

Safety Training

Operations within the maritime industry involve a range of inherent hazards, including heavy machinery, handling of hazardous materials, adverse weather conditions and navigational challenges. Regular, targeted and comprehensive safety training equips personnel with the necessary knowledge and competencies to identify, assess and effectively mitigate these risks.

Incident Learning in Marine Business Incidents

On 20 March 2025, we conducted a knowledge-sharing session on incident occurrences within the Marine Services. Attended by 150 participants, the session highlighted key lessons learned from significant Marine Services incidents, focusing on identified root causes, contributing factors and recommended preventive measures. The objective of the session was to enhance employees' awareness and understanding of industry and organisational risks, reinforce the importance of learning from past incidents and strengthen preventive behaviours to support safer operations and improved performance going forward.

Behavioural Competency Assessment and Verification Assessor Training

The Behavioural Competency Assessment and Verification (BCAV) Assessor Training Programme equips assessors with the capability to evaluate seafarers' behavioural competencies, including the qualities, attitudes and behaviours that underpin safe, efficient and reliable ship operations. The programme strengthens assessors' ability to systematically observe, assess and validate soft skills that influence safety performance, teamwork and decision-making on board.

As of December 2025, the BCAV Assessor Training Programme recorded a completion rate of 90%, supporting MISC's ongoing efforts to reinforce a strong safety culture and high standards of operational competence across its fleet.

MHB Speak-Up for Safety and Line of Fire Educational Campaign

The Speak-Up for Safety and Line of Fire Campaign was launched on 11 August 2025 to raise awareness and empower the yard community to actively intervene in unsafe work conditions and behaviours, particularly when exposed to Line of Fire risks. The campaign targets all personnel within the yard environment, including resident contractors and encourages active participation through meetings, toolbox talks and other engagement forums across business operations.

The campaign seeks to strengthen the organisation's safety culture by:

- **Promoting psychological safety** – Encouraging employees to raise concerns without fear of repercussion.
- **Enhancing workforce engagement** – Empowering personnel to take ownership of their own safety and that of others, especially regarding Line of Fire hazards.
- **Improving hazard reporting quality** – Focusing on the identification, assessment and mitigation of Line of Fire risks.

Through this initiative, the organisation seeks to encourage greater vigilance, proactive behaviour and shared responsibility for safety within the yard community, supporting an environment where every individual plays a part in preventing incidents and protecting lives.

Safety Awards and Recognitions 2025

Throughout the year, MISC received multiple awards in recognition of its achievements and the effectiveness of its comprehensive safety programmes and initiatives across business operations. These accolades reflect the organisation's commitment to operational excellence, continuous improvement and a strong safety culture.

43rd Malaysian Society for Occupational Health and Safety Awards 2025

The Malaysian Society for Occupational Health and Safety Malaysian Society for Occupational Health and Safety (MSOSH) Award is an annual recognition presented to organisations in Malaysia that have demonstrated outstanding occupational safety and health (OSH) performance, as well as continuous improvement in their OSH management systems. The award evaluates the effectiveness of an organisation's HSE Management System in managing workplace safety and health risks.

Participating organisations undergo a rigorous assessment process, including document reviews and site verifications conducted by MSOSH-appointed auditors, followed by evaluation from the MSOSH Technical Committee. The awards are conferred across seven categories, with Platinum being the highest recognition, followed by Grand, Gold Merit, Gold Class 1, Gold Class 2, Silver and Bronze.

Category	Entity	Sector
Grand	MISC Maritime Services Sdn. Bhd. (Sungai Udang Port Sdn. Bhd.)	Petroleum, Gas, Petrochemical & Allied Sectors
Gold Merit	MISC Berhad – Malaysia Vietnam Offshore Terminal (L) Limited *(FSO Orkid)*	Petroleum, Gas, Petrochemical & Allied Sectors
	Akademi Laut Malaysia (ALAM)	Educational Sectors
Gold Class 1	Malaysia Marine and Heavy Engineering Sdn. Bhd.	Petroleum, Gas, Petrochemical & Allied Sectors
	MISC Berhad - Malaysia Deepwater Production Contractors Sdn. Bhd. – *(FPSO Kikeh)*	Petroleum, Gas, Petrochemical & Allied Sectors
	MISC Berhad - Headquarters	Petroleum, Gas, Petrochemical & Allied Sectors

STRENGTHENING SAFETY CULTURE

Jones F. Devlin Safety Award

In 2025, MISC was awarded the Chamber of Shipping of America (CSA) Jones F. Devlin Safety Award for 54 vessels

45 vessels in our Petroleum fleet operated with a total of 328 years with no lost-time injuries.

3 of our lightering support vessels operated with a total of 33 years with no lost-time injuries.

6 vessels in our GAS fleet operated with a total of 19 years with no lost-time injuries.

International Safety@Sea Awards

At MISC, our commitment to safety extends beyond our operational boundaries to the protection of human life at sea. In 2025, the crews of *Seri Daya* and *Seri Emperor,* were honoured with the International Safety@Sea Awards by the Maritime and Port Authority of Singapore (MPA).

These awards specifically recognise Outstanding Contribution to Search and Rescue Efforts, celebrating the bravery and professionalism of our seafarers who went above and beyond their duties to save lives in distress.

Key highlights of the recognition include:

- **Rapid Emergency Response -** The crews were commended for their exceptional seamanship and swift coordination during separate life-saving rescue operations at sea.
- **Professionalism & Humanitarianism -** These accolades reflect the high standards of emergency preparedness and the strong humanitarian values found within MISC's maritime culture.
- **Industry Leadership in Safety -** Being recognised by the MPA, a leading maritime agency and Flag State Administration, highlights MISC's position as a responsible ship owner and operator dedicated to a safer global maritime commons.

Royal Society for the Prevention of Accidents Achievement Awards 2025

In 2025, MISC's *FPSO Kikeh* was honoured with the Silver Award by Royal Society for the Prevention of Accidents (RoSPA) Achievement Award, a prestigious global recognition of the team's outstanding safety performance throughout 2024. This achievement reflects the Care & Comply principles of our people and affirms that our operational standards remain aligned with the highest global benchmarks for workplace safety.

Business Partner Recognition Award

In 2025, Offshore Floating Terminal (L) Limited received the 2024 Business Partner Recognition Award from Chevron Offshore Thailand, in recognition of outstanding operational excellence in the Gulf of Thailand. This prestigious award highlights the successful integration of Chevron's Operational Excellence Management System (OEMS) with MISC's maritime expertise, reflecting a shared commitment to safeguarding people and the environment through strategic partnership.

In June 2025, Majlis Petroleum Malaysia (MPM) conducted an I Care visit to *FSO Orkid,* led by Senior Vice President Datuk Ir. Bacho Pilong and accompanied by representatives from MPM and Hibiscus Malaysia Limited (HML). During the visit, *FSO Orkid* received two Focused Recognition Awards: one for exemplary HSE performance, marked by zero major incidents and a 12-year LTI-free record and another for operational excellence in maintaining zero de-escalation events and penalties during custody transfer operations of *Bunga Orkid* crude from 2023 (BO 216) to 2024 (BO 242). These awards highlight *FSO Orkid's* safety leadership, quality assurance standards and sustained collaboration with key stakeholders.

OCCUPATIONAL HEALTH AND INDUSTRIAL HYGIENE

MISC recognises that the maritime work environment presents both physical demands, including manual handling, heavy lifting and exposure to harsh operating conditions and mental challenges arising from isolation, confinement and prolonged periods at sea. To mitigate these risks, comprehensive occupational health measures, such as ergonomic workplace design, provision of appropriate health facilities and access to employee wellness programmes, are implemented to safeguard employee well-being.

Guided by the HSE Policy and the MISC Substance Misuse Policy, the Company's occupational health management framework is designed to prevent and control work-related illnesses and accidents, while ensuring a safe and healthy working environment that supports both physical and mental health for effective and safe job performance.

In 2025, MISC developed two key guidelines to further strengthen governance, health and hygiene management across its operations.

Framework on MISC Approved Medical Examiner

This framework establishes clear direction on the selection of Approved Medical Examiners (AMEs), medical facilities and the associated assurance processes. Through its implementation, MISC strengthens governance over pre-employment medical screening and enhances quality assurance of medical examiner practices.

The guideline sets out the minimum requirements to be met by medical practitioners and medical facilities to support MISC's pre-employment medical screening needs. It also enables MISC to conduct structured assurance activities for each AME to uphold standards of quality, integrity and service delivery. Collectively, these measures reduce inconsistencies, improve reliability and help ensure that crew members are medically fit and capable of performing their duties onboard.

Guideline on Managing Industrial Hygiene-related Hazard from Maintenance-related Activities

This programme was established to define minimum requirements for the management of industrial hygiene hazards arising from maintenance-related activities. The guideline addresses key occupational health risks associated with activities including abrasive blasting, painting, asbestos handling, lead exposure, man-made mineral fibres, nanomaterials, welding, burning and torch cutting, as well as heat stress.

Through the implementation of this guideline, MISC strengthens its risk management approach, enabling effective control of industrial hygiene hazards and ensuring that employees' health and safety are adequately protected across its operations.

STRENGTHENING SAFETY CULTURE

Occupational Health and Industrial Hygiene Programme

At MISC, our Occupational Health and Industrial Hygiene (OHIH) Programme is our commitment to fostering a safe and healthy work environment for all. Through this programme, we have implemented key initiatives that cover a spectrum of measures aimed at preventing occupational hazards, managing infectious diseases and enhancing the overall well-being of our workforce.

Health and Well-being Programme and Initiatives

Health Passport Programme

The Health Passport Programme is a key initiative within MISC's approach to employee health and well-being. The programme provides structured health screenings to assess an individual's 10-year risk of developing cardiovascular disease, based on the Framingham risk assessment model. Screenings evaluate key health indicators, including cholesterol levels, blood pressure, smoking history, existing chronic conditions and mental health status.

Participation in the programme is voluntary and strongly encouraged as a proactive measure to support employees in managing their personal health and making informed lifestyle choices. To date, the programme has successfully screened 474 employees across three locations, namely Dayabumi Office, MMHE and ALAM.

The programme is delivered by Naluri Life, a health service provider, leveraging digital platforms, professional health coaching and data analytics to ensure effective, seamless and impactful implementation.

Inaugural MISC Wellness Day 2025

MISC hosted its inaugural MISC Wellness Day 2025, an employee-focused initiative aimed at fostering a culture of health and holistic well-being across the organisation. The event featured a range of health-focused activities delivered under the Health Passport Programme, encouraging employees to take proactive steps towards better health management.

Approximately 165 employees participated in the basic health screening activities, which covered key areas including:

- **Health screening -** Assessment of vital indicators such as blood pressure, HbA1c and cholesterol levels;
- **Bone density testing -** Evaluation of bone health and early risk identification;
- **InBody screening -** Analysis of body composition, including muscle and fat ratios;
- **Eye screening -** Assessment of vision and overall eye health; and
- **Mental health assessment -** Raising awareness of employees' current mental well-being.

A key highlight of the event was a panel discussion featuring Tan Sri Dato' Seri Dr. Noor Hisham Abdullah, former Director-General of Ministry of Health, Malaysia. He shared insights drawn from his personal experiences, emphasising the importance of mental well-being, resilience and personal accountability in maintaining overall health. His message reinforced the importance of awareness and proactive action as the foundation of sustained well-being.

MISC Group Walking Challenge

At MISC, the Group continues to promote employee wellness by encouraging the adoption of practical habits that support better health. In 2025, the MISC Walking Challenge was organised to encourage employees to remain active, connected and engaged through regular physical activity.

The challenge invited employees across the organisation, both onshore and offshore, to track their daily steps and work towards a minimum target of 10,000 steps per day, collectively supporting a shared goal of healthier living. Through activities such as morning walks, lunchtime strolls and evening jogs, participants demonstrated how consistent, everyday movement can contribute to sustained physical and mental well-being.

Beyond physical fitness, the Walking Challenge fostered teamwork, friendly competition and mental well-being, reinforcing the message that maintaining good health can begin with simple actions. A total of 350 employees participated in the three-month challenge.

The initiative also saw strong performance at the PETRONAS Inter Operating Unit (OPU) Challenge, where MHB emerged as Overall Champion in the Large Category, while MISC Berhad achieved Second Runner-Up in the Regular Category. These achievements reflect the collective commitment of MISC employees towards a healthier, more active and resilient workforce.

ALAM Weekly Eco Walk

The Weekly Eco Walk was successfully conducted at the ALAM campus over three months from May to August 2025, engaging employees, students and contractors in a healthy and environmentally sustainable activity. The initative effectively promoted physical fitness, social interaction and a sense of community within ALAM.

Health and Well-being Programme and Initiatives (Cont'd)

To enhance engagement and encourage sustained participation, the walks were complemented by two friendly competitions: Step Challenge 3.0, which recognised participants with the highest weekly step counts and Big Loser 2.0, a fitness and weight management challenge designed to motivate consistent and healthy walking habits. Together, these initiatives helped maintain momentum, encourage accountability and keep participants engaged throughout the programme.

Overall, the initiative delivered positive outcomes by encouraging active lifestyles, strengthening teamwork and camaraderie and reinforcing ALAM's commitment to employee wellness, sustainability and active living.

AET Employee Well-being Programme

As part of AET's ongoing commitment to employee well-being, a comprehensive range of wellness initiatives was implemented across its global offices to support employees' physical, psychological and social health. Collaborations with partners such as the Singapore Health Promotion Board, The Style Atelier, TOUCH Community Services and UK-based well-being providers enabled the delivery of diverse programmes throughout the year.

Employees participated in mindfulness initiatives, including the Mindfulness Moment talk and the global AET Learning Series session, "Can Saying 'Yes' Cost You Everything?". Physical well-being was supported through functional strength training, stretching and fitness sessions, physiotherapy services and chair massage sessions delivered in partnership with At Work Wellbeing UK. Nutritional and lifestyle wellness was further strengthened through a Nutrition Talk with Healthology and other nutrition-focused programmes, complemented by global health screenings and assessments.

A range of regional initiatives further enhanced employee well-being, as follows.

- In Galveston, crew members benefited from onboard meal-planning and healthy eating sessions conducted by a visiting chef, workplace injury prevention stretch training and access to a mental health advocate who provided guidance on recognising when to seek professional support.
- In Rio, employees participated in virtual sessions focused on stress management and financial well-being, while
- In Houston, wellness kits were distributed to support employee health during the cold and flu season.

Looking ahead, AET remains committed to expanding its holistic wellness initiatives to foster a healthier, more engaged and resilient workforce.

Marine Services Building Mental & Emotional Strength Through Resilience & Creating a Psychologically Safe Culture

In 2025, Marine Services implemented 13 programmes aimed at strengthening mental and emotional resilience while fostering a psychologically safe and inclusive culture. These initiatives were designed to equip Cadets with the skills to manage stress, adapt to change and support one another effectively.

Through the promotion of open communication and a strong focus on emotional well-being, the programmes contributed to a supportive and nurturing environment in which individuals are empowered to perform and grow. Cadets gained enhanced awareness and understanding of mental health, stress management, emotional resilience, psychological safety, trust-building and change management, reinforcing Marine Services' commitment to holistic development and well-being.

"bigyellowfish" Programme

MISC introduced a behavioural risk management platform in early 2025 to enhance human performance and well-being, particularly in safety-critical maritime operations. The mobile application provides seafarers with convenient and confidential access to professional support, including psychiatrists, nutritionists and shore-based representatives. By the end of 2025, nearly 100% of seafarers onboard had downloaded the application, reinforcing MISC's commitment to proactive mental health management, employee well-being and a safer, more resilient workforce.

Weight Management Programme for Seafarers

Launched in February 2025 by Marine Benefits AS in partnership with Marine Services, the programme targets seafarers identified with elevated Body Mass Index (BMI), aiming to enhance overall health outcomes and support compliance with established fitness standards. The initiative also addresses hypertension and diabetes, with defined thresholds for fitness to sail, promoting the well-being and operational readiness of crew members.

Fit For Purpose Female Boiler Suit

The 2-piece female boiler suit initiative reflects Marine Services' ongoing commitment to diversity, inclusion and the safety of female seafarers. By providing purpose-designed Personal Protective Equipment (PPE) tailored to female anatomy, the initiative enhances comfort, mobility and safety on board, supporting an inclusive and equitable working environment.

STRENGTHENING SAFETY CULTURE

ALAM Health Screening Programme

A Health Screening Programme was successfully conducted on 29 May 2025 at the ALAM campus in collaboration with Klinik Kesihatan Kuala Sungai Baru. The initiative received strong participation, with 70 ALAM employees taking part and was supported by a team of 10 healthcare professionals from the Ministry of Health (MoH), who carried out the screenings and provided professional medical guidance.

The programme encompassed a comprehensive range of health assessments, including blood pressure, blood glucose and cholesterol level checks, body composition analysis, as well as early detection screenings for breast and cervical cancer. These assessments enabled employees to better understand their overall health status, identify potential health risks at an early stage and enhance awareness of preventive healthcare practices.

The programme delivered meaningful outcomes by encouraging employees to take a proactive approach to their personal health and well-being. By emphasising early detection and healthy lifestyle choices, the initiative contributed to the development of a more health-conscious workplace culture. This effort reflects ALAM's ongoing commitment to employee welfare, preventive healthcare and continued collaboration with MoH in advancing public health awareness.

Health and Well-being Training and Awareness

MISC places strong emphasis on creating a workplace where employees can maintain their physical, mental and emotional well-being. Through its Health and Well-being Training and Awareness Programmes, we provide structured opportunities to build understanding, encourage shared responsibility and support healthier choices across the organisation. Each topic under this initiative is designed to raise awareness, encourage preventive action and equip employees with the knowledge to make informed decisions about their health.

Health in 5

MISC recognises that good health is fundamental to sustaining its people, performance and purpose. In support of this commitment, we introduced the 'Health in 5' initiatives to continuously enhance awareness of key health-related topics. The programme delivers practical, evidence-based health insights in concise five-minute sessions, ensuring information is accessible, relevant and easy to apply in daily life. Covering areas such as nutrition, physical activity, mental well-being and preventive care, 'Health in 5' promotes small, consistent actions that contribute to long-term health outcomes.

Mental Wellness

Recognising that mental health is as critical as physical health, the Mental Wellness programme focuses on reducing stigma, encouraging open dialogue and providing resources to support employees in managing stress, building resilience and supporting one another. A series of mental well-being awareness talks was conducted at ALAM, Menara MMHE and the Headquarters at Menara Dayabumi, reaching approximately 1,000 employees who benefited from insights shared by subject-matter speakers.

Health and Well-being Training and Awareness (Cont'd)

Sudden Death Prevention

Anchored on the principle that prevention begins with knowledge, this session focuses on enhancing understanding of the common causes of sudden cardiac arrest and the recognition of early warning signs. It highlights the critical importance of timely emergency response measures, including Cardiopulmonary Resuscitation (CPR) and the use of Automated External Defibrillators (AEDs), reinforcing that prompt action is essential in saving lives.

Ergonomic Awareness

MISC recognises that a healthy workplace encompasses not only physical fitness, but also comfort, proper posture and injury prevention. To support employee well-being, the Office Ergonomics Awareness Programme was conducted in conjunction with ergonomic risk assessments. The programme focused on the role of appropriate workstation design and healthy work practices in preventing discomfort and long-term injuries and was delivered through a combination of e-learning modules and in-person sessions.

Participants received practical guidance on correct sitting posture, computer screen height adjustment, keyboard and mouse positioning, as well as the importance of micro-breaks and stretching during prolonged desk-based work. The programme highlighted how small adjustments can significantly reduce the risk of musculoskeletal disorders, eye strain and fatigue.

Substance Misuse Programme

Recognising that substance misuse can adversely affect safety, performance and interpersonal relationships, this awareness programme educates employees on the health and legal risks associated with alcohol and drug misuse. The programme also promotes healthy coping strategies and provides guidance on accessing professional support when required. Approximately 400 employees participated in these awareness sessions.

In 2025, a total of 7,992 substance misuse tests and 11,665 alcohol tests were administered. Five employees tested positive and were subsequently managed in accordance with established MISC's protocols.

Awareness Briefing on Drug Abuse and Its Impact on the Community for New Intake

An Awareness Briefing on Drug Abuse and Its Impact on the Community was conducted on 26 August 2025 for newly enrolled students at ALAM. The session was delivered by officers from the National Anti-Drug Agency (AADK), Alor Gajah branch and was attended by a total of 229 students.

During the briefing, AADK officers highlighted drug abuse as a significant social issue with far-reaching consequences for individuals, families and society. The session addressed the serious health and psychological risks associated with drug misuse, as well as its negative impact on academic performance, employability and long-term well-being due to addiction and dependency.

At a broader societal level, the briefing brought to light how drug misuse contributes to crime, social instability and weakened community safety. Emphasis was also placed on recognising early warning signs of drug use, accessing available support and rehabilitation services, making responsible lifestyle choices and encouraging peer support to maintain a drug-free environment.

Overall, the session effectively raised awareness among new students on the risks of drug abuse and the importance of prevention through education and mutual support. By promoting a drug-free lifestyle, ALAM seeks to cultivate a safe, healthy and conducive learning environment, reinforcing its commitment to student welfare and holistic development.

Noise and Hearing Conservation

This programme draws attention to the importance of hearing protection in maintaining long-term quality of life. It highlights the need for effective noise exposure control, proper use of hearing protection and regular hearing assessments, helping ensure that employees remain alert, safe and fit for work in noisy environments.

STRENGTHENING SAFETY CULTURE

Food and Water Safety

Grounded in the principle that good health begins with safe consumption, this programme promotes proper food handling, storage and hydration practices. Applicable across home, office and offshore settings, the training is designed to prevent foodborne illnesses and support overall well-being. Participants were also equipped with the knowledge and skills to carry out assurance activities related to food and water safety.

Mind Guardian Programme

Marine Services takes pride in maintaining its steadfast commitment to employee well-being through the successful continuation of the Mind Guardian programme. This distinctive in-house programme aims to empower our Top 4 officers and shore employees with the knowledge and skills needed to identify signs of depression and anxiety among colleagues. Through this programme, participants learn essential counselling skills to enable them to act as first responders onboard.

Enhancing Employee Health and Well-Being Through Workplace Facilities

Nursing Room	We provide mothers room in Menara Dayabumi. These accommodations are available throughout the day for nursing mothers.
Gym	In 2022, we reopened our newly revamped gym in our Menara Dayabumi office. We also have a dedicated instructors to help guide our employees in their workout routine.
Jamming Room	Our jamming room in Menara Dayabumi is accessible to our employees, complete with a jamming equipments such as guitar, drum, sound systems and others.
Power Nap Room	To encourage the benefits of power nap, Gas Assets & Solutions has embarked on initiative to support the well-being of its employees by launching a pilot power nap room for our employees based at Menara Dayabumi. The convertible meeting room to power nap room was equipped with four reclining beds.
Sports Center	MISC believes that a healthy workforce is an active workforce and recognises the important role that regular physical activity plays in enhancing employee well-being, teamwork and productivity. In support of this, the Sports Centre is equipped with modern facilities designed to cater to the diverse fitness needs of employees. These include an aerobic studio, squash courts, cardio room, weight room, dart area, table tennis facilities and badminton courts. To further encourage active lifestyles, fitness classes such as Zumba and Yoga are organised and managed by the MISC Sports and Recreational Club (MSRC). These sessions promote physical fitness while providing employees with opportunities to de-stress, connect and maintain a balanced lifestyle. Qualified instructors are available at the gym to support employees in their fitness activities.

SECURITY

Security Challenges in 2025: Navigating Uncharted Waters

As a responsible global maritime and energy solutions provider, MISC Berhad recognises that geopolitical risks, such as political instability, terrorism and armed conflict, can significantly influence business continuity and stakeholder confidence. Geopolitical uncertainty is expected to intensify in 2026, largely driven by a major escalation in the Middle East, resulting in the closure of the Strait of Hormuz, a critical maritime chokepoint for global energy markets and internaltional trade. In response, we apply a structured People, Process, Platform (PPP) Framework to strengthen our resilience, enhance governance and ensure the security of our global operations. This approach integrates duty of care for the workforce, structured operational procedures and adherence to customer security requirements across all regions in which MISC operates.

In 2025, targeted awareness programmes continued to build greater security awareness across the organisation, with a focus on the impact of geopolitical developments on maritime operations and workplace safety. Our collaboration with the Royal Malaysian Navy (RMN), including Exercise Naga Emas 2025 and partnerships with the Naval Intelligence Division (NID) and Information Fusion Centre (IFC) Singapore, reflect our commitment to intelligence sharing and Maritime Domain Awareness (MDA). Through these strategic alliances, we strengthen our capacity to manage emerging risks, safeguard our people and assets and uphold the long-term sustainability and resilience of MISC's global operations.

Our Security Framework

Globalisation continues to shape the world economy, yet one of the most significant factors influencing global and regional stability is geopolitical risk, the potential for unexpected events arising from a country's political and strategic position. Such events can disrupt consumer behaviour and delay corporate investment decisions.

As a multinational corporation, MISC Berhad operates across diverse regions and cultural landscapes, exposing the Group to a range of geopolitical challenges, including terrorism, political tensions and armed conflict. Recognising these risks, we remain committed to safeguarding our people, clients and operations through advanced technology, strategic partnerships and deep security intelligence.

To effectively manage these risks, we have adopted the PPP Framework, focusing on:

- **People -** Ensuring duty of care through travel and expatriate security initiatives.
- **Process -** Strengthening Standard Operating Procedures for handling incidents such as armed robbery, terrorism and geopolitical instability.
- **Platform -** Upholding customer security compliance and continuous monitoring of emerging threats.

Our mitigation measures include enhancing physical security at exposed sites, closing security gaps at terminals and improving access to real-time incident data. We also continue to provide a proactive security culture across the organisation through awareness and training.

STRENGTHENING SAFETY CULTURE

Security Awareness Initiatives

As part of our ongoing efforts to enable a proactive security culture throughout the company, we organised security awareness webinars on geopolitical risk's impact on marine businesses. Our colleagues learned important lessons about how changing international alliances and national conflicts are affecting how marine companies conduct business. Meanwhile, a physical security awareness programme was organised as a reflection of MISC's efforts to building a safe, inclusive and supportive workplace, one where women feel seen, empowered and protected, both onshore and at sea.

Stakeholder Engagements and Collaboration

In 2025, we conducted security awareness webinars on the impact of geopolitical risks on the maritime industry, helping employees understand how shifting international alliances and country conflicts affect business operations. We also launched a Physical Security Awareness Programme, underscoring our commitment to a safe, inclusive and supportive workplace, particularly for women, both onshore and at sea.

MISC maintains strong collaborative ties with the RMN through our annual exercise, Naga Emas 2025, which strengthens maritime security and enhances our preparedness against piracy and maritime terrorism. Our partnership with RMN's NID enables effective information sharing under the MDA initiative.

Eksesais Naga Emas 71/2025

Courtesy Call with Naval Intelligence Division

STRENGTHENING SAFETY CULTURE

We also welcomed participants from the Malaysian Navy Junior Officer Command Course (JOCC) KD Sultan Idris 1. The engagement served as a meaningful platform to reaffirm MISC's commitment to safe and secure global operations, driven by integrated risk management and the power of intelligence sharing.

Courtesy visit with Junior Command Course (JOCC) KD Sultan Idris 1

Additionally, we actively participated in regional and national security dialogues, including seminars hosted by the Information Fusion Centre (IFC) Singapore, MIMA South China Sea Conference and a national roundtable with Bait Al Hasanah and Malaysian Institute of Defence and Security (MiDAS), focusing on strengthening maritime security capabilities and stakeholder collaboration.

Through these efforts, MISC Berhad continues to reinforce its position as a responsible global player resilient against geopolitical risks and steadfast in protecting our people, assets and partners.

9th Maritime Information-Sharing Exercise (MARISX)

12th Regional MARSEC Practitioner Programme (RMPP)

Roundtable discussion organised by Bait Al Hasanah and MiDAS

STRENGTHENING SAFETY CULTURE

AUDIT AND ASSURANCE

MISC's HSSE practices are subject to rigorous internal audits and assurance processes conducted by Group HSSE. These processes are designed to strengthen HSSE culture transformation, reduce high-potential incidents through timely intervention strategies and enhance compliance and operational safety across business units, marine assets, contractors and shipyards. The scope of these audits extends to group entities, business partners and third-party service providers, supporting transparency and driving operational excellence.

The audit and assurance activities further assess the adequacy and effectiveness of implemented controls and ensure compliance with applicable laws, regulations and internal requirements. Insights derived from these exercises enable MISC and its partners to identify areas for improvement, strengthen risk-based management practices and reinforce the organisation's commitment to operational integrity and continuous improvement.

Group HSSE Audit and Assurance

Through an independent HSSEMS assurance process, a standardised approach was established for managing risks associated with business entities and partners, including third-party involvement in vessels and offshore assets operations. This assurance process ensures effective risk management, regulatory compliance and alignment with established HSSE standards.

Effective management of third-party HSSE risks strengthens operational integrity and safeguards personnel, assets, the environment and the organisation's reputation, reinforcing a consistent and robust safety framework across all operations.

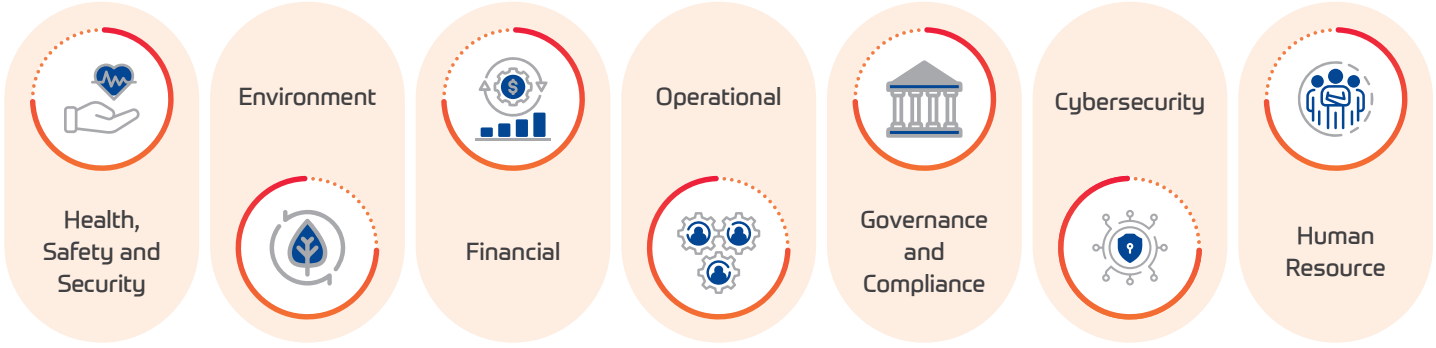
Types of Assurance	Description	No. of audits and assurances conducted in 2025
Marine Asset Assurance (Vessels & Offshore Assets)	• Conducted on Floating Production Storage and Offloading (FPSO), Floating Storage Offloading (FSO), Floating Storage Unit (FSU) and vessels • Audits are conducted at two-year intervals and the scope of the inspection is based on the 12 elements of the OCIMF Guidelines on the marine assessment of FPSO, the Company's Operations Manuals and all relevant legislations applicable to the assets	3
HSSEMS Assurance	• Audits are conducted on MISC Group Entities, Business partners/suppliers, at every two to three-year rotation. Covers topics such as: - Leadership and Commitment - Policy and Strategic Objectives - Organisation, Responsibilities, Resources, Standards and Documents - Hazards and effects management process - Planning and Procedures - Implementation and Monitoring - Assurance - Management review	17
Ship Recycling Yard Assurance	Conducted to assess conditions and suitability of ship recycling yards that comply with health, safety and environmental standards, including workers' welfare and rights. These factors contribute to the overall suitability of ship recycling yards, ensuring they are safe, environmentally sound and compliant with international standards. * *Read more in the Promoting Circular Economy section*	13

Note: Total including Group Entities, Business Partners and Third-party Ship Managers.

The key audit and assurance findings primarily relate to human factors affecting operational safety, including gaps in zonal maintenance practices, non-compliance with established procedures and protocols and weaknesses in safety practices and incident management processes. All findings are systematically tracked, monitored and verified to ensure timely and effective close-out.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY PLANNING

The Strategic Crisis Management Guideline (SCMG) was established in 2023 to ensure that MISC can effectively respond to and recover from operational and non-operational crises, while also reducing the potential impact on the organisation's reputation and operations and maintaining financial stability. This guideline also promotes preparedness, response coordination and continuous improvement in crisis management practices. The SCMG covers the following seven categories of risks that could escalate to a crisis:



MISC Crisis Management Drill 2025

MISC strengthened its organisational readiness through Exercise Black Tide II, a Tier 3 crisis simulation designed to test real-time response and decision-making under extreme pressure. The exercise challenged teams to manage complex security, operational, cyber and stakeholder pressures involving FSU 1 and FSU 2 near Terminal RGTSU, while validating the Crisis Management Information System and Strategic Crisis Management Guideline.

Led by the PGCEO as Crisis Commander, the exercise brought together functions and business units across the Group, reinforcing integrated coordination, clear communication and leadership continuity in safeguarding people, assets and reputation. Facilitated by PETRONAS Group HSSE, it emphasised command succession, next-of-kin management, stakeholder engagement and recovery planning, with key observations and recommendations to be incorporated to further strengthen crisis preparedness.

Crisis Management Response Exercise

STRENGTHENING SAFETY CULTURE

Bunga Kertas Tier-2 Emergency Exercise

On 19 August 2025, MISC successfully conducted Exercise Sathorn, a Tier 2 emergency simulation involving *FSO Bunga Kertas*. The exercise was designed to test and validate integrated crisis response capabilities across borders, engaging Emergency Management Teams (EMT) in Kuala Lumpur and Bangkok, in collaboration with partners FPSO Ventures and Chevron.

The simulation replicated a realistic emergency scenario, enabling effective validation of communication protocols and further refinement of coordination among response teams and the Integrated Emergency Management Centre (EMC) in Bangkok. Exercise Sathorn reinforces MISC's commitment to operational safety, emergency preparedness and continuous improvement, ensuring personnel are well-equipped to respond decisively and effectively to potential incidents.

Sungai Udang Port Lay-up Drill

On 2 September 2025, Sungai Udang Port Sdn. Bhd. (SUPSB) conducted its Lay-Up Drill at Wisma MISC, Cyberjaya, to enhance safety performance, emergency preparedness and operational excellence. The exercise brought together representatives from key MISC business units and simulated a range of vessel lay-up scenarios, including severe weather conditions, anchor dragging, man-overboard incidents, re-anchoring operations and oil spill response readiness.

The drill strengthened coordination, decision-making and environmental preparedness across participating teams. Key outcomes included the identification of opportunities to further refine standard operating procedures (SOPs), reinforce clarity in communication, roles and reporting lines and enhance overall response effectiveness. The insights gained from the exercise will inform future improvements, supporting the continued development of a strong HSSE culture and safer, more resilient and sustainable maritime operations.

ASSET INTEGRITY MANAGEMENT

At MISC, there are two types of critical assets: vessels (petroleum and gas) and offshore facilities. Due to the different nature of these assets, the asset integrity is managed differently, as elaborated in the following section.

Integrity of Vessels

MISC is subject to applicable IMO Conventions such as SOLAS, MARPOL and the International Convention of Load Lines. We are also guided by the contract terms to manage our assets. Vessel integrity management is under the purview of Marine Services and other appointed ship managers.

Part of ensuring vessel integrity is through risk management which is managed through the vessel's annual Planned Maintenance System (PMS). The PMS also acts as the asset management plan where the PMS on all our vessels is approved by the appointed Classification Societies. This enables our ship manager to plan, perform and document vessel maintenance at intervals complying with Class and manufacturer requirements, in ensuring safe and reliable vessel operations.

We ensure the robustness of vessel integrity management through various regulatory and industry audits such as:

1 Mandatory regulatory assessments:

- Conducted by the appointed Classification Society on behalf of the flag state where the frequency is specified according to relevant regulations

2 Tanker Management and Self Assessment (TMSA) Programme and Ship Inspection Report (SIRE) Programme developed by the OCIMF, which our customers are also members of:

- TMSA assesses our ship manager's safety management system against set KPIs and minimum standards
- Ship Inspection Report assesses shipboard quality and safety standards

3 Audits by ship managers:

- Conducted annually for all our vessels per the regulatory requirements by the vessel's flag state and relevant ISO standards on quality, environmental, safety and energy management

Findings from these audits and assessments are used for continuous improvement in ensuring the integrity and efficiency of our vessels.

Integrity of Offshore Facilities

The Offshore segment holds ISO 55001:2014 Asset Management System certification for its facilities. To maintain compliance with this standard, the segment has implemented an Asset Management Policy and an Asset Management System Manual, which provide guidance to ensure adherence to regulatory requirements, fulfilment of customer expectations, alignment with industry standards and enhancement of safety and security measures. Oversight of offshore facilities integrity management rests with the Director of Asset Operations, Offshore segment.

ISO 55001:2014 Asset Management System certification entails annual surveillance audits and recertification audits every three years, conducted by an external auditor. Internal audits are performed in advance of these audits to ensure preparedness. Findings from both internal and external audits inform continual improvement initiatives, supporting the ongoing integrity and reliability of offshore facilities.

Advance Quality Inspection in FPSO Construction

The Offshore business segment is driving innovation by adopting advanced inspection technologies to enhance asset integrity and support efficient repair and conversion of FPSO units. A key focus is on Non-Destructive Testing (NDT), which enables accurate data collection to support predictive maintenance and extend asset life.

By integrating tools such as robotics, drones and advanced NDT techniques, we aim to reduce downtime, improve inspection precision and strengthen safety performance. Collaborations with global experts facilitate knowledge transfer to internal teams, building long-term technical capabilities.

This transition to smarter inspection practices reinforces existing workflows and positions the segment for future conversion projects, where precision and reliability are paramount.

OPERATIONAL EXCELLENCE PERFORMANCE

In a competitive business environment, we remain committed to delivering high-quality service to our customers while driving sustainable growth for our shareholders. This is achieved through efficient vessel management, rigorous asset maintenance and strategic planning of fleet renewal and newbuild programmes to meet evolving customer demands.

Vessel Availability	Vessel Utilisation	Offshore Floaters' Uptime Performance
>99%	>95%	>97%

OUR PEOPLE, OUR STRENGTH

Our Commitment

Futureproof talents and drive leadership agenda by accelerating talent potential in a high-performing organisation

Our Contribution to SDGs

Promote female participation in the maritime industry and ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

Promote equal opportunities in the workplace irrespective of age, gender, nationality and cultural background

At MISC, our people are fundamental to delivering our strategic priorities and advancing our 2050 ambition. The Group focuses on building an engaged, diverse and inclusive workforce equipped to meet evolving industry and stakeholder expectations. Priorities include strengthening leadership capability, preparing talent for future operational requirements and supporting the Company's long-term strategic direction. In parallel, practical measures are implemented to manage climate-related risks, with employee safety and well-being integrated into workforce planning and risk management processes.

Workforce well-being and development are supported by structured human resource policies, fair labour practices and a safe, inclusive and respectful working environment. Continuous learning is delivered through formal training programmes and defined career pathways that enhance capability across the organisation. Sustained investment in workforce development strengthens operational resilience and supports the Group's ability to adapt to technological advancement, regulatory developments and market shifts over the short-, medium- and long-term.

The Group also advances diversity and inclusion by valuing different perspectives and promoting equal opportunity across the organisation. Creating space for varied experiences and viewpoints strengthens collaboration and supports better decision making. Through these efforts, MISC aims to build a positive and enabling working environment that supports sustainable performance and long-term value creation.

ADVANCING OUR TALENT STRATEGY

In 2025, we continued to build on the strong foundation established in prior years, reinforcing our commitment to developing a future-ready workforce to support MISC's vision and long-term aspirations. Our efforts this year were focused on advancing the Group's Talent Strategy to strengthen leadership continuity, enhance critical capabilities and ensure sustained organisational resilience.

The Talent Strategy is structured around three key focus areas:

Talent Fulfilment: Ensuring the availability of appropriate talent to meet current and anticipated business requirements. This includes strengthening productivity measures to enhance organisational effectiveness and enabling global mobility through structured job rotations and cross-entity assignments.

Workforce Capability: Advancing capability development with emphasis on critical and emerging skills required to support new energy initiatives, digitalisation and decarbonisation. This is delivered through structured capability management processes and targeted interventions to address identified capability gaps.

Leadership & Culture: Strengthening leadership depth across all levels by promoting inclusive, accountable and change-ready leadership behaviours. This supports cultural alignment, enhances employee engagement and enables enterprise-wide transformation in line with the Group's strategic direction.

STRENGTHENING TALENT FULFILMENT

In 2025, talent readiness remained a strategic focus for MISC. The Group strengthened workforce planning, recruitment and global mobility frameworks to ensure alignment between business priorities and workforce capacity, positioning the organisation to respond effectively to evolving operational and strategic requirements.

Strategic Workforce Planning

Our strategic workforce planning aligns human capital needs with business objectives and optimises our manning requirement and manpower cost. The five-year strategic plan allows us to look at future resource requirements, skill gaps and developmental needs. This enables us to define the right intervention plan to ensure manning continuity, specifically whether to build, buy or borrow talents. It helps us assess strategic workforce decisions, ensuring that our talents are effectively positioned to support our long-term goals.

To support timely and objective decision making, we have adopted a data-driven approach informed by key performance metrics such as hiring and attrition trends, succession planning and manpower utilisation. These insights are consolidated and reviewed through updates to the Management, providing a clear basis for workforce planning decisions. This approach ensures that talent is effectively positioned to support our long-term goals and contributes to building a resilient and future-ready workforce aligned with the Group's evolving business portfolio and sustainability ambitions.

Talent Acquisition Initiatives

All MISC's hiring policies comply with both local and international labour regulations such as the Employment Act 1955 and Industrial Relations Act 1967 for Malaysia, the International Labour Organization (ILO) standards and the Maritime Labour Convention (MLC). We uphold a zero-tolerance approach to child labour and forced labour, as outlined in our Human Rights Policy and Modern Slavery Statement. Furthermore, all third-party entities conducting work for or on behalf of the Group are required to adhere strictly to these regulations, reinforcing our dedication to ethical labour practices and the protection of human rights.

Talent Pipeline Development

MISC's talent acquisition strategy remains focused on attracting experienced professionals to address evolving business priorities, operational requirements and critical capability gaps. This approach enables the Group to secure specialised expertise while maintaining continuity in the delivery of its strategic and operational objectives.

In parallel, MISC is strengthening long-term workforce sustainability through the gradual expansion of early career talent initiatives. By balancing seasoned technical expertise with the cultivation of emerging talent, the Group is building a sustainable talent pipeline aligned with future business needs and contributing to the broader national talent ecosystem.

Strategic Digital Talent Acquisition

Leveraging on professional social networking platform remains an integral component of MISC's responsible and transparent talent acquisition practices. The Group continues to utilise digital sourcing platforms as a key sourcing channel to enhance talent outreach, strengthen employer visibility and support evidence-based decision-making. Through access to the platform's extensive professional networks and analytics capabilities, MISC gains access to a wider and more diverse pool of candidates while ensuring the talent acquisition processes are inclusive, fair and aligned with industry standards. The platform's market insights on talent availability and emerging skills trends also support more strategic workforce planning, enabling the organisation to anticipate future capability needs and respond more effectively to an evolving operating environment.

OUR PEOPLE, OUR STRENGTH

University Engagement

In 2025, MISC strengthened its engagement with youth and universities as part of its commitment to developing a sustainable talent pipeline. The Group participated in the Universiti Teknologi PETRONAS (UTP) Career Fair, engaging approximately 300 students to provide insight into career pathways, sustainability priorities and opportunities within the maritime and energy sectors.

MISC also took part in the GRADUAN Select ISpeed Interview session, offering students and recent graduates practical exposure to interview processes and workplace readiness expectations. These initiatives support the development of a structured early-career talent pipeline aligned with the Group's future workforce requirements.

The engagement was anchored on three core pillars:

- **Business:** Strengthen the employer brand and attract high-potential candidates
- **Environmental:** Promote sustainability initiatives and low-emissions shipping technologies
- **Social:** Foster inclusive engagement, including with underrepresented groups in science, technology, engineering and mathematics (STEM)

Going forward, the Group will expand on-site engagement with leading public and private universities in Malaysia and selected institutions overseas. Collaboration with business units will be further strengthened, alongside the continued positioning of ALAM as an integral component of the Group's broader talent ecosystem.

Graduate Employability Enhancement Scheme (GEES)

The Graduate Employability Enhancement Scheme (GEES) forms part of MISC's long-term workforce planning framework and supports the development of a sustainable talent pipeline. Introduced in 2024, the programme is designed to attract high-potential Malaysian graduates and contribute to structured succession and capability development across the Group.

GEES provides a two-year structured development pathway that combines on-the-job learning with direct industry exposure. Participants build technical and professional competencies aligned with business-critical functions. By the end of 2025, 20 participants had been placed across the MISC Group, reflecting the programme's continued implementation and its role in strengthening future leadership and technical capacity.

Internship Programme

The Internship Programme remained an important component of MISC's commitment to promoting inclusive access to skills development and supporting the national agenda for human capital advancement. In 2025, the programme achieved a meaningful milestone with the onboarding of MISC's first diploma-level intern from ALAM. This expansion reflects the organisation's continued efforts to broaden participation among students from diverse academic pathways, ensuring that opportunities for industry exposure are equally available.

By providing structured and supervised workplace learning, the internship programme supports the transition of youth into the workforce, strengthens their employability and contributes to the long-term development of Malaysia's talent landscape. The inclusion of diploma-level candidates also aligns with the national emphasis on strengthening Technical and Vocational Education and Training (TVET) pathways, reinforcing MISC's role as an active partner in shaping a more inclusive and future-focused talent ecosystem. This initiative forms part of the organisation's broader social responsibility commitments, particularly in empowering young Malaysians and promoting equitable access to early career opportunities.

Global Mobility

MISC provides structured pathways for employee mobility across entities and geographies, enabling cross-entity assignments and job rotations that support both career progression and organisational effectiveness. These initiatives broaden functional expertise, provide exposure to diverse operational environments and strengthen the deployment of critical talent across the Group's global footprint. Strategic mobility supports succession planning and ensures key roles are filled by appropriately skilled personnel, while equipping employees with the experience required for future leadership responsibilities.

In 2025, we successfully filled an extensive number of our shore-based vacancies through internal movements as a result of our career progression and global mobility programmes.

BUILDING WORKFORCE CAPABILITY

As part of MISC's five-year Talent Strategy, the Group continues to implement a range of learning and development initiatives focused on strengthening workforce capability across its operations. In 2025, 4,967 of our shore employees attended training programmes, averaging 20 training hours per employee. These initiatives aim to equip employees with the skills to adapt, innovate and excel in the evolving energy and maritime sector while supporting the Group's long-term sustainability objectives.

Functional Capability Development Framework

In 2025, MISC embarked on enhancing its Functional Capability Development Framework to better respond to emerging industry requirements, equipping employees with the skills to adapt, innovate and excel in the evolving energy and maritime sector. Competency requirements for each role are defined through a structured and transparent approach, guiding the design and prioritisation of targeted learning programmes. This ensures that capability-building efforts not only enhance current role effectiveness but also cultivate future-ready skills in support of MISC's long-term sustainability objectives.

Key Development Programmes in 2025

Techno-Commercial Excellence in Maritime

The Techno-Commercial Excellence in Maritime (TEXiM) programme is designed to strengthen techno-commercial skills to bridge technical expertise and commercial acumen that is fit for purpose for MISC in the space of maritime industry, while fostering cross-entity collaboration. Delivered in partnership with UTP, TEXiM equips participants with the skills to make informed, value-based decisions that support long-term business objectives. Looking ahead, MISC intends to expand participation to a broader group of technical professionals and embed key programme insights into the Group's wider talent development initiatives.

MISC Professional Engineer Development Programme

In 2025, MISC launched the Professional Engineer Development Programme to strengthen the capabilities of its engineering workforce and support employees in attaining professional accreditation. The initiative enhances technical standards across the organisation while contributing to structured and sustainable career progression.

The programme will be progressively scaled, supported by formal mentorship and continuous guidance to assist participants through to certification completion.

Port and Terminal Multiskilling Programme

This programme certifies Marine Executives to perform multiple roles i.e., Marine Controller, Offshore Pilotage, Loading Master and Marine Pilot. This develops multi-skilled executives to enhance operational efficiency and versatility by equipping participants with the knowledge and competencies across these disciplines, enabling them to safely and effectively manage complex, next-generation fleet operations.

Collaboration with Universities and TVET Institutions for Heavy Engineering

Partnerships with TVET institutions to establish a sustainable talent pipeline, ensuring graduates enter the workforce with job-ready and industry-relevant skills.

Awareness on Energy-Saving Technologies for Petroleum & Products Segment

This business awareness and learning sessions were conducted to strengthen organisational understanding of alternative fuels in support of the MISC Group's decarbonisation agenda. The sessions first focused on Marine Environment Protection Committee (MEPC) outcomes and their implications for business, followed by topics on exploration of decarbonisation pathways, including the evaluation of energy-saving technologies, alternative fuels such as biofuels and LNG and the future potential of green ammonia and carbon capture technologies.

OUR PEOPLE, OUR STRENGTH

e-Learning Programmes

MISC continues to leverage its established online learning platform to identify employee developmental needs and assign Group-driven e-learning content tailored to business requirements. This includes essential topics such as sustainability, compliance and safety, ensuring that each employee receives structured and relevant training aligned with organisational goals. With access to over 22,000 learning modules across a wide range of subjects, employees can engage in flexible, self-paced development anytime, anywhere and on any device, ensuring continuous professional growth and enhancing workforce competency.

MyWisdom: Fostering Continuous Learning in MISC

MyWisdom is a digital training and knowledge-sharing platform designed for the Offshore segment. The platform facilitates the seamless exchange, dissemination and collaborative sharing of technical knowledge, expertise and insights, while also serving as a central repository to preserve and leverage organisational intellectual property among Offshore personnel.

The learning content on MyWisdom is curated by internal subject matter experts and spans more than 50 offshore related topics. The platform was developed to support Talent Management objectives and to address identified gaps from the Functional Competency Assessment for Offshore segment's employees. As part of this initiative, technical knowledge has been transformed into engaging audio-visual e-module content, enabling a flexible and immersive learning experience.

MyWisdom leverages existing MISC digital infrastructure, including the TMS and Microsoft Stream, to host e-module courses. The platform features live Q&A capabilities to encourage interactive engagement, with automated tracking of employee learning progress.

By capturing institutional knowledge and enabling continuous professional development, MyWisdom contributes to workforce capability building and supports employees in earning Continuing Professional Development (CPD) hours for professional certifications. Through the integration of diverse expertise across the organisation, the platform strengthens MISC's talent pipeline and enhances workforce readiness to meet the evolving demands of the offshore industry.

Key Development for Seafarers

MISC's operational performance is supported by a strong pool of seafarers managed through its Marine Services division. To build a highly skilled and sustainable maritime workforce, Marine Services implements a structured capability development programme for both seafarers and shore-based personnel, ensuring consistently high standards of competence, safety and operational excellence across the fleet.

MISC seafarers currently operate and manage a diverse and increasingly complex range of vessels, including Very Large Ethane Carriers (VLECs), LNG Bunker Vessels (LBVs), LNG Carriers (LNGCs), LNG dual-fuel petroleum tankers, Dynamic Positioning Shuttle Tankers (DPSTs), LNG Floating Storage Units (FSUs) and Modular Capture Vessels (MCVs).

In response to an evolving market environment, Marine Services is proactively addressing the growing demand for expertise in advanced gas and dual-fuel vessels. This includes the progressive reskilling of the existing workforce through specialised training in alternate fuel management, the systematic upskilling of seafarers from conventional vessels to support their transition into the specialised gas fleet and targeted upskilling programmes for gas fleet engineers transitioning from steam to motor propulsion. These initiatives enable the Group to meet evolving customer requirements while supporting the long-term employability and career progression of its seafarers.

Key capability development initiatives implemented by Marine Services include:

Ammonia Fuel Readiness: Marine Services is exploring the adoption of ammonia as a potential low-carbon marine fuel, with a focus on building foundational capabilities and operational readiness to support future deployment.

Steam-to-Motor Programme: In collaboration with ALAM, Marine Services implemented an upskilling programme to strengthen seafarers' competencies and certify steam engineers to operate gas vessels with motor propulsion systems.

Skills Enhancement Programme for Ratings: A basic welding course was introduced for Ratings to strengthen technical proficiency, promote safe hot work practices and enhance practical on-board capabilities.

DPST Programme: Marine Services continues to enhance seafarers' skills to support MISC's expanding DPST fleet, with the strong pool of DPST personnel reflecting the successful development of home-grown talent capable of assuming higher operational responsibilities.

New Vessel Familiarisation Programme: A structured programme designed to ensure seafarers are fully acquainted with the technical, operational and safety requirements of newly introduced vessels, focusing on system functionality, regulatory compliance and best practices to enable safe and seamless integration into fleet operations.

Shipboard Supervisory Course: This programme is designed to strengthen the leadership capabilities of shipboard supervisors, including Bosuns and Fitters, by enhancing their skills in team leadership, decision-making and operational management. The course covers critical competencies such as operational safety procedures, effective communication, teamwork, delegation, accountability, trust building and managing operational pressures. It also provides guidance on workplace practices, including fair and skills-based hiring.

In 2025, Marine Services invested RM22.3 million in training and development programmes for seafarers, with 3,663 seafarers participating in these initiatives and an average of 19 training hours per employee.

Facilitating Sea to Shore Career Advancement

As part of our commitment to career development and workforce continuity, we provide seafarers with opportunities to transition into shore-based roles. Selected employees undergo a comprehensive 6- to 12-month training programme to build expertise in office-based functions and gain a deep understanding of shore management for vessels and related operations. To support retention and recognise employee contributions, we have implemented Unified Terms and Conditions across our fleet, offering competitive compensation packages. In 2025, 42 employees completed the programme, strengthening our talent pipeline and supporting long-term organisational sustainability.

Sustainable Pool of Future Seafarers Talent

MISC is building a dedicated and specialised crew base to develop the next generation of seafaring talent. In 2025, we sponsored 776 cadets at ALAM, including 153 new recruits, reflecting our focus on developing skilled professionals and supporting the long-term sustainability of the maritime workforce.

LEADERSHIP AND CULTURE

In 2025, the Group prioritised the advancement of leadership capability and the development of a cohesive organisational culture. It continued to implement a comprehensive range of initiatives to develop inclusive, change ready and performance driven leaders, while reinforcing cultural values that promote accountability, collaboration and a growth mindset.

MISC adopts a structured approach that combines leadership development, experiential learning through assignments and targeted cultural initiatives to prepare employees with the skills, behaviours and experience required to respond to industry shifts and operational demands across its energy and maritime businesses.

OUR PEOPLE, OUR STRENGTH

Leadership Development

MISC Leadership Programme

MISC strengthened its leadership capability in 2025 through targeted programmes designed to address the specific development needs for its future leaders. Executive coaching was deployed for selected business and enterprise critical roles successors, focusing on enhancing leadership capability, strategic decision-making, stakeholder management, and readiness for enterprise-critical roles.

Complementing formal learning, experiential development assignments were also systematically deployed. These include cross-functional projects, enterprise task forces, international exposure, stretch roles and strategic transformation initiatives. Such assignments are purposefully matched to individual capability gaps and succession readiness requirements, ensuring experiential learning translates directly into business impact.

Through this integrated approach of combining structured pathways, executive coaching and targeted stretch assignments MISC reinforces a sustainable, future-ready leadership pipeline aligned to enterprise growth ambitions.

Talent Management Framework

Talent Management is a cornerstone of MISC's Talent Strategy, established to strengthen leadership bench strength and embed a consistent leadership culture across the Group. The framework ensures a sustainable pipeline of capable leaders who are equipped to deliver current business priorities while preparing the organisation for future growth and transformation. It integrates three interdependent pillars: Top Talent Management, Succession Planning and Leadership Development Programmes.

Top Talent Management

MISC adopted a structured and evidence-based approach to identify, assess and differentiate high-performing and high-potential leaders. Talent evaluations are multi-dimensional, incorporating leadership competency assessments, learning agility indicators and personality archetype insights. This disciplined methodology enhances objectivity, transparency and consistency in talent decisions. It enables focused development interventions, strengthens leadership quality and ensures that investment in talent delivers measurable organisational impact.

Succession Planning

Succession planning is critical for MISC to continuously have a consistent and dependable pipeline of talented professionals ready to assume the Business and Enterprise Critical roles. Our robust succession planning exercise and talent development earmark potential successors and high potential talents, ensuring business continuity while future-proofing leadership capacity.

This is achieved through systematic succession mapping, rigorous bench strength analysis and targeted talent development interventions. Regular Talent Review and Calibration sessions align individual career aspirations with enterprise priorities, supporting a pipeline of ready-now and future-ready successors. Successor identification is anchored on sustained performance, demonstrated leadership capability and alignment with MISC's leadership behaviours. External leadership assessments are leveraged where appropriate to enhance decision quality, mitigate bias and accelerate successor readiness.

We ensure that our pool of talent is equipped with the necessary leadership and functional competencies. Intervention plans are implemented to close capability gaps, safeguarding the organisation's ability to fill critical positions with qualified, high-performing individual.

	2025 Performance	2025 Target
High-Performing Talent Retention	94%	95%
Successors Ratio (Enterprise Critical Position: Executive Leadership Team)	3:1	2:1
Successors Ratio (Enterprise Critical Position: Others)	3:1	2:1

Leadership Development Programme

Structured leadership development pathways were implemented across all leadership levels, ensuring consistency with enterprise expectations while remaining closely aligned with MISC's strategic priorities. Additionally, MISC partnered with leading international education institutions to deliver Executive Education programmes that strengthen strategic foresight, enterprise thinking, and global leadership perspectives, equipping leaders to navigate complexity and drive long-term value creation.

Read more in the MISC Leadership section.

Strengthening Cultural Foundation and Shared Values

MISC continued to uphold its cultural beliefs and shared values to support long-term organisational resilience. The Group remained focused on promoting accountability, constructive communication and a growth mindset, ensuring employees are aligned with the behaviours required to navigate evolving industry demands.

Cultural Beliefs

Results Matter
I stretch my limit to deliver superior results

Own It
I own the results and don't blame others

Focused Execution
I plan, commit and deliver with discipline

Nurture Trust
I always keep my promise and build mutual trust

Tell Me
I seek, give and act positively on feedback

Shared Success
I collaborate for the greater good of MISC Group

Shared Values

Loyalty
Loyal to corporation

Integrity
Honest and upright

Professionalism
Strive for excellence

Cohesiveness
United, trust and respect for each other

In 2025, the Group implemented targeted programmes to strengthen its cultural foundation and deepen alignment with shared values, as outlined below.

Enterprise Culture Intervention

The Enterprise Culture Intervention was launched to ingrain a consistent Enterprise Mindset across the Group, anchored on Accountability, Transparency and Efficiency. The intervention focuses on strengthening organisational discipline and alignment on ways of working to support sustained performance at scale.

Strong engagement was recorded, with participation from 234 Senior Managers across 11 regional workshop sessions. In parallel, alignment at the most senior level was reinforced through the ELT Step Back Moment, providing a dedicated forum to reflect on enterprise priorities and strategic leadership expectations.

The Group will progressively expand the programme's reach across all levels to ensure its impact is experienced organisation-wide.

MISC Leadership Dialogue

The MISC Leadership Dialogue (MLD) is an annual flagship programme designed to serve as a platform for strategic alignment, leadership engagement and enterprise level dialogue among MISC leaders.

The inaugural MLD in 2025 was anchored on Accountability, Transparency and Efficiency as an enterprise cultural accelerator, to align leadership expectations and operationalising the Enterprise Mindset across the Group. The programme strengthened leadership accountability and ownership of outcomes.

MLD engaged 71 leaders and was guided by a structured framework focused on strategic alignment, execution planning and impact measurement. This ensured that discussions were translated into clear commitments and tangible follow-through. As part of the programme, ATE Champions were appointed from among the ELT to reinforce consistent application of the culture accelerators across the organisation.

Looking ahead, MLD will continue to serve as a structured dialogue platform to facilitate meaningful conversations, enable the sharing of insights and align leaders on enterprise priorities across the Group.

OUR PEOPLE, OUR STRENGTH

Fostering High Performance Culture

At MISC, we cultivate a high-performance culture across the Group by aligning individual objectives and behaviours with organisational outcomes. This is supported by a comprehensive Employee Performance Management (EPM) process, regular performance check-ins and a strong commitment to transparency. We ensure fair and competitive remuneration and provide structured opportunities for continuous learning, development and career progression.

Employee Performance Management

Employee Performance Management provides a structured approach to recognising and rewarding employees fairly for their contributions. The established annual employee performance management creates a clear linkage between individual performance outcomes and organisational reward mechanisms, ensuring that achievements and behaviours are assessed consistently and equitably.

The framework is designed to promote clarity around performance expectations and to demonstrate how individual contributions support overall business objectives. It also enables leaders to make well-informed, evidence-based decisions and fosters a culture of continuous improvement across the organisation.

High-Performance Culture

Goal setting at the start of the year remains a key mechanism for aligning individual roles with the organisation's strategic objectives. This process ensures employees have clear visibility of priorities and understand how their contributions support overall business outcomes.

Quarterly performance check-ins enable ongoing monitoring of progress, timely recalibration of objectives and responsiveness to evolving business needs. Regular and structured performance conversations reinforce accountability and engagement, while supporting continuous development and long-term career progression.

REMUNERATION AND REWARDS

MISC provides equitable, competitive and performance linked rewards aligned with the MISC Group's Talent Strategy. In support of talent attraction and retention priorities, the Group upholds fair compensation practices for all employees, regardless of gender, race, age, ethnicity, religion or other characteristics.

We conduct annual remuneration reviews to ensure our compensation packages remain competitive and aligned with market benchmarks. Our remuneration structure is guided by the pay-for-job principle and merit-based practices, reaffirming fairness while rewarding individual contributions. Complemented by a differentiated reward approach, this framework promotes a high-performance culture that recognises effort, celebrates achievement and strengthens long-term talent retention.

Key components of our remuneration approach include but not limited to market-competitive salary and benefits, performance-based rewards such as salary increments and performance bonuses, as well as flexible working arrangements. These elements are designed to recognise and motivate employees, support well-being, mitigate cost-of-living pressures and ensure strong alignment between individual performance and overall business outcomes.

To support this, a Group-wide Remuneration Policy was introduced to enhance governance and ensure consistency in remuneration practices. The Policy defined the high-level remuneration philosophy and principles which promotes the creation of equitable, motivating and supportive work environment that effectively attracts, retains and inspires a high-performance workforce.

Core Principles of MISC Remuneration Policy

Adaptable:
Aligned with business goals and adaptable to changes in business outlook and strategy

Equitable:
Commensurate with accountabilities, competencies and performance of our diverse workforce, in consideration of Enterprise alignment

Sustainable:
Market-competitive and cater to diverse workforce needs while complying with relevant statutory requirements

These principles underpin all remuneration-related guidelines, encompassing salary, benefits, recognition and workforce well-being.

In support of fair and equitable compensation, salary increments for lower-income employees were set above the national inflation rate, providing targeted support in response to rising cost-of-living pressures. In addition, a Living Wage Study was presented to the Board Nomination & Remuneration Committee (BNRC) in 2025, confirming that all MISC employees earn above the established national living wage threshold.

Employee remuneration structures comply with all applicable laws and regulations across the jurisdictions in which MISC operates, including requirements related to working hours, minimum wages, overtime and statutory benefits. This compliance reflects MISC's continued commitment to ethical and responsible employment practices.

MISC has further strengthened its performance bonus governance framework by reinforcing the alignment between rewards and performance outcomes. The performance bonus structure is strategically linked to both overall business performance and individual contributions, ensuring that rewards reflect measurable results, sustained value creation and within financial affordability. As the Company advances towards its 2030 vision, the performance bonus framework further reinforces our Pay-for-Performance philosophy and supports the delivery of sustained high performance.

DIVERSITY & INCLUSION

MISC is committed to fostering an inclusive workplace by removing barriers and creating equal opportunities for all employees. The Company's Diversity and Inclusion (D&I) strategy is anchored on three strategic priorities: strengthening diversity across gender, nationality and multi-generational representation; cultivating an inclusive culture and work environment; and reinforcing leadership accountability for D&I outcomes.

	Focus Areas	3-Year Aspiration
Grow Our Diversity (Gender/Multinational & Multi-Generations)	• Gender • Multi-National • Multi-Generations	• Women in Senior Leadership (GM and Above) • Multi-Nationals in Senior Leadership (GM and Above) • Managers in Succession Pool
Build an Inclusive Culture and Work Environment	• Culture	• Differences in perspectives are respected and valued
Drive Leadership Accountability	• Leadership Effectiveness	• Leaders at all levels who are inspiring and inclusive

This commitment is operationalised through targeted programmes inclusive leadership initiatives and structured well-being support These measures promote equitable opportunities, mitigate unconscious bias, strengthen leadership capability and sustain employee resilience and engagement.

OUR PEOPLE, OUR STRENGTH

Key initiatives during the year as illustrated below:

The Platform Series

The Platform Series is a leadership forum featuring experienced external speakers from multicultural perspectives, focusing on physical and mental well-being as well as inclusive leadership.

In 2025, the series emphasised advancing women leadership and strengthening gender representation within the maritime and energy sectors through a themed dialogue, *"Charting the Course: Women's Leadership and Legacy in Maritime and Beyond."*

The session aimed to support leadership development, knowledge sharing and the empowerment of female talent across MISC. Through this initiative, MISC seeks to inspire employees and showcase role models who exemplify leadership excellence and diverse career pathways within the maritime industry and beyond.

PETRONAS Leading Women Network – Maritime Chapter

The PETRONAS Leading Women Network (PLWN) – Maritime Chapter was established to strengthen gender diversity, advance inclusive leadership and foster a supportive and inclusive work culture within MISC. The network's core objectives include providing equal opportunities, encouraging allyship in support of gender equality, cultivating an inclusive work environment and raising awareness of unconscious bias. Moving forward, a dedicated committee will be established to drive structured initiatives that support female talent development and embed inclusive practices across the organisation.

Fostering an Inclusive Workforce at AET

In 2025, AET focused on several key initiatives to build a more inclusive culture among its employees. In March 2025, AET celebrated International Women's Day globally. Offices in London and Singapore honoured female colleagues and the company shared inspiring stories from women working in maritime and across AET.

In June, AET marked the International Day of the Seafarer with global "Respect Moments", focusing specifically on crucial topics like anti-bullying and harassment. In addition, AET participated in the Diversity Study Group DEI Survey in September to gather valuable information on employee cultural awareness and psychological safety.

These efforts shape AET's culture, with plans now being guided by the Diversity, Inclusion and Belonging Community of Interest, which will focus on new cross-regional events and improving the onboarding experience.

Well-being and Inclusion

At MISC, we recognise that fostering a healthy, inclusive and productive workforce is essential to achieving our business objectives and driving long-term success. Our well-being initiatives extend beyond physical health to create an environment where leaders promote inclusivity and ensure psychologically safe workplaces. We are committed to empowering our employees by providing work flexibility through the provision of flexible work arrangements that support the balance between professional and personal commitments, reinforcing the Group's dedication to employee well-being.

- **FlexWear** enables employees to adopt smart business casual attire, promoting an inclusive, positive and professional image while maintaining comfort and safety. This commitment is further supported through women-specific Personal Protective Equipment (PPE), ensuring female seafarers have protective gear that is safe, comfortable and properly fitted.

- **FlexWork** provides flexible work arrangements, allowing employees to choose daily working hours and adopt a hybrid work model (in-office and work-from-home). Guided by clear policies and guardrails, this approach helps employees balance professional and personal commitments without compromising productivity or deliverables.

- **FlexBenefits** enhances medical support by establishing a shared provision for outpatient and specialist visits, as well as dental and optical care. The increased benefit cap allows employees to access healthcare flexibly, based on their specific needs.

- **FlexCareer** defines processes and guidelines for engaging a contingent workforce, either externally or through internal employees who require temporarily reduced working hours for personal reasons, providing a viable alternative to full resignation.

- **Leave Provisions**

Maternity and Paternity Leave
In compliance with the Malaysia Employment Act and ILO guidelines, MISC provides up to 98 calendar days of paid maternity leave for female employees and seven consecutive days of paid paternity leave for male employees for each delivery by their spouse. These benefits support family well-being and help employees manage significant life events.

Compassionate Leave
MISC provides paid compassionate leave for employees to attend to important personal and family circumstances, including the employee's marriage, the marriage of a legal child, the death of an immediate family member, or events resulting from natural calamities or material damage. Compassionate leave is also granted in cases of critical illness or hospitalisation of an employee's immediate family members, including parents, spouse, or legal children.

Employee Assistance Programme

At MISC, we promote the holistic well-being of our workforce through our Employee Assistance Programme (EAP). Through the Employee Assistance Programme (EAP), we provide support that addresses physical, mental and emotional health. By providing access to personalised guidance from professionals, the EAP empowers employees to take charge of their health effectively with features such as self-help lessons and integration with external health devices that enhance the ability to track and manage progress.

Digital Coaching App
A versatile tool offering personalised guidance to support holistic health and well-being.

Remote Therapy
One-on-one video consultations with clinical psychologists for professional mental health support.

Wellness Website
A centralised hub for EAP resources, providing easy access to support services.

24/7 Careline
Around-the-clock access to psychological support, ensuring employees feel safe and supported at all times.

Additionally, MISC organises a series of health drives and provides free on-site health check-ups, while advocating preventive health screening for employees. These sessions are designed to support early detection and management of potential health issues, alongside personalised consultations with experienced healthcare professionals. Through tailored advice, employees receive practical guidance aligned with their individual health profiles. Beyond the screenings, the health drives also raise awareness of the value of regular monitoring and preventive care, supporting employees in taking greater ownership of their overall well-being.

OUR PEOPLE, OUR STRENGTH

MISC Sports and Recreational Club

In support of employee well-being and engagement, the MISC Sports and Recreational Club (MSRC) consistently organises a diverse range of sporting programmes and wellness activities. Through these initiatives, MSRC cultivates a spirit of "One MISC," promoting collaboration and camaraderie across the Group.

Key Activities Conducted in 2025

Activity	No. of Participants
Carrom League Tournament	60
Badminton Tournament	80
Fantasy Premier League	100
Sukan Wilayah Tengah 2025 Tournament	250
Bowling Tournament	80
Futsal Men & Ladies Challenge	82
Golf Tournament	22
Dart League	60
e-Sport Challenge	60
Pickleball Tournament	48
Table Tennis Tournament	55

Sukan KSRP Wilayah Tengah 2025

The *Sukan KSRP Wilayah Tengah 2025* (SKWT 2025) is an annual event organised by *Kelab Sukan dan Rekreasi PETRONAS* (KSRP), bringing together teams from across the PETRONAS Group to celebrate teamwork and sportsmanship. MISC participated as the Maritime contingent, demonstrating outstanding sporting spirit and performance throughout the tournament.

MISC fielded a strong delegation of 250 participants, competing in 19 sports, including e-Sports, Basketball and Tennis. The team achieved Overall Runner-Up among five contingents and secured podium finishes in multiple categories: Champion in Dart, Futsal Men and Basketball, Runner-Up in Basketball, Badminton and Futsal (Men & Ladies) and Second Runner-Up in Squash and Table Tennis.

Planned Activities in 2026

To maintain the momentum and support the Group's long-term sustainability objectives, MSRC has developed a comprehensive calendar for 2026. Planned activities include preparations for SKWT 2026, as well as a treasure hunt, snooker tournament and other engagement initiatives.

OUR PERFORMANCE

As of 31 December 2025, we have 8,630 employees representing 44 nationalities. The top five nationalities are Malaysian, Indian, Filipino, Bangladeshi and Brazilian. At shore, MISC Group has 25% female employees, with MISC Berhad and AET recording 42% and 47% in their respective entities. This is above the recommended industry average of 30%. The male-to-female gender ratio among shore employees has continued to improve and currently stands at 3:1.

We also have a significant number of female leaders at the management level, with 26% in junior management, 27% middle management and 23% in senior leadership (shore employees only).

In terms of our officer's strength, there are 94 females across our fleet, with significant increase by 25% from 2024, which shows reinforcement of our unwavering commitment to active diversity and inclusive leadership practices within our organisation.

These new appointments reflect our focus on building an inclusive workplace where talent is recognised without limitation and diversity is represented across all levels of the organisation. These professionals bring strong skills and expertise, while contributing diverse backgrounds, experiences and perspectives that strengthen the workplace.

MAINTAINING SOUND LABOUR PRACTICES

At MISC, we are committed to upholding fair labour practices, including equitable remuneration and the protection of freedom of association, in alignment with international labour and human rights standards. Our labour standards are articulated in the Code of Conduct and Business Ethics (CoBE) under the Workplace Culture and Environment section of the Employee Handbook. In addition, MISC complies fully with the Malaysian Minimum Wage Order to ensure fair and competitive wages.

Our collaborative and consultative approach supports a work environment in which employees are empowered to achieve both organisational and personal goals, while their rights to freedom of association and collective bargaining are respected. In 2025, we conducted engagement sessions with employee representatives, involving 1,021 unionised employees and management, to facilitate discussions on remuneration and employment conditions.

MISC complies with applicable local labour legislation, including Malaysia's Employment Act 1955, as well as relevant international labour standards, such as the ILO and the MLC. These principles are reflected within our Human Rights Policy, Modern Slavery Statement, Whistleblowing Policy and Grievance Mechanism Procedure, all of which are publicly accessible on our corporate website, upholding transparency and accountability. Secure and confidential whistleblowing channels and grievance mechanisms are in place to enable employees to report mismanagement, unethical conduct, or workplace concerns, ensuring issues are addressed in a fair and structured manner.

Key Labour Practices Initiatives in 2025

Employee Concern Mechanisms
An HR Grievance Portal and a dedicated HR Grievance email were established to ensure employee concerns are addressed fairly and timely, helping to build trust and resolve issues efficiently.

Culture and Compliance Promotion
Through a joint initiative between the People Relations and Compliance Unit, bite-sized communications and updates via HR Pulse were disseminated to reinforce awareness of the whistleblowing platforms and the grievance management by Human Resource.

Labour Law Compliance
MISC continued to maintain sound labour practices and ensured full compliance with the Malaysian Minimum Wage Order 2024, safeguarding fair compensation for all employees.

Collective Agreement Finalisation
Preparatory work continued towards the finalisation of the 16th Collective Agreement, which covers the next term from 1 January 2026 to 31 Dec 2028. A key focus remains ensuring that the minimum salary levels stipulated in the agreement exceed the statutory minimum wage requirements in Malaysia.

Taken together, these actions demonstrate MISC's adherence to legal requirements, ethical employment practices and the maintenance of constructive, sustainable relationships with its workforce.

In 2025, we recorded zero non-compliance with labour standards.

HR TRANSFORMATION - PROJECT THR1VE

MISC has launched Project tHR1ve, a strategic HR transformation initiative designed to reshape how HR delivers value to both the business and its people. The initiative is underpinned by extensive digitalisation through the implementation of a full-suite Human Capital Management System (HCMS). Project tHR1ve aims to establish a fit-for-purpose HR operating model supported by agile processes, integrated systems and enhanced HR capabilities, while fostering an enterprise-wide digital mindset and delivering a positive employee experience. A key focus is the harmonisation of HR processes and ways of working across the Group to drive consistency, collaboration and operational efficiency.

The overarching vision for Project tHR1ve is guided by three objectives:

To create agile solutions that directly support business needs	To deliver HR talent solutions and services with greater efficiency	To provide an improved and seamless experience for every employee

Through the implementation of HCMS, MISC is progressing toward a unified employee experience across the entire lifecycle from onboarding to offboarding. The system provides flexible access to HR information via desktop or mobile devices, enabling real-time reporting, data-driven insights and enhanced transparency.

Ultimately, the mission is to evolve, engage and empower both the business and our people, ensuring MISC continues to drive enterprise alignment, operational efficiency and sustainable value creation.

RESPECTING HUMAN RIGHTS AT SEA AND SHORE

MISC's commitment to respecting and promoting human rights is integral to its sustainability strategy and is underpinned by principles of accountability and transparency. As a global provider of maritime solutions, MISC is committed to ensuring that all individuals affected by its operations are treated with fairness, dignity and respect.

As an international provider of energy-related maritime solutions and services, MISC strives to consistently uphold adherence to internationally recognised human rights standards across its operations and value chain. Our approach is guided by the United Nations Guiding Principles on Business and Human Rights, which serve as the global framework for preventing, addressing and remediating adverse human rights impacts. In addition, MISC complies with relevant ILO conventions and the MLC.

MISC has established policies and statements to ensure that human rights are respected, safeguarded and upheld in accordance with internationally recognised standards and best practices.

Our approach to human rights due diligence, encompassing the prevention of broader human rights risks across our operations, business partners and supply chain, including:

- **Forced Labor**
- **Human Trafficking**
- **Child Labor**
- **Equal Remuneration**
- **Freedom of Association**
- **Living and Working Conditions**
- **Discrimination**

MISC believes that the ongoing promotion and protection of human rights are fundamental to building a more equitable and just society. This commitment supports our long-term sustainability objectives and reinforces the alignment between responsible business practices and sustainable value creation.

HUMAN RIGHTS MANAGEMENT

OUR COMMITMENT

- We ensure human rights are respected in all our activities and business relationships.

COMMUNICATION, REPORTING AND ACCESS TO REMEDY

- Human rights expectations are clearly communicated to all stakeholders including business partners.
- We establish processes for communication, questions, complaints and reparations available to people affected by our activities.

DUE DILIGENCE

- We identify and assess the potential impacts on human rights on an ongoing basis.
- We conduct a human rights risk assessments and develop mitigation plans to avoid and prevent human rights issues.

MISC POLICIES AND PROCEDURES CONCERNING HUMAN RIGHTS

MISC has put in place policies and procedures to prevent human rights abuses and unethical conduct across its operations and value chain. We regularly engage with our stakeholders and assess labour practices and human rights risks within our value chain, supported by established grievance mechanisms and transparent reporting of our human rights performance. As part of this commitment, we conduct periodic human rights due diligence and risk assessments through its Human Rights Due Diligence (HRDD) and Human Rights Risk Assessments (HRRA) processes to support compliance and continuous improvement.

MISC Human Rights Policy

During the year under review, MISC continued to advance the implementation of MISC Berhad's Human Rights Policy, published in 2024, by further embedding its principles into our operational and governance frameworks. The Policy articulates MISC's commitment to promoting and respecting human rights, as well as to preventing modern slavery and human trafficking across our business operations, both within the organisation and throughout our supply chains.

The Policy also clearly defines MISC's responsibilities and expectations in respecting, promoting and protecting human rights, reinforcing our commitment to upholding the highest ethical standards and operating responsibly across all facets of the business.

MISC Human Rights Policy was established upon five guiding principles.

- **Respect and acknowledgement of internationally recognised human rights**
  The Policy is aligned with the International Bill of Human Rights, including the United Nations Universal Declaration of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work and provides for strict adherence to the MLC.
- **Access to effective grievance mechanisms and remedies**
  MISC provides accessible, confidential and non-retaliatory grievance mechanisms and ensures appropriate remediation for adverse human rights impacts.
- **Appropriate governance for Human Rights Policy and its processes groupwide**
  The Policy is strengthened through group-wide governance, awareness and competency development through the Code of Conduct and Business Ethics and continuous engagement and training.
- **Adoption of a risk-based approach to human rights due diligence**
  MISC adopts a risk-based approach to identify salient human rights risks, including those related to labour and working conditions, supply chain management, responsible security and community well-being, supported by the use of appropriate due diligence tools. This approach enables the identification, prevention and mitigation of both actual and potential adverse human rights impacts arising from activities across the organisation, while ensuring the implementation of effective risk mitigation mechanisms to safeguard the business.
- **Commitment to maintaining appropriate disclosure and reporting groupwide**
  MISC ensures strong oversight and reporting of human rights performance, including risks and mitigation efforts and reporting in alignment with internationally recognised frameworks.

* *The digital copy of Human Rights Policy is available here.*

The Policy was developed in recognition of the increasing expectations for companies to play a proactive role in safeguarding human rights in today's global operating environment. It reflects MISC's commitment to the continuous enhancement of its practices, adherence to the highest ethical standards and preparedness for emerging regulatory requirements related to business and human rights.

RESPECTING HUMAN RIGHTS AT SEA AND SHORE

Human Rights and the Code of Conduct and Business Ethics

MISC's Code of Conduct and Business Ethics (CoBE) serves as a foundational document, outlining the principles, values and ethical standards that guide the conduct of employees, management and business partners. The CoBE explicitly addresses the protection of human rights across our operations, with commitments to respect and uphold human rights extending to all employees, third parties engaged by MISC and any individuals present on MISC premises.

The CoBE underscores the prohibition of child labour, human trafficking and forced labour and reinforces compliance with legal age requirements. To ensure these standards are fully understood and implemented, all individuals are required to complete mandatory training on the Code and its human rights commitments.

Compliance Due Diligence for Third Parties

To operationalise the implementation of its Human Rights Policy and guiding principles within the supply chain, MISC has enhanced the Human Rights section in the MISC Code of Conduct and Business Ethics for Third Parties (CoBE for Third Parties). The enhancements include:

- a mandatory attestation by third parties confirming compliance with MISC's adopted human rights principles;
- inclusion of human rights risk management, with emphasis on identifying and managing material human rights risks;
- requirements for third parties to provide access to remedy within their operations; and
- expectations for third parties to take reasonable steps to embed human rights safeguards across their own value chains.

In alignment with the enhanced CoBE for Third Parties, MISC has also updated the Third-Party Compliance Due Diligence Operational Guidelines (TPCDDOG) and the Declaration of Integrity Pledge (DIP) to reflect these requirements.

With these enhancements, MISC has further strengthened its monitoring of third-party compliance with human rights requirements. This includes the application of defined metrics to systematically track and assess adherence to the enhanced Human Rights requirements outlined in the CoBE for Third Parties. Assessment outcomes are consolidated and reported to management on an annual basis, supporting effective oversight and driving continuous improvement.

In addition, MISC is committed to providing awareness and upskilling training to third parties, equipping them with the knowledge and guidance necessary to meet the expectations as stated in the CoBE for Third Parties.

Read more in the Operating Responsibly section.

Statement on Diversity & Inclusion

At MISC, diversity, equity and inclusion are integral to how we work and grow as an organisation. We aim to create an environment where individuals feel valued, respected and able to contribute meaningfully. By bringing together a wide range of backgrounds, perspectives and talents, we encourage innovation, strengthen collaboration and enhance overall organisational performance.

Read more in the Our People, Our Strength section.

Grievance Mechanism Procedures

MISC has established a grievance mechanism for reporting of human rights violations. The process clearly defines how reports are received, assigned and handled, including the roles of stakeholders and procedures for investigations, as well as the possibility of reopening or closing cases. It is a non-judicial process designed to provide timely, fair and consistent remedies.

In 2025, MISC further strengthened its grievance management framework through the introduction of a dedicated employee grievance channel administered by the Human Resource (HR) Division, together with the launch of an online internal grievance form. This enhancement enables HR to effectively address workplace-related concerns, while the whistleblowing channel remains focused on the reporting of misconduct, integrity breaches and criminal offences.

HUMAN RIGHTS DUE DILIGENCE

MISC recognises the presence of human rights risks within its operations and value chain. Accordingly, to identify, prevent and mitigate the risk of human rights violations, the following initiatives have been implemented.

Implementing a Risk-Based Approach to Human Rights Due Diligence

As a foundational step in implementing an effective human rights due diligence process, MISC Group identified the salient human rights topics and issues that are material to our operations. This exercise was undertaken to enhance our understanding of the Group's actual and potential human rights impacts. The identification of material human rights matters was conducted through structured workshops with key internal stakeholders, enabling a comprehensive assessment of human rights risks and impacts across business units and subsidiaries. The following diagram outlines the material human rights matters identified and their relevance to MISC Group's business activities.

LABOUR AND WORKING CONDITIONS

- Forced labour
- Child labour and young workers
- Non-discrimination
- Freedom of association
- Workplace/accommodation health and safety
- Employment and work conditions

RESPONSIBLE SECURITY

- Conduct of third-party security
- Human rights training
- Mechanism to report on security personnel

COMMUNITY WELL-BEING

- Land management
- Community health and safety
- In-migration
- Trespassing and encroachment

SUPPLY CHAIN MANAGEMENT

- Contractor/supplier conformance to human rights law
- Labor exploitation
- Ethical conduct (corruption and bribery)

Material Human Rights mapping across MISC Group of Companies

	Community Well-Being	Security	Labour and Working Conditions	Supply Chain
Gas Assets & Solutions		●	●	●
Petroleum & Products		●	●	●
Offshore		●	●	●
Marine & Heavy Engineering	●	●	●	●
Marine Services	●	●	●	●
Maritime Education & Training	●	●	●	●

RESPECTING HUMAN RIGHTS AT SEA AND SHORE

Human Rights Risk Assessment

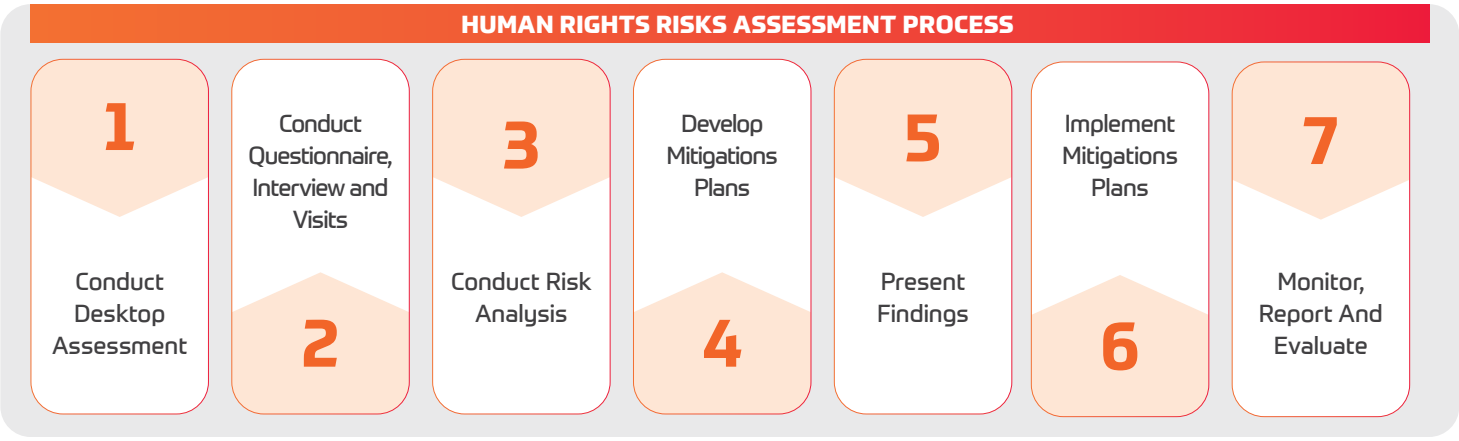
The Human Rights Risk Assessment (HRRA) has been conducted to evaluate material human rights matters relevant to our business operations across both shore-based and sea-based activities. These assessments provide a comprehensive review of human rights and modern slavery risks, with a specific focus on labour and working conditions, supply chain integrity, security concerns and the livelihoods of impacted communities.

Insights from the HRRA process support risk prioritisation and guide the development of targeted mitigation measures. These actions are integrated into existing governance and management systems to strengthen oversight, enhance accountability and drive continuous improvement throughout MISC's operations and value chain.

Our human rights risk assessment processes enable us to achieve the following:

- **Identify and address risks and impacts:** The identification and mitigation of human rights risks play a critical role in managing actual or potential adverse impacts resulting from our business activities.
- **Develop and prioritise the appropriate mitigation measures:** Risk assessment findings pinpoint human rights risks across operations and supply chains, prioritise severe and likely risks (e.g., forced labour, unsafe working conditions) therefore guiding us in formulating targeted mitigation strategies to address the most critical risks.
- **Develop a monitoring and reporting programme:** Implementing a robust monitoring framework enables us to track the effectiveness of mitigation measures and reporting enhances accountability, providing stakeholders with insights into the outcomes.
- **Develop effective and systematic stakeholder engagement:** Proactive engagement with stakeholders enables us to understand their concerns and expectations, foster trust and improve collaboration to effectively address human rights challenges.
- **Contribute towards a robust social baseline:** We track progress using metrics, identify areas for improvement and continuously refine our risk management processes based on evaluation outcomes. This baseline builds comprehension of the social context of our operations, allowing us to evaluate and adapt to changes while facilitating informed decision-making.
- **Enable the allocation of resources to manage social impacts:** Our risk assessments guide resource allocation, ensuring that sufficient funding, personnel and tools are available to manage social and human rights impacts effectively.
- **Determine if further assessment is required to mitigate the risks:** Assessments conducted may reveal gaps or new risks that require further scrutiny to ensure that all potential risks are thoroughly addressed and effectively mitigated.

The following figure illustrates the HRRA process:



First cycle

We successfully completed the first cycle of HRRA between 2019 and 2022, across all business units and subsidiaries, as summarised below:

Year	Business Unit/Subsidiaries	HRRA Scope
2019	Malaysia Marine and Heavy Engineering (MMHE)	Labour and working conditions, supply chain management, responsible security and community well-being
2020	Marine Services	Labour and working conditions of seafarers
2021	• AET • Marine Services • ALAM	Labour and working conditions of shore employees
2022	Offshore	Labour and working conditions on Floating, Storage and Offloading (FSO) facilities and community well-being
2022	ALAM	Community well-being
2022	Group Health, Safety, Security and Environment	Responsible security

The first HRRA cycle established a baseline understanding of Group-wide human rights and modern slavery risks, aligned with MISC's Sustainability Strategy. Following the completion of the first cycle, the second cycle has been initiated and is to be conducted on a five-yearly basis to support continuous monitoring, alignment and improvement of human rights practices across the Group.

RESPECTING HUMAN RIGHTS AT SEA AND SHORE

Second Cycle

MISC commenced its second cycle of HRRA in 2023, which remains ongoing and focuses on key business units. This cycle involves the reassessment of existing operational practices with an expanded scope of coverage, ensuring that human rights and modern slavery risks continue to be appropriately identified and managed.

Year	Business Unit/Subsidiaries	HRRA Scope	Extent of Coverage
2023	Malaysia Marine and Heavy Engineering Holdings Berhad (MHB)	Labour and working conditions, supply chain management, responsible security and community well-being	MHB corporate employees and fabrication yards
2023	Marine Services	Labour and working conditions	Corporate employees and seafarers
2025	Offshore	Labour and working conditions, supply chain management, responsible security and community well-being	Corporate office, subsidiaries, joint ventures and affiliates

In 2025, we conducted the HRRA for the Offshore segment with an expanded scope that includes supply chain management and responsible security practices. The assessment boundaries were also broadened to include the corporate office, subsidiaries, joint ventures and affiliates to ensure that human rights and modern slavery risks are comprehensively identified and effectively managed.

Based on the assessment, relevant human rights risks and gaps were identified. To address these findings, the Group has implemented targeted mitigation measures in key areas, particularly in capacity building and supply chain management.

As a result, capacity-building initiatives, including awareness sessions, targeted training, and stakeholder engagement have strengthened internal understanding and enhanced the Group's capability to manage human rights risks. In parallel, the Group has further strengthened its supply chain management programme in collaboration with business units. Several initiatives have been introduced to embed a risk-based approach to human rights across supplier engagement and oversight processes.

Looking ahead to 2026, HRRA will be conducted for MISC's fleet management arm, Marine Services encompassing all salient human rights elements relevant to its operations.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The MISC Human Rights Policy reflects our strengthened commitment to sustainable and ethical sourcing practices. We believe that embedding human rights considerations into sourcing decisions supports a broader transition towards responsible consumption and production.

MISC has established clear mechanisms to ensure third-party compliance with the MISC Human Rights Policy. These mechanisms promote respect for internationally recognised human rights, integrity in business conduct and contributions towards the achievement of the SDGs. To this end, MISC has implemented a comprehensive framework and enhanced practices governing third-party engagement to ensure compliance with all applicable requirements and standards.

Adoption of Supply Chain Human Rights Standard

Third-Party Compliance Due Diligence assessments are conducted prior to the formalisation of any business relationship to ensure that all pre-qualified third parties do not present significant compliance risks, including human rights-related risks that could potentially impact MISC's reputation.

In 2025, MISC adopted a Group-wide standard on supply chain human rights requirements applicable to vendors and suppliers. The standard establishes a comprehensive framework for monitoring vendors and suppliers' compliance with the Company's human rights expectations.

Under the standard, vendors and suppliers are required to adhere to the following requirements:

- Respect internationally recognised human rights regulations and comply with the MISC CoBE.
- Take reasonable steps to ensure that appropriate human rights policies and guidelines are established and adhered to by any party performing work and/or business for or on behalf of MISC.
- Execute an attestation confirming compliance with the prescribed human rights indicators.
- Identify, mitigate and address material human rights risks, including those related to forced labour, child labour, labour rights, non-discrimination, freedom of association and humane treatment.
- Provide human rights awareness training to employees, workers and contract personnel and ensure such training is effectively implemented across the workforce.
- Establish grievance mechanisms that enable the reporting of human rights concerns and ensure appropriate follow-up actions, while safeguarding the confidentiality of complainants.
- Systematically address actual and potential adverse human rights impacts through time-bound corrective action plans.
- Provide access to remedy and cooperate in remediation processes for impacted stakeholders where the contractor has caused or contributed to adverse human rights impacts.
- Take reasonable steps to embed human rights safeguards within supply chain processes, including the application of appropriate governance frameworks for non-compliant high-risk contractors and subcontractors.
- Provide timely and accurate feedback to MISC on human rights performance through personnel engagement, questionnaires and other appropriate monitoring mechanisms, as required.

Read more in the Our People, Our Strength section.

RESPECTING HUMAN RIGHTS AT SEA AND SHORE

Supplier ESG Self-Assessment Programme

Since 2022, MISC has conducted an ESG Self-Assessment for its suppliers through an integrated platform under the Sustainable Supply Chain Programme. The assessment, which incorporates human rights considerations, measures the maturity of ESG compliance among critical suppliers. To date, the initiative has cumulatively engaged 255 of MISC's critical suppliers since 2022.

Collaboration on Suppliers Support Programme

In 2025, MISC collaborated with the PETRONAS Suppliers Support Programme (PSSP), to drive progressive improvements across three pillars: Training and Support, Disclosure Platform and Access to Sustainable Financing. The programme is designed to identify, prevent and mitigate human rights risks within the supply chain. PSSP forms part of PETRONAS' broader stewardship initiative, supporting its sustainability objectives and fostering cross-functional coordination, including engagement with MISC.

Through this collaboration, 57 of MISC's suppliers were onboarded as pilot participants in PSSP in 2025. These suppliers received targeted support, including:

- Capacity building to enhance awareness of human rights compliance, GHG emissions disclosure and sound governance practices across the supply chain;
- Access to sustainable financing opportunities; and
- Guidance on corrective actions to address and mitigate identified risks.

AWARENESS AND TRAINING

MISC seeks to apply our human rights commitments into corporate practices by clearly communicating our human rights expectations to all stakeholders, including business partners. Accordingly, capacity-building initiatives for stakeholders, comprising employees and business partners of MISC, are essential to ensure a comprehensive understanding of human rights-related risks, including modern slavery, within our operations and supply chains.

The following are the human rights awareness and training programmes conducted in 2025.

- **e-learning Module on Human Rights Management**
  Human Rights Management is one of the e-learning modules rolled out for all employees across the MISC Group. The module is designed to provide participants with a comprehensive understanding of human rights implementation within our operations and supply chains. The e-learning content is subject to regular review and updates to reflect evolving regulatory requirements, enhanced human rights practices and emerging risks related to human rights. Completion of the module, with a mandatory pass score of 100%, is required for all employees, including new joiners.

- **See.Speak.Support Awareness Session on Human Rights at Work**
  During the year under review, a Group-wide sharing session on Business and Human Rights was also held, featuring a Human Rights Specialist from the United Nations Development Programme (UNDP) as the invited speaker.

Read more in the Operating Responsibly section.

- **Awareness Programmes on Human Rights**
  Throughout 2025, MISC conducted a series of human rights awareness sessions covering key topics, such as human rights international frameworks and legal requirements, MISC's Human Rights Policy and guidance on accessing the Group's Grievance Mechanism as part of access to remedy. In addition, sustainability training sessions incorporating human rights elements were delivered to selected business units, including Marine Services and the Human Resource Division. Human rights awareness sessions were further extended to our Offshore subsidiaries and joint venture companies, ensuring consistent understanding and alignment across the wider Group.

- **Capacity Building for Third Parties and Partners**
  MISC recognises the importance of equipping third parties, including business partners, joint ventures and suppliers, with the necessary human rights knowledge to promote ethical conduct and compliance with international standards. In 2025, MISC conducted a human rights awareness session for Offshore subsidiaries and joint venture partners.

For more information, please refer to MISC's Modern Slavery Statement available here.

RESPECTING HUMAN RIGHTS AT SEA AND SHORE

STAKEHOLDER ENGAGEMENT ON HUMAN RIGHTS

We maintain structured engagement with key stakeholders and conduct regular knowledge-sharing and capacity-building sessions on human rights matters. In 2025, we conducted several sessions of capacity-building knowledge sharing for our employees, joint venture partners, critical suppliers and industry peers. This approach supports the early identification and mitigation of risks, strengthens both strategic and operational engagement and promotes the consistent application of human rights practices across our organisation and throughout our supply chains.

Care & Comply Partners' Summit 2025

During the Care & Comply Partners' Summit 2025, MISC organised a forum titled "From Compliance to Collaboration: Preparing Business Value Chains for a Changing World." The forum featured invited speakers Parimala Ponniah from Malaysia Petroleum Management, Rati Bhattacharya from ERM and Dr. John Loh from Emerging EPC Sdn. Bhd.

The session explored how human rights considerations have evolved beyond a moral imperative to become an integral component of sustainable business practices. It highlighted how regulations such as the Modern Slavery Act, the UN Guiding Principles of Business and Human Rights, the ILO conventions and the MLC are increasingly shaping corporate responsibility, particularly in relation to supply chain management. The discussion emphasised that sustainability within the value chain can no longer rely solely on top-down compliance, as global supply chains face increasing pressures from evolving regulatory landscapes, climate change and just transition considerations, as well as heightened stakeholder expectations.

Human Rights Peer Learning Session with Sarawak Energy Berhad

In July 2025, facilitated by the UNGC Network Malaysia & Brunei, MISC conducted a peer learning session with Sarawak Energy Berhad (SEB) to share insights on MISC's human rights management approach. Key topics discussed included the MISC Human Rights Policy, human rights risk assessment, human rights considerations within the supply chain, as well as reporting and access to remedy mechanisms. The session provided a platform for both organisations to exchange practices, discuss challenges and share experiences in managing human rights issues, while also strengthening relationships and fostering opportunities for future collaboration.

MISC's Participation in the Malaysia Petroleum Management's Business and Human Rights Forum

MISC's Chief Human Resource Officer was invited as a speaker to share insights on the implementation of human rights within the maritime sector, with a particular focus on DEI and employee welfare. The event was organised by Malaysia Petroleum Management (MPM) and attended by participants from Petroleum Arrangement Contractors (PACs), regulatory bodies and other key stakeholders.

PROVIDING ACCESS TO REMEDY

At MISC, access to remedy is recognised as a fundamental principle in upholding and respecting human rights. To support this approach, the Group has established a whistleblowing channel accessible to internal and external stakeholders, providing a structured mechanism for raising concerns. Stakeholders are encouraged to report suspected human rights issues without fear of retaliation, in line with MISC's zero-tolerance policy towards retaliation against whistleblowers.

MISC is committed to ensuring that all human rights concerns are addressed promptly and effectively. All reported grievances are subject to thorough investigation, with appropriate remedial actions taken where breaches are identified.

In 2025, MISC further strengthened its grievance management framework by establishing a dedicated employee grievance channel managed by the HR function and launching an online internal grievance form. This enhancement enables HR to manage workplace-related concerns, while the whistleblowing channel remains focused on the reporting of misconduct and criminal offences.

Grievance cases are monitored and reported to the Grievance Committee on a quarterly basis. Reported cases are categorised as follows:

Work-Related Issues

- Operational concerns
- Human resource practices

Personal Well-being Issues

- Psychological safety
- Harassment and discrimination
- Bullying and disrespect

During the year under review, we recorded zero substantiated human rights-related case. This is an improvement compared to 9 cases recorded in 2024.

Whistleblowing/Grievance Channels

MISC is committed to the highest standards of integrity, transparency and accountability. To uphold these standards, MISC provides avenues for all employees and members of the public to report any improper conduct within the organisation through its established Whistleblowing and Grievance channels:

- Email whistleblow@miscbhd.com; or
- Complete the Whistleblowing/Grievance e-form available on our website; or
- Call the MISC Whistleblowing Hotline at +603-2264 0807.

PARTNERING WITH THE COMMUNITY

Our Commitment

To foster youth development towards becoming future leaders through education

Our Initiatives

- Establish multi-stakeholder community investment programmes aimed at upskilling the entrepreneurship skills of youth
- Continuation of the maritime cadet sponsorship programme

Our Contribution to SDG

Promote skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

OUR APPROACH TO COMMUNITY INVESTMENT

MISC's community investment initiatives are governed by the MISC Group Community Investment Guideline, which prioritises five key focus areas: education, environment, health, safety and well-being. The Guideline outlines the strategic planning and effective implementation of programmes aimed at improving the socio-economic conditions of local communities within our areas of operation, ensuring that our efforts remain impactful, targeted and responsive to community needs.

Our Community Investment Principles

Strategic
Evolves as the business progresses and employs various approaches along the project cycle.

Aligned
Aligning the business' strategic issues with the development priorities of local communities, civil society and/or government to create shared value.

Multi-stakeholder Driven
Positions the Group as a partner in multi-stakeholder processes rather than as the principal actor in promoting local development.

Sustainable
Seeks to avoid dependency, encourages self-reliance and creates long-term benefits that can outlast company support.

Measurable
Measures return on community investment to both the Group and the community.

Our strategic community investments are aligned with the SDGs and continue to generate positive outcomes for both the communities we serve and MISC.

STRATEGIC COMMUNITY INVESTMENT

Strategic community investments enable MISC to build strong and meaningful relationships with key stakeholders, including customers, employees, local authorities and local communities. These efforts are aligned with societal expectations and contribute to enhancing corporate reputation, strengthening stakeholder relationships, mitigating operational and social risks and reinforcing long-term business resilience and the Company's social license to operate.

Education

Cadet Sponsorship

Since ALAM's establishment in 1977, MISC has remained committed to advancing maritime education through its continued support of the academy. Since 2002, this commitment has encompassed sustained investments to promote seafaring as a vital and respected profession that recognises its importance to global trade, transportation and economic activity.

The maritime profession is highly specialised, requiring competencies in navigation, maritime regulations, safety management and the operation of marine equipment. Seafarers typically acquire these qualifications through formal education and training programmes, followed by certification from the relevant maritime authorities.

Through our Marine Services division, MISC continues to support community development by implementing a cadet sponsorship programme at ALAM. In 2025, MISC contributed RM32.2 million to this initiative. This investment focuses on developing a highly skilled maritime workforce that meets the evolving needs of the Malaysian shipping industry while creating meaningful employment opportunities for local youth.

In 2025, MISC sponsored 153 new students, comprising 100 Malaysian students and 53 international students, to pursue Diploma in Nautical Studies, Marine Engineering and Marine Electro-Technology upon completing the required competency assessments and interviews. Through this educational sponsorship programme, we help ensure a sustainable pipeline of future maritime talent while providing students with access to quality education and long-term career prospects within the industry.

Educational Scholarships

AET remains steadfast in its commitment to nurturing the next generation of maritime professionals through scholarship and internship programmes in our key operating hubs. By investing in young talent, AET aims to build a resilient, future-ready workforce equipped with the technical and leadership skills essential for the evolving global maritime industry.

The year 2025 marks the first official year of AET's three-year Memorandum of Understanding (MoU) with the Singapore Maritime Foundation (SMF). Under this agreement, four AET-MaritimeONE Scholarships were awarded to students at the Singapore Maritime Academy (Singapore Polytechnic). These scholars, specialising in Maritime Business and Marine Engineering, will also benefit from an intensive six-month internship at AET, gaining hands-on experience in commercial operations, sustainability and HSSE. This initiative builds on a long-standing commitment to supporting the MaritimeONE programme, which connects students with industry mentors and career-defining exposure.

In the United States, AET has further deepened its ties with Texas A&M University at Galveston. In addition to awarding eight scholarships to undergraduate students majoring in Maritime Transportation and Marine Engineering, AET recently signed a two-year cooperative agreement. This partnership included sponsoring a significant upgrade to the AET Tanker Simulation Lab, providing students with state-of-the-art facilities to prepare for the technical demands of modern shipping.

AET in Rio de Janeiro, in collaboration with the Dream Learn Work (DLW) Institute, continues to provide life-changing vocational education opportunities. Building on the momentum of previous years, AET supported 10 additional students in 2025. This programme targets young adults aged 20–25 from underprivileged backgrounds, equipping them with the training and accredited qualifications required to successfully transition into the local labour market and the wider maritime ecosystem.

In the UK, AET partnered with Newcastle University to provide a scholarship for a one-year full-time Master of Science in Shipping and Logistics.

Location/Country	Partnering Organisation	No. of Scholarship Awarded
Singapore	Singapore Maritime Foundation	4
Galveston, Texas, USA	Texas A&M Foundation	8
Rio De Janeiro, Brazil	Dream Learn Work	10
United Kingdom	Newcastle University	1

In 2025, AET contributed over USD 100,000 to support educational sponsorship initiatives.

PARTNERING WITH THE COMMUNITY

Environment

Environmental health and human well-being are intrinsically linked. Through its environmental stewardship and conservation initiatives, MISC creates meaningful social value while safeguarding natural ecosystems. By promoting responsible environmental practices, particularly in communities reliant on natural resources for their livelihoods, MISC supports the long-term sustainability of these resources for future generations. Conservation efforts further contribute to advancing environmental education and awareness, empowering communities and individuals to adopt more sustainable lifestyles.

Heart of The Ocean Programme

The Heart of the Ocean marine biodiversity conservation programme aims to improve ocean health and reduce the impact of human activities on the ocean. It was initiated in 2020 under the Biodiversity Conservation strategic initiative.

Mersing Islands Reef Conservation Initiative

Stakeholder Capacity Building & Awareness

As part of the Mersing Islands Reef Conservation Initiative, we conducted stakeholder capacity building and awareness programme focusing on the local community in Mersing Islands aims at developing knowledge and skills among the island's communities for their alternative livelihoods.

Summary of key activities conducted (2021–2025):

28 awareness programmes were conducted at local schools, **with 1,251 students and teachers participating**

24 awareness programmes and sharing sessions were conducted with local communities, youths and government agencies, engaging a **total of 1,566 participants**

50 sessions of capacity building programmes were conducted with local stakeholders, engaging a **total of 409 participants**

Read more in the Conserving Marine Biodiversity section.

MISC-UMT SEATRU Sea Turtle Conservation Initiative

Key achievements and impacts recorded under this programme are summarised below.

Key Achievements and Impacts:

Facility Upgrades: The programme successfully upgraded conservation facilities with solar panels, improved accommodation, safety equipment and renovated common areas, making the site more efficient and volunteer-friendly.

Conservation Success: The collaboration saw significant volunteer participation, including over 1,269 public volunteers and 96 MISC employees. Their efforts resulted in the protection of 8,620 nests and achieved an impressive average annual hatching success rate of 69%.

Community and Outreach: Outreach programmes have reached over 10,000 visitors, engaged local schools and strengthened community ties, ensuring the project's long-term sustainability.

Beach Cleaning Programme

"Trash the Trash" Beach Cleaning by Marine Services

In July 2025, Sungai Udang Port Sdn. Bhd. (SUPSB), in partnership with MRCSB, conducted the "Trash the Trash" Beach Cleaning Event at the Temporary Project Jetty (TPJ) Coastal Area. This collaborative effort focused on tackling marine pollution and promoting responsible waste management. Through the collective action of volunteers from both entities, 605 kg of waste was diverted from the ocean, including 493 kg of plastic and 112 kg of general debris. This initiative directly supports our commitment to SDGs 13, 14 and 15, demonstrating the power of group-wide collaboration in protecting our natural coastlines.

Read more in the Waste Management section.

Greening the Environment Programme

Growing a Greener Future: Supporting Singapore's City in Nature Vision

On 18 October 2025, our Singapore colleagues participated in the Plant-A-Tree Programme organised by the Singapore Maritime Foundation, contributing to the planting of 122 trees along Singapore's Rail Corridor under the OneMillionTrees movement, which targets one million additional trees across the nation by 2030. In parallel with their volunteering efforts, we also sponsored 15 trees to further support this initiative and our commitment to environmental stewardship, climate resilience and advancing Singapore's vision of a greener, more liveable City in Nature.

Philanthropy

Beyond our strategic community investments, the MISC Group actively engages in philanthropic initiatives by contributing time, financial resources, in-kind support and professional expertise to charitable causes that align with our values and corporate purpose.

SELANGKAH: Nurturing Orang Asli Youth Through Social and Emotional Learning

Selangkah is a social impact initiative by the Offshore segment aimed at empowering Orang Asli children through the development of emotional intelligence, confidence and empathy. The programme adopts a structured Social and Emotional Learning (SEL) approach to support the cultivation of resilience, healthy emotional expressions and strengthened social and communication skills.

Piloted at Sekolah Kebangsaan (Asli) Bukit Kemandol in Jenjarom, Selangor, Selangkah engages 30 Orang Asli Year 6 students. The initiative is structured around the five core competencies of the Collaborative for Academic, Social and Emotional Learning (CASEL) framework: self-awareness, self-management, social awareness, relationship skills and responsible decision-making.

Implemented from July to November 2025, the programme is delivered through structured and interactive sessions that include storytelling, group activities, role-playing and guided reflection. The sessions are facilitated by an NGO partner and supported by Offshore volunteers who act as mentors and positive role models, helping to build trust, encourage active participation and promote shared learning within the community.

Beyond emotional development, Selangkah plays a critical role in supporting educational continuity by sustaining student engagement and mitigating the risk of school dropout during the challenging transition from primary to secondary education, a prevalent concern within Orang Asli communities.

Key activities undertaken as part of this programme included:

- **Experiential Learning Trip:** Students participated in an experiential visit to the National Science Centre, designed to broaden perspectives and connect classroom learning with real-world applications of science, innovation and discovery. For many participants, this inaugural exposure sparked curiosity and strengthened self-confidence.
- **Back-to-School Session:** The programme concluded with a transition-focused session to prepare students for entry into secondary school, incorporating motivational engagement, school-readiness activities and the provision of essential supplies.

Looking ahead, our Offshore segment remains committed to the programme's long-term vision of providing sustained support to the same cohort of students throughout their secondary education. The initiative also aims to open pathways to Technical and Vocational Education and Training (TVET) institutions and skilled career development opportunities, thereby strengthening foundations for their future, sustainable growth and long-term success.

PARTNERING WITH THE COMMUNITY

ALAM Community Empowerment and Drug Awareness Initiatives

The Community Empowerment 2025 event, themed *"Komuniti Cemerlang, Hidup Bebas Dadah"* (Excellent Community, Drug-Free Life), was a collaborative initiative organised by National Anti-Drugs Agency (AADK) Alor Gajah on 16 March 2025. Held at Surau An-Nur, Taman Kuala Permai, Kuala Sungai Baru, Melaka, the programme aimed to foster a drug-free, informed and resilient society by raising awareness, strengthening community ties and promoting positive values. Through active participation from 20 ALAM students and two employees, the programme engaged local stakeholders in drug prevention, rehabilitation support and youth leadership development. Activities included anti-drug forums, educational exhibitions and motivational sessions designed to empower community leaders and families with the tools for early intervention and peer support.

The programme demonstrated significant impact, such as participants gained a deeper understanding of the dangers of drug abuse, early signs of addiction and available support services through AADK. Community members developed a stronger awareness of their roles in early intervention and peer support and community leaders expressed increased interest in sustaining anti-drug initiatives at the grassroots level. Crucially, the youth participants actively engaged in forums focused on prevention and leadership, benefiting from direct exposure to real-world community empowerment and social responsibility efforts.

These efforts were complemented by an Awareness Briefing on Drug Abuse and Its Impact on the Community, held on 26 August 2025, for 229 new intake students at ALAM, conducted by officers from AADK Alor Gajah. The briefing detailed how drug abuse leads to severe health and psychological harm, declining academic/work performance and addiction, while broadly contributing to crime and social instability. The AADK officers stressed the importance of understanding dangers, utilising support systems and making responsible lifestyle choices. The session successfully raised awareness among new students about these risks and reinforced ALAM's commitment to student welfare and holistic development by promoting a safe, healthy and productive learning environment.

AET Project Heartbeat: Empowering Youth and Communities

On 16 September 2025, AET's Singapore office, including colleagues from AET and MISC, came together to support Project Heartbeat, a meaningful fundraising initiative that combined employee engagement with community impact. Teams organised a variety of creative booths, ranging from food stalls and games to handcrafted items, raising SGD 6,481 in support of vulnerable groups.

The fund was directed towards a food and essential items distribution drive and mental wellness workshops for youth beneficiaries at VOX, a dedicated youth centre under the Singapore Children's Society that supports young people through safe drop-in services, outreach and developmental programmes. The initiative also includes opportunities for employees to volunteer at an upcoming food distribution drive, further strengthening staff engagement and deepening the lasting social impact of the programme.

AET Support for Culture and Education in Brazil

In September, AET leveraged Brazil's Federal Law for Cultural Incentive, which promotes cultural activities through tax incentives. Through this framework, AET contributed USD 35,000 to the "Art of the Sea" audiovisual project, focused on culture, arts and environmental awareness. The project delivers workshops in 15 public schools, distributes free educational booklets and provides online access to learning materials and culminates in an art exhibition and awards ceremony centred on environmental themes. As part of the initiative, tablets and certificates of merit are presented to the top 50 students and teachers, while the three best-performing schools receive projectors to enhance future learning.

AET Support for Food Security and Community Resilience

AET supports food security across the communities in which it operates through targeted charitable contributions and employee volunteerism.

- In July, AET donated SGD 4,000 to the American Red Cross to support relief efforts following the Central Texas floods. This contribution helped provide essential food, shelter and emergency supplies to affected communities, including funding a full day of meals and shelter for 15 families, as well as the provision of clean-up kits to support household recovery.
- In the United States, AET matched an employee-led donation (amounting to USD 1,150) to Kids' Meals Inc., doubling the impact of a birthday fundraising initiative that provided fresh, nutritious meals to approximately 1,150 food-insecure pre-school children across Harris and Montgomery counties in Houston.
- In Singapore, AET matched employee fundraising (with a total donation of USD 4,000) efforts organised by the Finance team in support of the Apex Club of Singapore (Bukit Timah), enabling two rounds of food parcel distribution benefiting 252 elderly households in the Redhill residential district, alongside on-site volunteering at the Block 89 Redhill Food Distribution project. AET employees also contributed time and resources to frontline food support organisations.
- In London, colleagues volunteered with Soup Kitchen London to prepare and serve meals to 120 individuals experiencing homelessness, complemented by a food donation equivalent to 3.5 days' supply.
- In Houston, employees participated in Giving Tuesday activities at the Houston Food Bank, sorting and packing over 14,000 pounds of food equivalent to more than 11,700 meals, alongside an additional corporate donation of 12,000 meals.

Collectively, these initiatives underscore AET's commitment to strengthening food security, supporting vulnerable populations and fostering resilient communities.

AET Disaster Relief Support

Following the devastating earthquake that struck Myanmar and neighbouring Thailand in March 2025, AET contributed SGD 4,000 to the Singapore Red Cross (SRC) to support ongoing disaster relief efforts. Channelled through the Myanmar Red Cross Society and the Thai Red Cross Society, the contribution will fund the procurement of 1,260 blankets for distribution to affected communities in Myanmar, helping to address immediate humanitarian needs. This contribution also reflects AET's solidarity with its people, including two Myanmar colleagues based onshore in Singapore and 14 Myanmar seafarers currently serving onboard AET vessels. By standing alongside impacted communities and employees, AET reaffirms its commitment to compassionate response and social responsibility during times of crisis. In November, AET made an additional donation to the Singapore Red Cross in support of relief efforts following Typhoon Kalmaegi, which impacted the Central Philippines. The contribution supported the procurement of portable water filters, providing access to clean drinking water for approximately 500 individuals in affected communities. Funds were also allocated towards the construction of health posts and essential community facilities, as well as the deployment of response teams to distribute water filters and hygiene kits in response to evolving on-the-ground needs.

MHB Ramadan Programme with the Community

MHB organised the *Ramadan Contribution for the Underprivileged Residents 2025* to extend assistance to underprivileged residents in the Pasir Gudang area. Contributions were distributed to residents in Kg Pasir Puteh, Kg Pasir Gudang Baru, Kg Cahaya Baru, Kg Sentosa Damai and Kg Kuala Masai, with participation from 41 MHB's volunteers.

In addition, MHB hosted the *Majlis Berbuka Puasa Bersama Keluarga MHB 2025* with nearby schools, namely SK Pasir Gudang 1, SK Pasir Gudang 2, SK Pasir Gudang 3, SK Pasir Puteh and SK Taman Cendana. This initiative, in collaboration with the District Education Office, Student Affairs and dedicated teachers, aimed to ease their burden and bring joy ahead of Eid.

The gathering provided an opportunity to strengthen relationships with the surrounding community and to share the spirit of togetherness during the holy month of Ramadan, while encouraging care, empathy and connection among employees and community members alike.

PARTNERING WITH THE COMMUNITY

Donation

Ibadah Qurban in ALAM

The Ibadah Qurban was held in conjunction with Eid al-Adha to commemorate the spirit of sacrifice, devotion and gratitude, serving as a significant platform for community engagement with meat from the sacrificed animals distributed to the underprivileged, volunteers and organisers.

Officiated by the PGCEO, the 2025 Qurban ceremony brought together 145 participants, including representatives from MISC, ALAM staff, students and the local community. The event focused on the traditional rites of the Qurban, from the processing and packing of meat to its distribution to eligible recipients. Supported by volunteers from the Masjid An-Nur Kariah and local residents, the programme successfully fostered a spirit of unity and teamwork. The day concluded with a community engagement session to appreciate the collective efforts of all volunteers in strengthening local ties.

The programme delivered a multi-faceted impact by reinforcing community bonds through collective participation from the communities. It also provided a meaningful avenue for employees to contribute to corporate social responsibility (CSR) initiatives, while fostering teamwork and leadership. Overall, the Ibadah Qurban programme reflected the organisation's commitment to community engagement, spiritual enrichment and social responsibility, reinforcing its standing as a values-driven organisation that upholds compassion and inclusivity.

MISC, ALAM & MHB Blood Donation Drive

MISC collaborated with Universiti Malaya Medical Centre to organise a blood donation drive, which received an encouraging response from MISC employees and tenants of the Dayabumi building, resulting in a total of 214 donors.

In addition, blood donation drives were successfully conducted across multiple locations in 2025. On 11 September 2025, a drive held at Polaris Hall, ALAM attracted strong participation from 165 donors comprising employees, students and contractors and was supported by 18 medical personnel from the Ministry of Health.

Another blood donation drive was organised on 11 August 2025 at MMHE West Yard, Pasir Gudang, with 65 employee donors participating. Collectively, these initiatives supported the sustainability of national blood supplies and reinforced a strong culture of volunteerism and social responsibility across the organisation.

MHB Flood Relief Initiative

MHB, in collaboration with the Johor Bahru District Office, carried out a flood relief initiative at Kampung Cahaya Baru, Johor, to assist 60 affected villagers across Kampung Pasir Gudang Baru, Kampung Sentosa Damai, and Kampung Cahaya Baru whose homes and livelihoods were impacted by floods. A team of MHB employees mobilised to deliver essential aid, including dry food supplies and cash assistance and further strengthened ties with the local communities. This initiative made possible through the generous contributions of MHB employees, underscores MHB's continued commitment to supporting neighbouring communities, particularly during times of crisis and to creating a caring and resilient social ecosystem in the areas surrounding its operations.

GOVERNANCE PILLAR

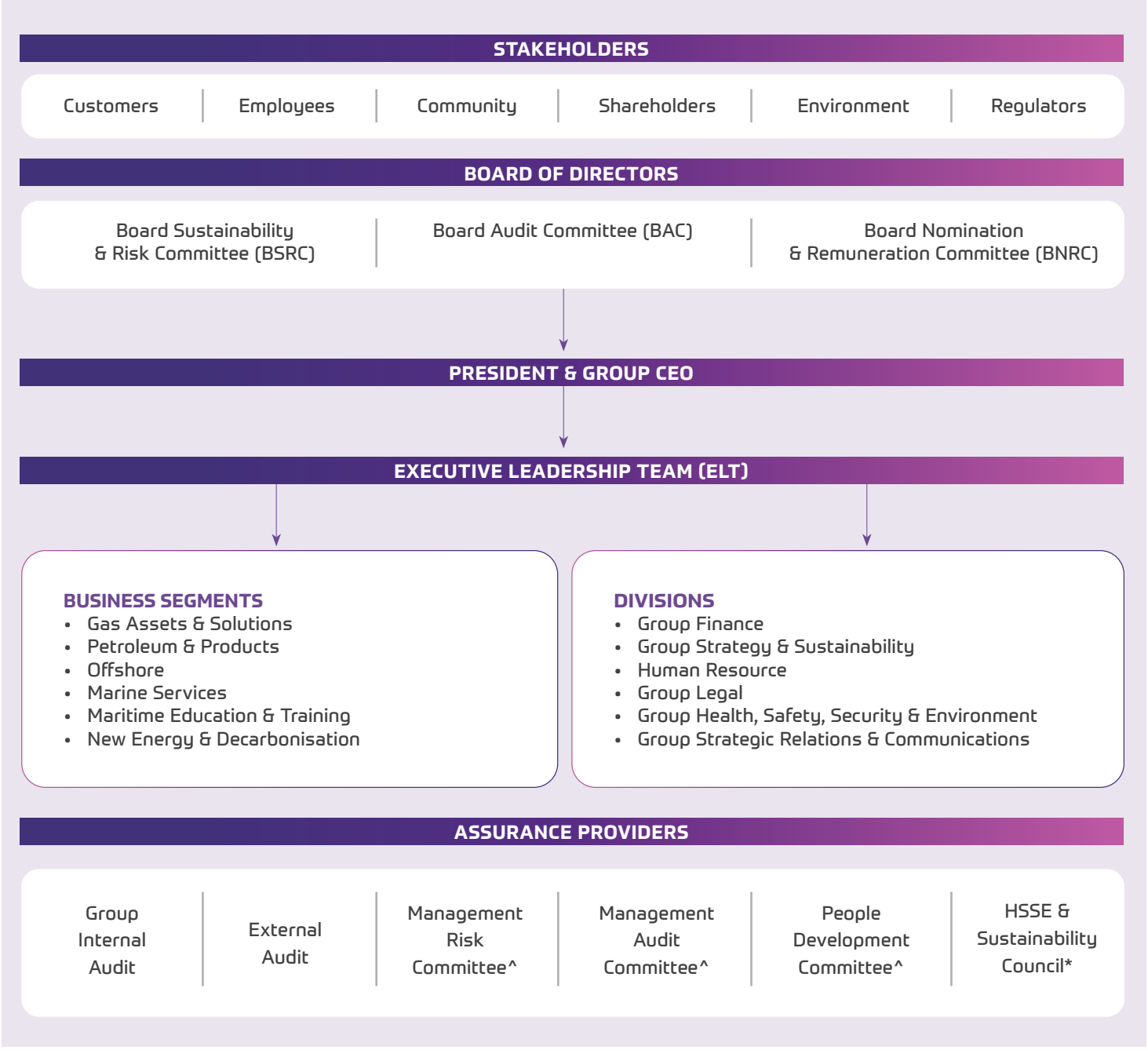
Our Approach

Corporate governance at MISC serves as a cornerstone for assuring accountability and advancing business objectives, with a steadfast commitment to safeguarding stakeholder interests. Guided by the principles of ethical behaviour, accountability and transparency, the governance framework is designed to support responsible oversight and long-term value creation for stakeholders. To uphold an effective governance system, MISC deploys an extensive array of control mechanisms that include well-defined policies, procedures, systems and processes. These mechanisms are instrumental in maintaining the highest standards of ethics and professional conduct, thereby protecting stakeholder interests and mitigating reputational risks.

The Board of Directors sits at the apex of the Company's governance structure, with support from the President & Group Chief Executive Officer and a network of Management Committees, business segments and divisions. This structured framework enables strategic matters to be addressed at the appropriate organisational levels, ensuring effective governance across the Company.

OUR APPROACH

CORPORATE GOVERNANCE FRAMEWORK



Note:
Information as of 5 March 2026
^ Comprises ELT Members only
** Comprises ELT Members & Senior Management*

MISC GROUP MANAGEMENT FRAMEWORK

The MISC Group Management Framework (MGMF) is to standardise and implement consistent practices across the MISC Group in ensuring compliance with laws and regulations, ensuring effective management of enterprise risk controls and delivering performance in achieving MISC Group strategies and objectives. This comprehensive framework defines the organisational structure, operational model and governance protocols, thereby serving as the principal reference for the Group.

The MGMF sets forth guiding principles and directives that ensure clearly delineated decision-making authorities and transparent oversight throughout the organisation. It also prescribes systematic procedures for the adoption of governance documentation and assures the effective implementation of the framework. By instituting a methodical governance structure, the MGMF enhances operational efficiency and fortifies MISC's dedication to upholding the highest standards across all aspects of its operations.

OPERATING RESPONSIBLY

Our Commitment

- Continuously embed a culture of strong corporate governance and business ethics and conduct
- Enhance the cybersecurity framework and safeguard our operations

Our Initiatives

Corporate Governance

- Include ESG risks in Enterprise Risk Management
- Increase Board oversight on ESG risks and opportunities, including cyber risk governance

Compliance & Business Ethics

- Continue to integrate compliance culture in business processes through awareness and assurance programmes
- Continuously improve our Anti-Bribery Management System
- Create cybersecurity capabilities and awareness among the MISC community across all levels
- Elevate and continuously improve on the cybersecurity framework

Our Contribution to SDGs

Promote sustainable economic growth and decent work for all by ensuring labour rights and promoting a safe and secure working environment for all

Ensure robust cybersecurity management in an era of rapid technological advancement and increasing reliance on information technology and digital communication

Foster strong governance and business ethics culture against corruption and promote fair practices

At MISC, strong corporate governance, compliance and business ethics guide how the Group operates and makes decisions in support of long-term business sustainability. Aligning practices with the interests of stakeholders remains central to building and maintaining trust over time.

We maintain strict adherence to all applicable laws and regulations governing our industry and the jurisdictions in which we operate. This commitment is further strengthened by detailed compliance processes and a well-established ethical framework.

To reinforce our compliance culture and encourage ethical behaviour across the MISC Group, we have implemented sound management practices aimed at effectively managing compliance risks and obligations. These measures guide our management and operations toward our aspiration of achieving zero non-compliance.

The following sections outline our approach to upholding fair, responsible and ethical business conduct, highlighting our dedication to maintaining the highest standards across all our business activities.

COMPLIANCE GOVERNANCE STRUCTURE

The established Compliance Governance structure provides a robust mechanism for proactively and effectively managing the compliance risks and obligations associated with our operations. Embedding a strong compliance culture across all business activities is essential to ensuring adherence to Group Policies as well as all relevant laws and regulations.

MAIN ROLES AND RESPONSIBILITIES

MISC BOARD

- Ensuring Shared Values, Cultural Beliefs, ethics and business behaviours are promoted throughout MISC
- Obtaining reasonable assurance that the compliance risk and compliance obligations have been managed and mitigated in a timely manner

BOARD SUSTAINABILITY & RISK COMMITTEE / BOARD AUDIT COMMITTEE

- Monitoring the adequacy and effectiveness of our compliance and ethics programme
- Ensuring identified compliance risks are adequately mitigated
- Providing oversight on the status of development and implementation of compliance and ethics-related initiatives, including policy-related matters, monitoring and assurance activities and training and awareness conducted
- Obtaining assurance on the adequacy and effectiveness of our management process and internal control such as whistleblowing-related matters, conflict of interest disclosures (actual breaches with disciplinary actions) and compliance with the Regulatory and Legislation Register (major reputational breaches)

Compliance, Group Legal reports to BSRC on quarterly basis (Compliance & Ethics Programme/COI/ non-compliance to R&L)

EXECUTIVE LEADERSHIP TEAM

- Promoting Shared Values, Cultural Beliefs, ethics and good business behaviours
- Ensures an effective Compliance Management Framework
- Foster a strong governance and business ethics culture

Compliance, Group Legal facilitates Whistleblowing Committee's quarterly reporting to BAC (Whistleblowing)

COMPLIANCE DEPARTMENT, GROUP LEGAL

- Implement a Compliance Management Framework to identify and adequately mitigate compliance risks
- Embed a strong culture of corporate governance and business ethics conduct within the organisation

The roles and responsibilities of the Board and its Committees are integral to ensuring the resilience and effective management of our business. Guided by the Compliance Management Framework, the Compliance Department under Group Legal supports the Board, BSRC, BAC and ELT in overseeing and managing compliance risks across the organisation.

OPERATING RESPONSIBLY

COMPLIANCE MANAGEMENT FRAMEWORK

The MISC Compliance Management Framework is anchored on the core principles of establishing clear regulatory compliance programmes; identifying, managing and mitigating compliance risks; and providing transparent attestation and reporting on compliance status. The Framework is supported by strong governance and oversight, reinforced by a clear 'Tone from the Top' set by the Board and ELT. A culture of compliance is instilled across all MISC business activities, with structured communication and training serving as key enablers to strengthen organisation-wide awareness and accountability.

COMPLIANCE LEADERSHIP AND CULTURE

COMMUNICATION AND TRAINING

MISC COMPLIANCE MANAGEMENT FRAMEWORK

Define/Identify Regulatory Compliance Programmes	**Track** Compliance management and mitigation
Attest Attestation and Reporting	**Validate** Compliance Risk Identification

Legal Functional Checklist	**Legal Compliance Control**	**Legal Compliance Framework Standard**

For each element of the Compliance Management Framework, the Group has established specific measures and initiatives that are critical to managing compliance risks under our Enterprise Risk Management approach. These measures are outlined as follows:

LEADERSHIP

- Management Compliance scorecard
- Demonstrate 'Tone from the Top' on ethical culture and behaviour
- Ensure compliance to Rules, Regulations and Governance

CULTURE

- Training, Communication and Awareness
- Mandatory training on Critical Legal Areas, CoBE and Relevant Policies and Guidelines
- Appointment of Compliance Champions in Business/ Service Units and Subsidiaries
- Compliance and Ethics benchmark and survey
- Compliance and Ethics linked to employee performance

COMPLIANCE RISK MANAGEMENT

- Regulatory and Legislation Register
- Group Policies on Critical Legal Areas
- Anti-Bribery Management System Certification
- CoBE
- Bribery and Corruption Risk Management
- Third-Party Risk Management
- Conflict of Interest Analysis
- Whistleblowing Management

MONITORING AND REPORTING

- Quarterly compliance attestation by Head of Divisions and Departments of Business/Service Units
- MISC Group Annual myAssurance attestation programme on critical and operational legal areas
- Management Reporting
- Quarterly Reporting to BSRC/BAC

Compliance Leadership

MISC's leadership, comprising the Board and the ELT, sets the premise for expected behaviours and actions across the organisation. This top-down approach demonstrates a strong commitment to compliance and reinforces an ethical culture and conduct throughout the Group.

Accordingly, the Board and ELT shall:

1. Set the appropriate 'Tone from the Top'
2. Provide clarity on expectations for compliance
3. Ensure behaviours and actions are consistent with the messages delivered
4. Reward appropriate behaviours and penalise unacceptable actions

Management Scorecard

MISC employs company-wide Management Compliance Scorecards to assess the adherence of all business units, service units and subsidiaries, both at the management and employee levels. These scorecards complement the Group Balanced Scorecard by measuring compliance with critical laws and regulations.

The Management Compliance Scorecards are cascaded to Head of Divisions and Departments and are linked to each division's or department's compliance performance for the reporting year. This approach reinforces top-level commitment to preventing bribery, corruption and compliance risks, while strategically embedding a strong compliance culture into MISC's day-to-day operations.

Compliance Culture

At MISC, all employees are expected to demonstrate the right attitude and behaviour towards business ethics, forming the foundation of a strong compliance culture. This culture is shaped through multiple elements, including awareness and communication, leadership by example, clearly defined responsibilities and a structured approach to rewards and consequence management, as illustrated below.

i. Clear set of published values and expected compliant behaviours.
ii. Management is seen as the role model for implementing and abiding by compliance requirements.
iii. Employees are aware that they are accountable for their actions and equipped with the necessary skills and knowledge.
iv. Feedback mechanisms are put in place to ensure that mechanisms and processes to achieve the desired results and drive appropriate behaviours are working.
v. Issues raised are turned into lessons leamed and appropriate actions are taken.
vi. A consistent approach to rewards or consequence management is used to reinforce behaviours.

In addition, the employee appraisal process incorporates elements of compliance and ethics, whereby line managers are required to provide feedback on employees' adherence to compliance requirements and demonstration of ethical behaviour.

COMPLIANCE TRAINING, COMMUNICATION AND AWARENESS

As compliance obligations continue to evolve in response to a changing business environment, MISC conducts regular compliance communication and awareness initiatives to ensure employees remain informed of the latest laws and regulatory requirements.

Key programmes undertaken include:
i. Raising awareness of the CoBE and whistleblowing channels through the See.Speak.Support campaign.
ii. Delivering annual comprehensive training and refresher sessions on the five critical laws and the CoBE for employees, Directors and third-party suppliers.
iii. Disseminating regular compliance communications through multiple channels, including the MISC Compliance and Ethics Intranet Portal, email newsletters and postings via employee engagement platform.

OPERATING RESPONSIBLY

Compliance Culture (Cont'd)

The effectiveness of these training, communication and awareness programmes is monitored and assessed through periodic surveys that gauge employees' understanding of MISC's compliance and ethics culture.

See.Speak.Support

MISC introduced the See.Speak.Support Campaign in 2017 to enhance employees' awareness of the key elements of the CoBE. Conducted quarterly, the campaign aims to familiarise employees with our whistleblowing channels, the five critical laws and other relevant policies and procedures. These sessions center on three core themes, namely:

i. **See:** If you see something or hear something that makes you feel uncomfortable, do not ignore it.

ii. **Speak:** It takes courage to speak up. Talk to your supervisor, Human Resource Division or Compliance Department.

iii. **Support:** Do not underestimate the power of support. It can help a colleague to stand up and act.

In 2025, the following See.Speak.Support awareness sessions were conducted:

Q1 **Strengthening Anti-Money Laundering Controls for Non-Financial Institutions**

The first quarter 2025 See.Speak. Support Campaign was presented by Mr. Nadarashnaraj Sargunaraj, Partner at Zaid Ibrahim & Co. The session focused on strengthening understanding of the measures and processes to prevent money laundering and terrorist financing. The speaker also highlighted best practices and shared lessons learned from previous cases.

Q2 **MISC Group Integrity Day**

In second quarter 2025, as part of the See.Speak.Support Campaign, MISC hosted the MISC Group Integrity Day at Menara Dayabumi. Conducted in a hybrid format, the event welcomed over 800 participants, both in person and virtually. The session commenced with a keynote address by the MISC PGCEO, followed by a Corruption-Free Pledge Signing Ceremony by ELT members, witnessed by the PETRONAS Chief Integrity Officer and representatives from the Malaysian Anti-Corruption Commission (MACC).

A panel discussion on Integrity in Decision Making: Balancing Ethics and Business Goals featured speakers from PETRONAS, MACC, the Attorney General's Chambers and our Offshore segment. The event concluded with the announcement of the Integrity Video Competition winners and interactive booth exhibitions.

Q3 **Human Rights at Work: Embedding Principles, Enabling Change**

The third quarter 2025 See.Speak.Support session was a collaborative initiative by Group Legal and Group Strategy & Sustainability. The session commenced with opening remarks by En. Raja Azlan Shah Raja Azwa, Chief Strategy & Sustainability Officer of MISC Berhad, followed by a keynote presentation from Puteri Noor Jehan Wan Abdul Aziz, Business and Human Rights Specialist at United Nations Development Programme (UNDP). She provided insights on Malaysia's National Action Plan on Business and Human Rights, global workplace standards and practical strategies for integrating these principles into day-to-day operations. The session concluded with an interactive discussion on fostering change through ethical leadership and employee empowerment.

Q4 **From Addiction to Advocacy: A Workplace Perspective**

The session addressed the topic of substance misuse and featured guest speaker En. Hafizi Harun, President of PENGASIH Malaysia. The event opened with remarks from En. Shairizal Badzri of Group HSSE, followed by an insightful presentation from En. Hafizi, who shared his life experience to illustrate the journey from addiction to advocacy. The discussion covered rehabilitation support, organisational responsibility and strategies to foster a safe and supportive work environment. The session concluded with an interactive Q&A, reinforcing the importance of empathy and proactive engagement in promoting workplace well-being.

Compliance Culture (Cont'd)

Compliance Training

In 2025, MISC continued to deliver CoBE training sessions to educate employees on the 'Five Critical Legal Areas,' namely Ethics and Integrity (including Human Rights and Modern Slavery), Personal Data Protection, Sanctions, Export Control and Competition. These sessions reinforced the Group's expectations regarding employees' conduct in their day-to-day roles.

In addition to formal training sessions, bite-sized communication materials were disseminated across the Group to provide simplified guidance on CoBE and related topics.

CoBE training is also integrated into the HR onboarding programme for new employees, covering anti-corruption and other key areas of the CoBE. Annual refresher training is conducted for all employees and Directors, who are required to complete an assessment with a 100% score to be considered successful.

CoBE training is further extended to third-party suppliers to ensure adherence to MISC's CoBE and other compliance requirements. These training programmes also cover the Whistleblowing Policy and its management within MISC.

Third-party suppliers are required to complete a mandatory assessment following CoBE training. In 2025, 315 third-party suppliers from various industries across the MISC Group participated in the training, of which 56 were identified as critical suppliers.

Under the MISC Group Compliance Learning initiative, eight compliance e-learning module training covering the 'Five Critical Legal Areas' have been developed and rolled out in phases since 2022. These modules include:

i. Code of Conduct and Business Ethics (CoBE)
ii. Anti-Bribery & Corruption Manual
iii. Third-Party Compliance Due Diligence in MISC
iv. Export Control
v. Personal Data Protection
vi. Sanctions
vii. Competition Law
viii. Human Rights Management

Critical Legal Areas Training

In addition to the compulsory e-learning training modules, MISC also delivered multiple Critical Legal Areas (CLA) training sessions to strengthen understanding and awareness across the organisation. These initiatives focused on key compliance topics, equipping employees and leadership with the knowledge to uphold governance standards.

1. Compliance Sanction Screening Upskilling Session for MISC Group

   A Compliance Screening Upskilling Session was held in collaboration with PETRONAS Group Legal to strengthen internal controls and awareness of sanctions screening requirements across MISC Group. The session emphasised the need to complete sanctions and compliance screening before processing payments, reinforcing adherence to the Third-Party Risk Management (TPRM) Manual and Sanctions & Export Control Guidelines. It also ensured relevant personnel from Legal, Finance, HR and Operations are better equipped to uphold robust governance standards and mitigate sanctions risk.

2. Compliance Champions Training

   The annual Compliance Champions Training equipped champions with essential knowledge of the CLA and reinforced good practices across the organisation. The programme served both as a refresher for existing champions and an onboarding platform for newly appointed ones, clarifying their roles and responsibilities in driving compliant behaviour. In addition to the annual sessions, targeted briefings were conducted on an ad hoc basis for new champions, supporting a strong compliance culture and alignment with organisational values.

3. Third Party Risk Management Briefing for MISC Serviços de Petróleo do Brasil Ltda.

   To enhance global compliance awareness, a TPRM briefing was conducted for MISC Serviços de Petróleo do Brasil Ltda. (MSPB) employees. The session provided an overview of MISC's compliance governance structure and Third-Party Compliance Due Diligence processes, including the use of tools such as KYC6 and the MISC Due Diligence Register. Participants were also guided on accessing key resources via the internal compliance portal, reinforcing consistent third-party risk management standards across regions.

4. Sanctions Outlook and Its Impact on the Maritime Industry

   As part of the Directors' Training programme, MISC organised a dedicated session on the evolving global sanctions landscape and its implications for the maritime industry. The session, led by Ali Burney, Partner at Steptoe, covered current sanctions regimes, enforcement trends, deceptive shipping practices and regulatory expectations relating to high-risk jurisdictions such as Russia, Iran and North Korea. Directors were briefed on best practices, including vessel monitoring, enhanced screening tools, strong internal controls and regular risk assessments, supporting the Board's oversight of sanctions and governance risks.

OPERATING RESPONSIBLY

Compliance Culture (Cont'd)

5. Data Privacy Workshop

   A Data Privacy Workshop was conducted to strengthen Groupwide awareness of personal data protection obligations following the Malaysian Personal Data Protection (Amendment) Act 2024. The session covered new requirements such as mandatory Data Protection Officer appointments, 72-hour data breach notification to the Commissioner, enhanced data portability rights and tighter cross-border transfer controls. Participants also explored global privacy trends and the impact of emerging technologies on data governance and were reminded of tools such as the Group Data Transfer Agreement and incident response processes to safeguard personal data and maintain regulatory compliance.

Compliance and Ethics Survey

The Compliance and Ethics Survey serves as a key tool to assess the compliance and ethics culture across the MISC Group. Administered biennially, the survey measures the effectiveness of compliance and ethics programmes from the employees' perspective and evaluates the extent to which the MISC CoBE, adopted in 2012, has been understood and assimilated.

Following the 2024 survey, six action plans were developed to address identified gaps. The table below outlines these action plans and their progress in 2025.

No.	Action Plans	Progress in 2025
1.	Introduce an Integrity Leadership Key Performance Indicators (KPIs) for the leadership team	Since 2024, individual KPIs on Integrity Leadership have been established, requiring ELT members to conduct a minimum of two integrity engagements annually.
2.	Upskill employees, especially those in compliance functions and designated compliance champions	The Compliance Champions Upskilling Plan was developed based on specific survey findings to address identified gaps and areas for improvement. The plan encompasses a structured training programme, recognition criteria, communication channels, mentorship, support mechanisms and initiatives designed to reinforce the compliance culture. The three-year Compliance Champions training plan commenced in 2025.
3.	Incorporate compliance and ethics discussion during performance reviews	Compliance and ethics topics are addressed through the Compliance and Ethics Feedback Form, which is distributed by Compliance Champions during year-end performance reviews.
4.	Continue the implementation of Compliance/ Integrity Moment sharing sessions	Compliance and Integrity Moment sharing sessions were introduced within Business Units and Service Units in 2024 and will continue to be conducted in 2025 and beyond.
5.	Conduct annual CoBE training for third parties	Continuation of the annual CoBE training for the identified MISC Group's third-party suppliers.
6.	Commence digitalisation/automation for the compliance management system and third-party risk management system	Digitalisation and automation initiatives for the Compliance Management System and Third-Party Risk Management commenced in 2025.

Compliance and Ethics Effectiveness

A Compliance Feedback Form was introduced to guide employees' performance review sessions, requiring employees to demonstrate their compliance and ethical conduct in day-to-day work responsibilities. This initiative provides an additional avenue for MISC to assess the effectiveness of its compliance and business ethics programmes.

Compliance Risk Management

Five Critical Legal Areas

At MISC, we have identified five Critical Legal Areas (CLA) that present potential risks to the Group, particularly due to international laws with extra-territorial effect. Non-compliance in these areas could lead to significant civil and criminal penalties, as well as severe reputational damage.

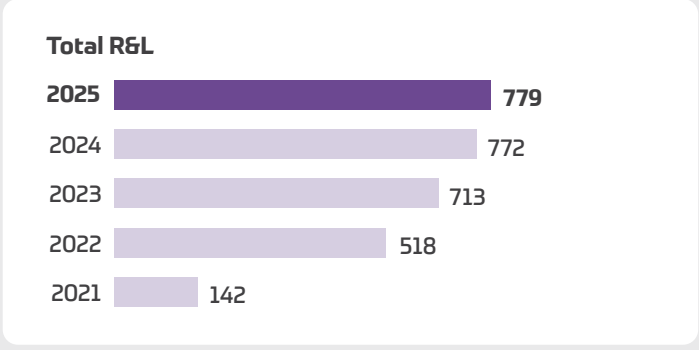
Five Critical Legal Areas

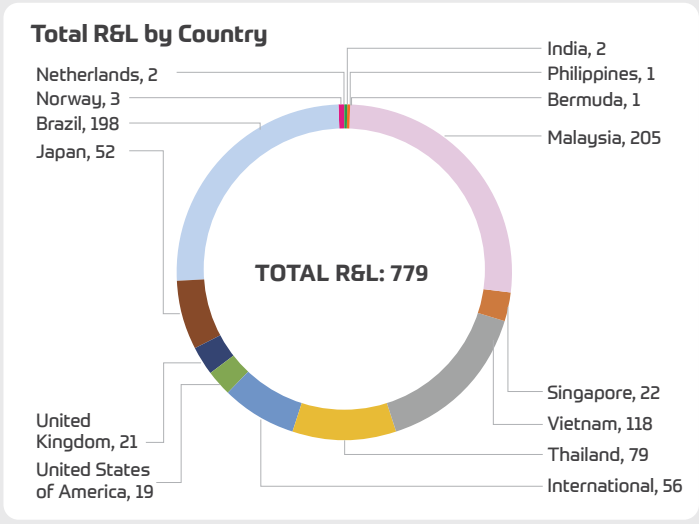
1. Ethics and Integrity (including Human Rights and Modern Slavery)
2. Personal Data Protection
3. Sanctions
4. Export Control
5. Competition

Regulatory & Legislation Register

MISC monitors all relevant regulations and legislation that may impact the organisation through the Regulatory & Legislation (R&L) Register. In 2025, the annual R&L Register review identified a total of 779 applicable laws and regulations. This year's review included a comprehensive clean-up exercise in which outdated, redundant and non-applicable laws and regulations were removed, while new and pertinent requirements were incorporated.

Total Regulations and Legislation





The R&L Register serves as a 'live' document and is continuously updated to ensure ongoing monitoring of MISC's adherence to statutory requirements. To provide the Board and ELT with assurance that the Group complies with all applicable laws and regulations, Legal Functional Checklists (FCs) have been introduced through the Integrated Assurance platform, myAssurance.

For further information on FCs and myAssurance, please refer to the section on Monitoring and Reporting.

Code of Conduct and Business Ethics

The Code of Conduct and Business Ethics (CoBE) applies to all Directors, employees and third parties performing work or services on behalf of MISC. It sets out the standards of behaviour and ethical conduct expected from all individuals associated with the organisation. Directors, employees and third parties are required to act in MISC's best interests and avoid any conduct or activities that could adversely impact the organisation. Reflecting our unwavering commitment to ethical business practices, the CoBE governs the Group's operations both domestically and internationally.

Four Key Areas of CoBE:

- Core Values and Culture
- Duties of Good Faith, Fidelity, Diligence and Integrity
- Workplace Culture and Environment
- Discipline, Disciplinary Process and Sanctions

OPERATING RESPONSIBLY

Compliance Risk Management (Cont'd)

To address local legislative requirements and social conventions in the countries where we operate, standalone Country Supplements have been developed to complement the Group-wide CoBE. These CoBE Country Supplements align the CoBE principles with the specific laws, regulations and social norms of each jurisdiction.

Seven CoBE Country Supplements have been established and implemented for employees based in Malaysia, Singapore, Brazil, Japan, the United Kingdom, the United States and China.

In addition, the CoBE for Third Parties outlines the relevant CoBE requirements that MISC expects third parties to comply with when performing or providing works, supplies and services, or when entering into business relationships with the Group. The CoBE for Third Parties was updated in 2025 to reflect revisions to the CoBE and to strengthen the Human Rights section in line with the implementation of the Supply Chain Human Rights Standard across the MISC Group.

Anti-Bribery and Corruption Policy and Manual

At MISC, we uphold the highest standards of ethical business practice to maintain the trust of our stakeholders and safeguard the organisation from reputational and economic risks. Our commitment is embodied in the MISC Policy on Anti-Bribery and Corruption, which affirms our dedication to conducting all business activities and operations with the highest levels of integrity, ethical conduct and accountability. The policy reinforces our zero-tolerance stance on bribery and corruption involving our employees or any individuals or entities acting on behalf of MISC. It applies to all business dealings and relationships across the Group.

To extend this commitment across our supply chain, MISC requires all third parties to declare their adherence to the standards of integrity expected by the Group and to comply with applicable laws and regulations by signing the Declaration and Integrity Pledge (DIP). The DIP was revised in 2025 to enhance its content and reflect practical application.

To support the implementation of the Policy on Anti-Bribery and Corruption, MISC has established the Anti-Bribery and Corruption (ABC) Manual, which incorporates the key principles outlined in the CoBE. The Manual serves as a practical guide for employees, Directors and business partners in addressing improper solicitation, bribery and other corrupt activities that may arise in the course of business. It covers, but is not limited to, the following areas:

1. Gift, Entertainment and Corporate Hospitality
2. Dealing with Public Officials
3. Corporate Social Responsibility (CSR), Sponsorships and Donations
4. Political Contributions
5. Facilitation Payment
6. Money Laundering
7. Dealing with Third Parties
8. Recruitment of Employees
9. MISC Whistleblowing Policy

In ensuring compliance with applicable anti-money laundering laws and guidelines, MISC has appointed a Designated Compliance Officer to serve as the focal point for managing Anti-Money Laundering and Countering the Financing of Terrorism matters.

Anti-Bribery Management System

The MISC Group of Companies has been certified with the ISO 37001:2016 Anti-Bribery Management System (ABMS) since 2023. This certification underscores our commitment to managing bribery and corruption risks in accordance with internationally recognised standards, as well as ensuring compliance with the MACC Act and relevant foreign legislation such as the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

Implementation of the ABMS within MISC is guided by the MISC Integrity Management System Manual. Annual internal audit reviews are conducted by Group Internal Audit (GIA), followed by surveillance audits by certification body, SIRIM QAS International Sdn. Bhd., to evaluate the effectiveness of the ABMS in preventing, detecting and responding to bribery and corruption.

These audits assess the ethical standards of our operations, focusing on areas such as leadership and commitment, policy and governance, roles and responsibilities, anti-bribery and corruption risks and opportunities and due diligence practices, among others.

100%
of MISC Group **certified** with ISO ABMS

Compliance Risk Management (Cont'd)

Business Ethics Awareness Programme

In order to strengthen the anti-bribery and corruption practices within MISC, the following programmes were organised.

i. **Integrity Time-Out**
An Integrity Time-Out session is an avenue for the Head of Divisions/Departments to communicate and have a conversation about integrity with employees within their respective departments. The session is coordinated by the respective Compliance Champions within the Divisions/Departments.

ii. **Compliance/Integrity Moment**
The Compliance or Integrity Moment is a brief two to three-minute sharing session by any employee to illuminate ethical situations faced in the workplace or depicted in the media which is to be held at the start of meetings, town halls or awareness sessions.

Corruption Free Pledge Refresher

In 2025, the MISC Group Corruption-Free Pledge refresher was circulated to all employees to reinforce the Group's commitment to integrity. This was followed by a Corruption-Free Pledge signing ceremony by ELT members, held as a highlight during MISC Group Integrity Day and witnessed by the PETRONAS Chief Integrity Officer and a representative from the MACC. The year concluded with a Corruption-Free Pledge signing ceremony by the MISC Board of Directors, witnessed by the MISC Group PGCEO.

Corruption Risk Exposure and Mitigations

The Bribery and Corruption Risk Management Framework was developed by benchmarking the following documents and references:

i. Transparency International (TI) (UK)'s Guidance for 'the Conduct of Effective Bribery Risk Assessment'
ii. United Nations Global Compact's 'Guide for Anti-Corruption Risk Assessment'
iii. PETRONAS' Guide on 'How to Implement an Integrity Programme – A Guide for MDs/CEOs, PETRONAS Group of Companies'
iv. MACC's Corporate Anti-Corruption Compliance Centre (CACCC) Risk Methodology;
v. ISO 31000:2010 Risk Management
vi. ISO 37001:2016 Anti-Bribery Management System
vii. PETRONAS' Corruption Risk Assessment (CRA) Procedure

OVERVIEW OF CRA PROCESS

MS ISO 31000:2010
Establish context

Define Objectives:
- Vision, Mission
- Strategic Objectives
- Level of integrity
- Internal & External Factors

RISK ASSESSMENT

Risk Identification
Step 1: Identify risks
Step 2: Identify causes/corruption schemes and consequences

Risk Analysis
Step 3: Determine Gross Risk Rating (GROSS)
Step 4: Identify and analyse controls
Step 5: Evaluate Control Effectiveness
Step 6: Determine Residual Risk Rating (RESIDUAL)

Risk Evaluation
Step 7: Evaluate Residual Risk and Risk Treatment Options

RISK TREATMENT

Management Action Plans

MONITORING & REPORTING
Communication & Consultation

OPERATING RESPONSIBLY

Compliance Risk Management (Cont'd)

All MISC Group companies conduct the Corruption Risk Assessment (CRA) annually to continuously identify, analyse and evaluate potential bribery and corruption exposures within the Group.

100%
of our operations were assessed for corruption-related risks

In addition, the MISC Group has established a Bribery and Corruption Risk Register, which is reviewed and updated annually to ensure that bribery and corruption risks, along with their corresponding mitigation measures, are comprehensively captured in accordance with ISO 37001:2016 ABMS requirements and the Adequate Procedures Guidelines.

Corruption Risk Management Procedure

The Corruption Risk Management (CRM) Procedure was adopted on 3 September 2025 to provide standardised guidance for managing bribery and corruption risks and to strengthen anti-bribery controls. The procedure incorporates measures to identify and evaluate associated risks and supports the development and implementation of adequate procedures in line with the T.R.U.S.T. Principle, enabling the Group to effectively prevent, detect and respond to bribery and corruption.

In 2025, a total of 263 potential corruption risks were identified, which were categorised into 16 key corruption risk areas, with 104 mitigation measures implemented across the MISC Group.

Top 5 Key Risk Areas

1. Bribery (offering/receiving bribe) and/or abuse of power in the selection of shipyard/ contractors/suppliers/service providers/ bankers/broker/agent/third party
2. Bribery (offering/receiving bribe) and/ or abuse of power by employees to leak sensitive and confidential information to specific third parties and/or competitors through daily operations and during tendering activities
3. Bribery (offering/giving) to influence judges/arbitrators in legal disputes in favour of Company or bribing the government authority/regulators/officials for favourable outcome (e.g., Approve submission of corporate exercise/statutory documents/permits/licences or reduce audit findings/fines)
4. Bribery (offering/giving) to influence judges/arbitrators in legal disputes in favour of Company or bribing government authority/regulators/officials for favourable outcome (e.g. Approve submission of corporate exercise/statutory documents/permits/licences or reduce audit findings/fines)
5. Bribery, concealing fraud activity

Bribery and corruption risk is incorporated into MISC's Enterprise Risk Register under the Risk Event category of Compliance with Rules, Regulations and Governance, within the Compliance and Ethics component.

Key Risk Indicators for Bribery and Corruption

- Lagging indicators: Medium impact and major impact breaches on critical legal areas (CLA) and operational legal areas (OLA)
- Leading indicators: Status of effectiveness of ABMS implementation by audit review outcomes

In 2025, we recorded no monetary losses as a result of legal proceedings associated with bribery or corruption

Zero non-compliances related to bribery or corruption, anti-money laundering, or insider trading

Compliance Risk Management (Cont'd)

Third-Party Risk Management

Third-Party refers to contractors, sub-contractors, consultants, vendors, agents, representatives and other service providers performing or providing work, supplies, or services for or on behalf of the MISC Group, joint ventures partners, clients, banking and financial institutions/lenders.

Our third-party compliance due diligence process is guided by the MISC Third-Party Compliance Due Diligence Operational Guidelines (TPCDDOG), which provide structured procedures for assessing compliance risks associated with third parties entering into, or maintaining, contractual transactions and business relationships with MISC. These assessments are designed to ensure that such relationships do not present significant associated compliance risks.

Compliance Risks Covered Under TPCDDOG

- Bribery and corruption
- Money laundering
- Conflicts of Interest
- Economic sanctions
- Export control
- Competition
- Human rights and modern slavery
- Personal data protection

Compliance Due Diligence Tools

- KYC Questionnaire
- Standard Compliance Due Diligence (Online screening via KYC platforms)
- Enhanced Compliance Due Diligence (ECDD)
- Associated Compliance Risk Assessment using the Due Diligence Risk Assessment Checklist

In 2025, the TPCDDOG and its associated tools were updated to align with the revised Human Rights Policy and the new compliance screening requirements.

MISC conducts compliance due diligence in all business dealings and relationships with both new and existing third parties as part of the Know Your Counterparty (KYC) process. The KYC process enables the Group to understand and assess counterparties to ensure compliance with applicable laws, as well as MISC's CoBE, policies and obligations.

Prior to engagement, operations are required to perform due diligence on third parties. This includes completing the KYC Questionnaire and/or conducting internal KYC online checks, followed by an assessment of potential Associated Compliance Risks using the Due Diligence Risk Assessment Checklist. Enhanced Compliance Due Diligence (ECDD) is conducted for third parties identified with medium or high Associated Compliance Risk, including all proposed transactions involving mergers and acquisitions or joint ventures. Appropriate mitigation plans are implemented upon identification of any red flags.

Competition

Our Competition Law Guidelines outline the key competition laws applicable across major international jurisdictions and guide the Group in ensuring strict compliance in day-to-day business operations. To support these guidelines, MISC has adopted two Competition Law Compliance Protocols:

i. Competition Law Compliance Protocol on Meetings and Information Sharing
ii. Competition Law Compliance Protocol on Merger and Acquisition Transactions

In 2025, we recorded

Zero non-compliances

related to competition law

Sanctions

MISC is fully committed to complying with all applicable economic sanctions and export control regulations by systematically identifying, mitigating and managing associated risks across the jurisdictions in which we operate.

Our Sanctions and Export Control Guidelines provide the overarching framework for all matters related to sanctions and export controls, ensuring adherence to regulatory requirements and international best practices.

As part of the third-party compliance due diligence process and the PRA conducted by business units, prospective business relationships are rigorously assessed to ensure that MISC does not engage with any entity or individual subject to sanctions, including those directly or indirectly owned or controlled by sanctioned parties. The Group strictly refrains from participating in any activities that could result in a breach of sanctions laws.

To strengthen compliance screening controls, all payments are subject to a comprehensive screening process prior to any transactions. This process covers all counterparties, recipient banks, intermediaries and other third parties, ensuring that no transactions are conducted with restricted or sanctioned parties.

In 2025, we recorded

Zero non-compliances

related to economic sanctions

OPERATING RESPONSIBLY

Compliance Risk Management (Cont'd)

Personal Data Protection

MISC is committed to complying with applicable privacy and personal data protection laws. The Corporate Privacy Policy and its Master Guidelines apply across all operations to ensure that the collection, use, processing and storage of personal data relating to employees, contractors, Directors and third parties are conducted in accordance with Group policies.

In line with the Malaysian Personal Data Protection (Amendment) Act 2024, MISC appointed a Data Protection Officer to fulfil the new statutory requirement, effective 1 June 2025.

MISC's Privacy Statement, available on the corporate website, outlines the processing of all personal data collected through the Group's website, social media channels and emails. Employees, Directors and third parties are also provided with a Personal Data and Information Notice, which explains the Group's practices regarding the handling of their personal data.

The Notice further informs individuals of their rights, including the ability to withdraw consent, access, rectify, modify, delete, object to, restrict, receive, or transfer their personal data, as well as to lodge a complaint regarding MISC's processing of their personal data. Any queries, comments, or complaints may be directed to the Compliance department at compliance@miscbhd.com.

In 2025, we recorded
Zero non-compliances
related to data privacy.

Customer Privacy Information

Customers are informed of our Corporate Privacy Policy through Personal Data and Information Notice.

Components of Our Personal Data and Information Notice

Purpose of information collection	Nature of captured information
Customers' personal data rights such as withdrawing their consent or amending or deleting personal data	Our commitment when disclosing customers' personal data

In 2025, we recorded
Zero non-compliances
related to customer data privacy.

Political Involvement Policy

Employees are prohibited from using their position in MISC to influence political contributions and support politicians or their parties in any country, as stated in our CoBE.

i. Political contributions are not permitted
ii. No form of financial assistance is received from the government
iii. Facilities, resources and equipment cannot be used for politically related activities and campaigns, or events.

Lobbying Approach

Employees are required to comply with local laws concerning lobbying in any jurisdiction in which MISC engages in lobbying activity, if any. Before engaging in lobbying activities, guidance from the Head of Department is to be obtained. MISC currently does not engage in any lobbying activities.

Conflict of Interest Annual Declaration

A conflict of interest (COI) occurs when one's personal interests, whether family, friends, financial, or social, may impair one's judgment, decisions, or actions at work. COI disclosure is part of the assurance process for Conflict-of-Interest Avoidance, in which possible or actual instances of conflict are identified and appropriately mitigated.

We must ensure that appropriate measures are taken so that there is no risk posed to our business, as well as to our Directors and employees. 100% of MISC Berhad's employees have completed the Annual COI Disclosure for 2025.

Our Directors, employees and third parties are required to declare any conflict of interest through the following platforms:

- A dedicated email address: coideclaration@miscbhd.com; or
- Annual Conflict of Interest Declaration form

All declarations are properly reviewed and analysed according to the COI Analysis and Review Procedure and any necessary mitigation steps are communicated to relevant employees.

In 2025, we recorded zero actual conflict of interest/non-compliance related to conflict of interest.

Compliance Risk Management (Cont'd)

Whistleblowing Policy

Employees and members of the public are encouraged to report any improper conduct, including misconduct, criminal offences and human rights violations, involving MISC or its employees through the Group's whistleblowing platforms. The Whistleblowing Policy applies to all employees, Directors and officers of MISC.

The Group also encourages its joint venture companies where it is not the controlling stakeholder, as well as its associate companies, to adopt this policy. The policy is likewise applicable to members of the public, where relevant.

Misconduct or criminal offences include, but are not limited to:

i. Fraud
ii. Bribery
iii. Abuse of Power
iv. Conflict of Interest
v. Theft or Embezzlement
vi. Misuse of Company's Property
vii. Non-compliance with Procedure

This list is not exhaustive and includes any act or omission that, if substantiated, would constitute misconduct under MISC's CoBE or a criminal offence under applicable legislation.

Whistleblowing Channel

Email
whistleblow@miscbhd.com

Whistleblowing e-Form
(https://whistleblow.misc.net.my/Whistleblowing/)

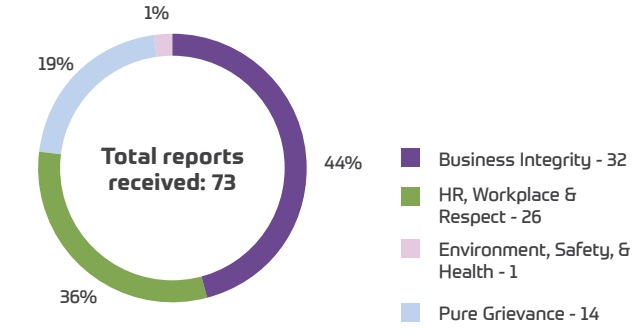
Hotline +603 2264 0807
from Monday to Friday during office hours
(9 am-5 pm)

Employees and members of the public may report any misconduct or criminal offence through MISC's whistleblowing channels anonymously and are not required to disclose their identity. The Group provides secure and confidential reporting channels, ensuring that whistle-blowers are protected and their identity is safeguarded, to the extent reasonably practicable, from any adverse or detrimental actions, provided the disclosure is made in good faith.

Whistleblowing Cases

In 2025, the whistleblowing channel received and processed 73 whistleblowing complaints in comparison to 65 complaints recorded in 2024.

Total Reports Received



Based on the outcomes of investigations, a total of 22 complaints were closed with action items, following substantiated allegations and identified anomalies. Corrective measures were implemented to address control gaps and mitigate risks. Two complaints were closed and seven were closed with no further action, while 42 complaints remained open or in progress.

Out of the 73 total reports received, 22 whistleblowing cases were identified as involving human rights–related elements.

During the year under review, management implemented the following measures to address substantiated cases:

i. Conducted due inquiries, followed by appropriate consequence management for employees involved.
ii. Developed gap analyses on employee-raised concerns, accompanied by corrective action plans to address identified gaps and prevent recurrence.
iii. Delivered targeted, bite-sized communications to reinforce awareness of the CoBE and grievance channels, focusing on relevant topics.
iv. Conducted mandatory risk assessments and safety inspections on specified equipment to prevent similar incidents.
v. Issued reminders to all employees to adhere to established policies and procedures.

In 2025, we recorded zero substantiated cases under Business Integrity related to Bribery and Corruption.

OPERATING RESPONSIBLY

Monitoring and Reporting

Compliance Attestation

The implementation of the Head of Department (HOD) Compliance Attestation Programme serves as a key mechanism for assessing the Group's compliance with applicable laws and regulations. In 2025, this initiative was conducted quarterly to reinforce the 'Tone from the Top' and demonstrate Management's commitment to fostering a compliance culture across all operations.

The self-assessment attestation programme promotes transparency in line with the Guidelines on Adequate Procedures and is designed to:

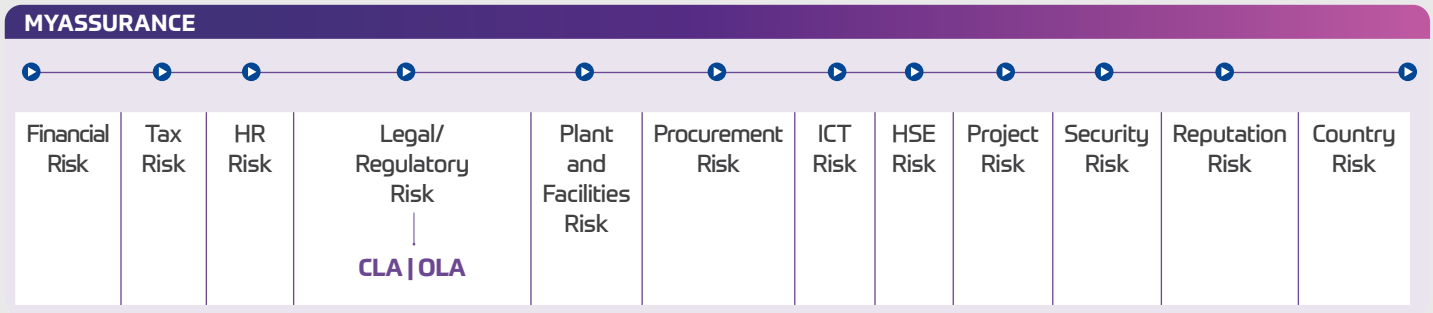
i. Assure the Board and Management regarding MISC's compliance with all applicable laws and regulations.
ii. Promptly document and address any concerns that may give rise to potential or actual compliance breaches.

myAssurance

myAssurance is an integrated assurance platform implemented to capture all lines of assurance across the Company's business operations. Legal and regulatory risk is one of the 12 Focused Risk Areas identified under the Group's Enterprise Risk Management framework.

Within the Legal and Regulatory Risk category, two domains of laws have been identified:

i. CLA – Reputational
ii. OLA – Non-reputational



Monitoring and Reporting (Cont'd)

Critical Legal Areas

The CLA FC within myAssurance is a self-assessment tool designed to evaluate the legal compliance status of our operations and identify potential areas of weakness, non-compliance, or misaligned practices. This includes key areas such as bribery and corruption, money laundering, conflicts of interest, sanctions, export control, competition, human rights, modern slavery and personal data protection. Corrective actions are implemented to address any gaps identified.

Operational Legal Areas

The Operational Legal Areas (OLA) FCs were also introduced on the myAssurance platform to capture assurances for laws and regulations outside the CLA scope. The OLA covers areas such as health, safety and environment, petroleum, energy and utilities; financial and tax, employment, land and real property, intellectual property and building and construction, among others.

In 2025, a total of 15 mandatory OLA FCs were identified for completion, as outlined below:

i. Fire Services Act 1988
ii. Dangerous Drugs Act 1952
iii. Prevention and Control of Infectious Diseases Act 1988
iv. Poisons Act 1952
v. Occupational Safety and Health Act 1994
vi. Environmental Quality Act 1974
vii. Labuan Business Activity Tax Act 1990
viii. Real Property Gains Tax Act 1976
ix. Companies Act 2016
x. Labuan Companies Act 1990
xi. Merchant Shipping (Tonnage) Regulations 1985
xii. Bintulu Port Authority Act 1981
xiii. Merchant Shipping Ordinance 1952
xiv. Merchant Shipping Ordinance (Amendment) Act 2016
xv. Merchant Shipping (Collision Regulations) Order 1984

The remaining OLA FCs are conducted on a risk-based approach, with the frequency of assessments determined according to the nature and level of the associated risks.

CONTINUOUS IMPROVEMENT

We continuously enhance the suitability, adequacy and effectiveness of our compliance and ethics programmes through regular reviews by the Internal Audit team, including annual ISO ABMS internal and external audits. Compliance and ethics-related matters are monitored and reported on a regular basis to ensure ongoing oversight and improvement.

STRENGTHENING CYBERSECURITY

As technological innovation accelerates, organisations are increasingly reliant on sophisticated Information Technology (IT) systems and interconnected digital environments for daily operations. The rapid evolution of digital infrastructure and the growing sophistication of cyber threats make it essential to adopt a proactive and adaptive approach to cybersecurity. For MISC Group, extensive cybersecurity management is not only necessary for countering current threats but also for anticipating future risks, thereby ensuring long-term business continuity and resilience. A sound cybersecurity strategy is built on ongoing risk assessments, advanced threat modeling and the ability to swiftly respond to new risks and technological developments. By integrating these principles into its cybersecurity framework, MISC strengthens its defences, enhances threat detection and demonstrates its ongoing commitment to a secure and resilient digital landscape.

At MISC, cybersecurity matters fall under the purview of the Board through the Board Sustainability & Risk Committee (BSRC), which receives updates on a quarterly basis. At the management level, progress and key developments are reported to the Health, Safety, Security, Environment & Sustainability Council on a bi-monthly cycle. This structured governance framework illustrates the critical importance placed on maintaining robust cybersecurity across the Group.

STANDARDS AND CORE DOCUMENTS

At MISC, cybersecurity management is guided by a comprehensive set of standards and frameworks, as listed below. These documents reflect global best practices and are customised to align with MISC's operations.

- MISC Cybersecurity Control Standards
- MISC Secure System Development Framework (SSDF)
- Cybersecurity Incident Response Plan
- Cybersecurity Incident Playbook
- MISC Cybersecurity Manual – for Maritime Assets
- MISC Cybersecurity Manual – for Third Party

The MISC Cybersecurity Control Standards define the baseline and specific cybersecurity controls required for all systems operated or used within the MISC Group, including those managed by joint ventures under MISC's operational oversight. These standards are informed by globally recognised frameworks such as the NIST Cybersecurity Framework, ISO/IEC 27001:2022, the ISF Information Risk Assessment Methodology and the International Safety Management Code. They also ensure adherence to key regulations, including the IMO 2021 Cyber Risk Management Resolution, the Personal Data Protection Act and the General Data Protection Regulation (GDPR).

The MISC SSDF integrates security into every step of the MISC's System Development Lifecycle, promoting resilient software and systems.

Additionally, the MISC Cybersecurity Incident Response Plan defines how the organisation responds to cybersecurity threats in a structured and effective manner. It provides a clear escalation pathway for handling both suspicious and confirmed incidents. Employees are directed at the IT Helpdesk as the initial point of contact, where issues are promptly investigated and escalated following the established Incident Response Workflow.

A strong incident response capability is crucial, as cyberattacks have the potential to cause severe operational disruptions and damage. The response plan enables swift detection of incidents, limits losses, addresses exploited vulnerabilities and ensures rapid restoration of IT services. This approach helps safeguard both MISC Group's IT and operational technology (OT) assets, as well as its employees. Regular annual reviews are performed to identify weaknesses and continuously enhance the overall effectiveness of the incident response plan.

Furthermore, we have formalised the MISC Cybersecurity Manual for all maritime assets to strengthen the protection of both IT and OT systems deployed across our fleet. To enhance cybersecurity throughout our supply chain, we mandate minimum standards for third-party vendors involved in manpower, IT/OT services and software contracts, reinforced by the MISC Cybersecurity Manual for Third Party. The Manual became fully operational in 2025.

EXTERNAL VULNERABILITY ASSESSMENT AND PENETRATION TESTING

As part of MISC's commitment to extensive cybersecurity, regular vulnerability assessments and penetration tests are conducted to evaluate the strength of its IT infrastructure and management systems. These efforts complement comprehensive annual external audits of cybersecurity processes, alongside the proactive implementation of advanced security measures to safeguard the company's digital environment. The exercise will evaluate the company's ability to detect, prevent and respond as well as will deliver realistic insights into the effectiveness of current defences, reveal detection gaps and response delays and provide actionable recommendations to enhance protection of critical assets and strengthen overall cyber resilience.

An independent third-party assessment featured a red team vulnerability test designed to realistically measure the strength of existing defences, identify any detection gaps or response

delays and generate actionable recommendations to better protect critical assets and boost overall cybersecurity resilience. The exercise focused on publicly accessible systems and non-sensitive information, employing both active and passive reconnaissance methods, such as subdomain, web application and internet protocol (IP) enumeration, to simulate exploitation attempts on internet-facing hosts. This exercise started in December 2025 and is to be completed in January 2026.

To further evaluate MISC's cyber resilience, a targeted phishing assessment was conducted to simulate social engineering attacks. Carefully crafted phishing emails were sent to employees using lookalike domains and email servers that closely mimicked legitimate sources, with the goal of measuring employee awareness and the likelihood of interacting with suspicious links. Each response was monitored to determine whether emails were opened, links clicked, or sensitive information submitted. The assessment recorded a 0% success rate with no employees interacting with the phishing emails, confirming that existing security measures effectively blocked unauthorised access and minimised the risk from social engineering threats.

These results demonstrate MISC's comprehensive information security posture, with strong controls in place to prevent breaches and unauthorised access. The company continues to enhance its cybersecurity framework to safeguard digital assets and uphold the integrity of its IT environment.

CYBERSECURITY RISK MANAGEMENT AND CYBERSECURITY BUSINESS IMPACT ASSESSMENT

Integrating cybersecurity risk management into MISC Group's Cybersecurity Strategic Plan is fundamental to tackling evolving threats, safeguarding stakeholder interests, maintaining regulatory compliance and upholding ethical standards. The Cybersecurity Risk Management Guideline, developed in alignment with the NIST Cybersecurity Framework's five functional areas; Identify, Protect, Detect, Respond and Recover provides a structured approach to managing and mitigating cybersecurity risks.

Guided by this framework, MISC Group conducted a business impact assessment to determine its "crown jewels" the most critical assets enabling focused resource allocation and risk prioritisation. Proactively addressing vulnerabilities associated with cyber threats strengthens organisational resilience, enabling sustainable business operations even in challenging conditions.

NIST Cybersecurity Framework's five functional areas—

Identify, Protect, Detect, Respond and Recover

Given the rise in cyberattacks within the maritime industry, MISC has performed vessel-specific assessments to identify gaps and implement controls to minimise onboard cybersecurity risks. Additionally, the Cybersecurity for Maritime Asset guideline was developed to help MISC vessels and offshore platforms comply with IMO 428, International Association of Classification Societies, Unified Requirement E26 and International Electrotechnical Commission (Security for Industrial Automation and Control Systems) standards. This ensures all vessels adhere to rigorous cybersecurity regulations, industry best practices and contractual requirements.

PROTECTING OUR VESSELS AND OFFSHORE PLATFORMS

Traditionally, OT on board encompasses control, communication and navigation systems operating in isolated environments. However, accelerated digital transformation is driving greater interconnectivity between OT and IT, resulting in increased cybersecurity risks. A cybersecurity incident or successful attack affecting MISC Group's vessels and floating platforms could trigger significant regional and global repercussions, impacting supply chains, reputation, financial stability, regulatory compliance, health and safety, as well as the environment and biodiversity.

To address these risks and limit potential impacts, MISC has implemented specialised cybersecurity guidelines for OT. Regular risk assessments, deployment of security controls and collaboration with industry peers help safeguard both IT and OT systems. This proactive stance supports the safe and efficient continuation of maritime business operations while minimising exposure to evolving threats.

KeepUp@Sea Cybersecurity Deployment

KeepUp@Sea is a comprehensive cybersecurity solution designed to secure the OT and IT infrastructure on maritime vessels. This solution enables centralised monitoring and management of onboard systems, ensuring compliance with the IMO 2021 cybersecurity guidelines. Its primary objectives are to safeguard vessel operations against cyber threats while minimising operational downtime caused by security breaches. As of December 2025, the solution has been deployed on 75 vessels across MISC Group.

STRENGTHENING CYBERSECURITY

The initiative delivers significant value by mitigating the risk of operational disruptions, thereby protecting the company's critical assets and ensuring seamless operations. It also enhances the safety of the crew by securing vital onboard systems, ensuring they remain functional and protected from cyberattacks. Indirectly, as cybersecurity requirements have heightened, KeepUp@Sea plays a crucial role in preventing incidents that could lead to environmental harm, such as accidental spills or equipment failures.

Furthermore, the solution aligns with global cybersecurity regulations, strengthening the company's compliance framework and ensuring that maritime operations meet international security standards. For MISC, this initiative not only reinforces the security and resilience of its fleet but also aids in protecting the company's reputation as an industry leader in maritime operations.

Moving forward, the strategic plan is to complete the rollout of KeepUp@Sea across the entire fleet and extend its adoption to subsidiaries. This enhanced implementation will ensure broader cybersecurity coverage and support the long-term sustainability of operations across MISC's global maritime network.

NexusWave: Enhancing Operations, Crew Welfare and Compliance

Project NexusWave, MISC's next-generation vessel connectivity solution powered by Inmarsat, is now close to full deployment across the fleet, providing high-speed, secure and globally available internet as the digital backbone of MISC's maritime operations. It enables real-time data sharing, remote monitoring and seamless integration with cloud-based applications, driving measurable improvements in operational efficiency, decision-making accuracy and maintenance responsiveness, while reducing communication delays and strengthening ship-shore collaboration.

From a social perspective, NexusWave has significantly enhanced crew welfare by delivering stable, high-speed connectivity that keeps seafarers connected to their families and digital well-being resources, supporting morale, retention and mental health during extended voyages. From a governance and sustainability standpoint, the system supports real-time compliance reporting, environmental performance tracking and remote audits, helping vessels meet international regulatory requirements. With most of the fleet now connected, NexusWave is becoming a core pillar of MISC's digital resilience and sustainability strategy, ensuring operations remain efficient, compliant and people-centric in an increasingly connected future.

PREVENTIVE, DETECTIVE AND REACTIVE MEASURES

To safeguard the security and resilience of MISC Group's networks, systems, applications, data and personnel, the company has engaged managed security support services to enhance the implementation of its Cybersecurity Strategy Plan. This partnership plays a critical role in effective security management.

Through the Security Operations Centre (SOC), the managed security support service delivers continuous 24⁄7 security monitoring, as well as advanced threat detection and response capabilities for IT endpoints and network devices. The service also provides specialist expertise in threat prevention, vulnerability management and managed detection and response for IT assets.

With the increasing frequency of global cyberattacks and the emergence of zero-day vulnerabilities, integrating managed security support is a crucial measure in MISC Group's cybersecurity strategy.

CYBERSECURITY AWARENESS PROGRAMMES

MISC is committed to maintaining a high level of cybersecurity awareness among its employees through continuous training and communication. Initiatives include tailored departmental sessions, onboarding awareness for new hires and dedicated cybersecurity awareness briefings. Key messages are further reinforced through posters and circulars distributed via email, ensuring wide employee engagement across the Group.

Cybersecurity e-Learning Programme

A cybersecurity training and awareness e-learning module was developed and launched for all MISC Group employees. Completion of this module is mandatory to ensure employees are aware of the potential risks and impacts of cybersecurity threats within the Group. The module also provides practical guidance on the Do's and Don'ts to help safeguard MISC Group against evolving cyber threats.

The e-learning content is reviewed annually, with updates made to address new requirements and emerging cybersecurity risks.

Cybersecurity Awareness for New Hires

Cybersecurity awareness sessions are incorporated into the orientation programme for new hires, covering topics such as types of cybersecurity threats, password security and best practices for maintaining cybersecurity. A total of 16 sessions were conducted in 2025.

Phishing Intervention Programme

In 2025, MISC conducted eight targeted sessions of its phishing intervention programme for employees who had previously clicked on phishing email links. The programme aimed to enhance employees' ability to identify phishing characteristics and adopt best practices to avoid harmful links. Reminder emails were also issued to reinforce key messages. This initiative has enabled MISC to consistently maintain a rate below the 4% target, aligning with performance levels seen across large organisations.

Cybersecurity Awareness Talk

The Information Security Department conducted cybersecurity awareness sessions during the Senior Officer Management Conference (SOMC) as well as dedicated talks for ALAM employees and students, delivering a total of four sessions in the year. These programmes focused on raising awareness of cybersecurity's importance in today's digital environment and provided practical guidance on mitigating cyber threats. Participants, including senior officers, employees and students were equipped with skills to safeguard personal privacy, maintain organisational security and comply with legal requirements, thereby supporting a more resilient and trustworthy digital ecosystem.

MHB Cybersecurity Awareness

In 2025, MHB implemented a structured suite of cybersecurity initiatives aimed at strengthening the organisation's security culture and cyber resilience. These initiatives included Mission Cyber Secure 2025 training sessions, cybersecurity infographics and alerts disseminated via corporate email, a mandatory cybersecurity knowledge assessment, information and communications technology (ICT) consequence management coaching and targeted phishing-awareness sessions. The programmes were delivered through a combination of virtual and in-person formats to ensure broad reach across MHB, its subsidiaries and support units.

Collectively, these efforts enhanced employee awareness of cybersecurity risks and best practices, strengthened competencies through assessment and coaching and promoted transparent communication on cybersecurity incidents to reinforce shared responsibility.

The programme emphasised employee compliance with ICT policies, reinforced individual accountability and supported the continuous improvement of MHB's Information Security Management System (ISMS).

As a result, MHB fostered a more vigilant and cybersecurity-conscious workforce, reduced the likelihood of human error leading to cyber incidents and strengthened organisational readiness for regulatory reviews and audits through improved governance and policy adherence. Ongoing monitoring and evaluation ensure that these initiatives remain effective, continuously improve and stay aligned with MHB's business needs and strategic priorities.

Key highlights

- **Zero major cybersecurity incidents in 2025**
- **Zero data breaches in 2025**
- **Security Operation Centre operates 24/7**

ADVANCING A SUSTAINABLE SUPPLY CHAIN

Our Commitment

- To drive sustainable practices with our suppliers

Our Initiatives

- Implementing the Responsible Supply Chain Programme emphasising sustainable sourcing, circular economy, health and safety and business ethics compliance
- Identifying collaboration/ partnership opportunities on pollution prevention and decarbonisation of our operations
- Promoting circular economy principles across the value chain

Our Contribution to SDGs

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

Strengthen implementation and foster partnership for sustainable development

MISC adopts a structured and progressive approach to supplier management through its Responsible Supply Chain Programme. The Group builds partnerships with suppliers to advance its sustainability objectives, particularly through sustainable procurement practices and supply chain engagement initiatives. In 2025, MISC continues the implementation of the Supplier ESG Self-Assessment Programme to encourage critical suppliers to align with the Group's ESG expectations and to cascade these standards across their own supply chains. Through collaboration across the value chain, MISC seeks to drive sustainable practices and contribute to the advancement of a circular and low-carbon economy.

MISC embeds its sustainable supply chain commitments within the Group Procurement Guidelines (GPG), as set out in the Sustainable Procurement Statement. This statement underscores the Group's dedication to long-term value creation for both MISC and its business partners, supported by supply chain practices that are environmentally responsible, socially just and ethically sound.

Sustainable supply chain elements are integrated throughout the procurement process, including incorporation into pre-appointment due diligence, supplier ratification of the Declaration of Integrity Pledge (DIP) during registration, ongoing supplier engagement, training and development initiatives and the application of MISC's CoBE for Third Parties across all contractual arrangements.

SUPPLIERS DUE DILIGENCE

In line with its commitment to ethical and responsible business conduct, MISC requires all parties engaged to perform work or services for the Group, including contractors, subcontractors, consultants, agents, representatives and other third parties, to adhere to all applicable laws, the MISC Code of Business Ethics (CoBE) and all relevant policies, guidelines and manuals.

Accordingly, prior to the appointment of suppliers, MISC conducts appropriate third-party due diligence to understand the business profile and background of prospective suppliers, ensuring engagement with parties that share MISC's values and uphold comparable standards of integrity and ethical conduct.

During the supplier registration process, suppliers are required to sign the DIP, which affirms their commitment to comply with MISC's CoBE, ABC Manual, Human Rights Policy, Human Rights Commitment and Modern Slavery Policy and Procedures, as well as related standards and governance frameworks. The DIP also requires compliance with all applicable laws, rules, orders, decrees and regulations relating to:

- Anti-bribery and corruption
- Anti-trust and competition laws
- Export controls
- Economic sanctions
- Protection of personal privacy, including personal data
- Human rights
- Anti-money laundering
- Occupational health, safety and environment

ESG CONTRACTUAL TERMS

MISC incorporates ESG-related contractual provisions across all contracts, including requirements for compliance with labour standards, human rights, the Code of Conduct and Business Ethics (CoBE) for Third Parties, as well as expectations relating to the management of health, safety and the environment.

MISC's ESG-related expectations of its suppliers are outlined as follows:

i. Labour Standards and Human Rights

MISC's business practices are aligned with internationally recognised human rights principles, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the Universal Declaration of Human Rights. All third parties acting on behalf of MISC are expected to uphold and adhere to these principles.

Read more in the Respecting Human Rights at Sea and Shore section.

ii. Health, Safety and Environment

In addition to conducting business in a manner that respects and safeguards the environment, suppliers are required to comply with all applicable environmental laws and regulations. This includes implementing measures to monitor and reduce carbon emissions, optimise the use of energy and natural resources, and manage waste, emissions and discharges in a responsible and environmentally sound manner.

Read more in the Environment Pillars and Strengthening Safety Culture sections.

SUPPLIER ESG SELF-ASSESSMENT PROGRAMME

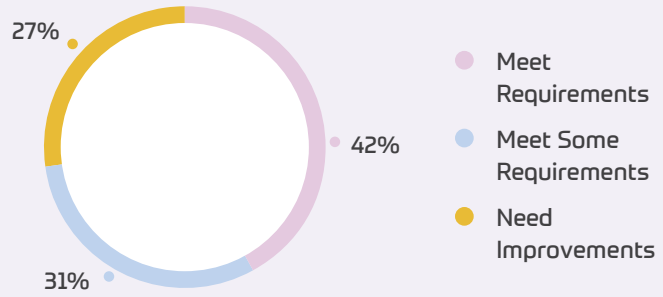
The Supplier ESG Self-Assessment and Self-Assurance Programme is designed to engage critical suppliers and to monitor and report on their ESG performance. The programme seeks to guide suppliers in aligning their ESG practices with MISC's expectations, support continuous supplier development, and reinforce contractual ESG requirements.

The criteria for identifying critical suppliers include procurement spending and ESG risk considerations. During the year under review, our critical suppliers make up 17% of the total MISC Group suppliers.

Over the period from 2022 to 2025, MISC assessed 255 suppliers through its supplier self-assessment exercise. Of critical suppliers assessed, 73% were found to either meet or partially meet the Group's ESG requirements.

The remaining 27% of critical suppliers were identified as having gaps requiring improvement. MISC will prioritise engagement with these suppliers by providing targeted guidance and capacity-building initiatives to enhance ESG compliance and drive broader improvements across the supply chain

SUPPLIER ESG SELF-ASSESSMENT PROGRAMME ANALYSIS (2022–2025)



The supplier assessment is an ongoing process, with MISC planning to progressively extend its implementation to the remaining critical suppliers in phases over the coming years.

In parallel, selected critical vendors have been enrolled as pilot participants in the PETRONAS Supplier Support Programme (PSSP) to support capability building and alignment with ESG expectations.

Read more in the Respecting Human Rights at Sea and Shore section.

MHB Responsible Supply Chain Programme

In 2025, MHB strengthened sustainable supply chain practices through the Responsible Supply Chain Programme, engaging 35 critical vendors. These suppliers participated in four engagement sessions held between August and November 2025, which focused on communicating MHB's sustainability commitments, raising awareness of suppliers' GHG emissions as part of Scope 3, securing supplier support in refining the Scope 3 GHG inventory and promoting human rights awareness.

Following the sessions, critical suppliers were requested to complete a Supplier Self-Assessment Questionnaire to enable MHB to monitor ESG performance, as well as to provide updated GHG data to enhance the accuracy of the Scope 3 inventory. Insights derived from the programme are used to align supplier ESG practices with MHB's expectations, strengthen supplier development and drive continuous improvements in support of long-term sustainability objectives.

SECTION 4

SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

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BASIS OF PREPARATION

MISC Berhad's ("MISC" or the "Group") Sustainability-related Financial Disclosures covers material information about sustainability-related risks that could reasonably be expected to affect the entity's cash flows, its access to finance, or cost of capital over the short-, medium- and long-term. This includes information from MISC's own operations and information that arises or might arise in the context of the value chain.

COMPLIANCE WITH IFRS SUSTAINABILITY DISCLOSURE STANDARDS

The sustainability-related financial disclosures have been prepared in accordance with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (SDS) issued by the International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements (MMLR). Additional information required to be disclosed under the MMLR has been included in Independent Assurance section and Bursa Malaysia Prescribed Table section of this report.

Disclosure topics in the Sustainability Accounting Standards Board (SASB) standards have been referred to and considered when preparing this report. Refer to Materiality Assessment section for further information on how the SASB Standards disclosure topics have been considered in the materiality assessment process.

FIRST-TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

The Group is reporting under the IFRS SDS for the first time for the annual reporting period ended 31 December 2025. For this report, the following standards have been applied:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' (IFRS S1)
- IFRS S2 'Climate-related Disclosures' (IFRS S2)

As of the reporting date, the ISSB has issued the 'Amendments to IFRS S2', which will be effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group does not expect any material impact from the initial application of this amendment issued by the ISSB.

The IFRS SDS provide transition reliefs for disclosure of Climate-related Risks & Opportunities (CROs) only (climate-first approach) in the first annual reporting period in which an entity applies the standards. In addition, further transition relief is available in the form of Additional Transition Relief (ATR) provided by the NSRF, which exempts entities from the requirement to disclose comparative information on CROs in the first year of reporting. The Group has applied these transition reliefs in preparing this report.

Additional information required to be disclosed under the MMLR is included in the Appendices section of this report.

RELATIONSHIP TO FINANCIAL STATEMENTS

This report should be read in conjunction with MISC Berhad's consolidated financial statements for the financial year ended 31 December 2025 ("Financial Statements"), which are prepared in accordance with Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

This report covers the financial year ended 31 December 2025 and is aligned with the reporting period of the related consolidated financial statements.

The Group defines time horizons based on when the sustainability-related risks and opportunities (SROs) could reasonably be expected to occur. As of the end of the reporting period, the following time horizons were identified, which align with the timelines used for strategic decision-making:

- Short-term: 1 year
- Medium-term: 2 - 5 years
- Long-term: More than 5 years

The sustainability-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity comprises the parent company, MISC Berhad and its subsidiaries. In preparing these sustainability-related financial disclosures, the Group has assessed its own operations and its value chain, which includes, amongst others, the joint ventures and associates of the Group. Refer to Our Value Chain section for information on the value chain.

BASIS OF PREPARATION

REPORTING BOUNDARY

REPORTING BOUNDARY (EXCLUDING GREENHOUSE GAS EMISSIONS)

The information presented in this report covers all entities, assets and operations included in the Group's 2025 financial statements. This includes the Group's business segments: Gas Assets & Solutions, Petroleum & Products, Offshore and Marine & Heavy Engineering. There were no changes to the Group structure during the reporting period.

The Group also has entities (including investments in associates and joint ventures), activities, resources and relationships that form part of its value chain. These have been considered in assessing the SRO of the Group. In the current reporting period, all metrics reported (except for greenhouse gas (GHG) emissions) relate to the Group's own operations.

REPORTING BOUNDARY FOR GREENHOUSE GAS EMISSIONS

The Group measures its (GHG emissions using the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the "GHG Protocol"), unless otherwise required by IFRS S2. The GHG Protocol Corporate Value Chain (Scope 3) Standard (2011) is applied to define the 15 Scope 3 categories for the purpose of disclosing Scope 3 GHG emissions. The Group's reporting boundary for GHG emissions comprises its organisational boundary and operational boundary, as outlined below.

1. **Organisational boundary:**
   The Group applies the financial control approach to determine its organisational boundary for GHG emissions reporting. In accordance with the GHG Protocol, the Group has assessed that it exercises financial control over subsidiaries, joint operations and leased assets included in its consolidated financial statements. This ensures alignment between the GHG reporting boundary and the presentation of assets and liabilities in the financial statements. The Group does not exercise financial control over investments in associates and joint ventures that are accounted for using the equity method.

2. **Operational boundary:**
   Direct GHG emissions from sources that are owned or controlled by businesses and operations within the Group's organisational boundary are reported as Scope 1 GHG emissions of the Group. GHG emissions from the generation of purchased electricity consumed by these businesses and operations are reported as Scope 2 GHG emissions of the Group. The Group's relevant portion of other indirect emissions arising from its activities is reported as the Group's Scope 3 GHG emissions.

BASIS OF PREPARATION

JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

In preparing this report, MISC has exercised judgement in several areas, including the identification of SROs and the determination of material information for disclosure. The preparation of this report also requires the use of estimates and assumptions for certain information that cannot be measured directly. Estimates are applied where sustainability-related information relates to entities within the value chain, involves forward-looking information, or is subject to data limitations.

This section describes the most significant judgements applied by MISC in the preparation of this Sustainability-related Financial Disclosures, as well as those areas subject to a high degree of measurement uncertainty. Further details on the judgements exercised and the sources of estimation uncertainty are provided in the relevant note disclosures.

Significant Judgements

Materiality Process

MISC applied significant judgement to identify the SROs that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities. The process followed by the Group in making the assessment of what information could reasonably impact the Group's prospects and influence decisions of investors, lenders and other creditors is set out in the Materiality Assessment section of this report.

Calculation Methodology for GHG Emissions

The Group has applied a combination of different calculation methods to calculate its Scope 3 GHG emissions. Judgement is applied in determining the calculation methods that are most appropriate for each category, depending on availability and quality of data, including supplier-specific data where available and of sufficient quality.

Measurement Uncertainties

Climate-related Transition Risks

Decarbonisation efforts in the maritime sector continued to exhibit inconsistent progress, reflecting the absence of a unified global pathway amid evolving regulatory requirements across jurisdictions. These uncertainties primarily relate to the adoption of International Maritime Organization (IMO) regulations, particularly the proposed global fuel standard and associated economic measure under the IMO Net-Zero Framework. During the year, the IMO approved the draft Net-Zero Framework (NZF). However, the voting on the adoption of its mid-term measures including technical requirements such as the GHG Fuel Intensity (GFI) standard and market based measures (carbon tax), was deferred to October 2026, with the earliest possible entry into force anticipated in 2028.

The measurement of anticipated financial effects beyond the Group's currently approved and contracted newbuilds and vessel retrofits is subject to a high degree of measurement uncertainty in the medium and long term. In addition, the timing for the recovery of capital investments and operating costs related to efficiency retrofits, as well as the cost of equipping vessels with dual-fuel engines, are subject to commercial agreement with customers and are therefore highly dependent on the prevailing regulatory environment.

As a result, there is significant uncertainty regarding the anticipated pace of market transition towards lower-emission shipping solutions. This may, in turn, affect the Group's investment decisions, which are dependent on customer demand, as well as the technological and infrastructure readiness for alternative fuels. Consequently, the anticipated medium- and long-term financial effects of climate-related transition risks are subject to a wide range of potential outcomes.

In respect of the proposed carbon tax in Malaysia, the anticipated financial impact arising from potential indirect cost increases remains subject to significant measurement uncertainty, as the applicable carbon price and scope of taxation have yet to be announced by the Government.

Climate-related Physical Risks

There is significant uncertainty regarding the extent to which climate change, may affect the frequency and intensity of future extreme weather events in the regions which the Group operates in. These uncertainties arise from variability in climate projections, potential non-linear changes in weather behaviour resulting from shifting climate patterns and evolving climate conditions.

As a result, the measurement of anticipated financial effects arising from extreme weather events over the short-, medium- and long-term is subject to a high degree of measurement uncertainty and would not be reliable and decision useful at this juncture.

GHG-related Metrics

The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by IFRS S2. The related disclosed metrics are subject to inherent measurement uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where primary activity data and appropriate emission factors cannot be obtained on a timely basis or are incomplete, estimation is used. In addition, GHG quantification is subject to inherent uncertainty due to limitations in scientific knowledge used to determine emissions factors and the values needed to combine emissions of different greenshouse gases.

INDEPENDENT ASSURANCE

In 2025, MISC obtained independent limited assurance on selected sustainability performance data including but not limited to Scope 1 and Scope 2 GHG emissions and GHG emissions intensity for the year ended December 31, 2025.

The assurance work was conducted over the course of several months from late 2025 through early 2026, in accordance with the International Standard on Sustainability Assurance 5000: General Requirement for Sustainability Assurance Engagements (Standard), issued by the International Auditing and Assurance Standards Board.

Please refer to page 278 in the MISC Sustainability Report 2025 for the independent assurance statement.

OVERVIEW OF THE GROUP AND VALUE CHAIN

OVERVIEW OF THE GROUP

OUR KEY BUSINESS ACTIVITIES

MISC Group is a leading energy-related maritime solutions and services provider with a diversified portfolio spanning the offshore and shipping value chain. Its business operations are organised across four key segments, namely Gas Assets & Solutions, Petroleum & Products, Offshore and Marine & Heavy Engineering, complemented by ship management services through Marine Services and maritime education and training through Akademi Laut Malaysia (ALAM).

Segment/Business Activity	Description	Geographical Location
Shipping		
Gas Assets & Solutions	Transportation of LNG and ethane, as well as asset-based solutions leveraging a modern, fuel-efficient fleet and new energy solutions, supporting the global energy transition.	Global LNG trade routes, with a strong presence in Asia, the Middle East and Europe.
Petroleum & Products	Operation of petroleum and product tankers, including Ship-to-Ship services, Dynamic Positioning Shuttle Tankers (DPSTs) and Modular Capture Vessels. We pioneer LNG, ethanol and ammonia dual-fuel and hybrid-electric vessels.	Global crude and products routes, including Atlantic Basin, North Sea, Brazil and Asia–Europe trades.
Non-shipping		
Offshore	Ownership and operation of floating production systems providing integrated solutions from shallow to ultra deepwater field developments.	Offshore fields in Brazil, Southeast Asia and other key deepwater basins.
Marine & Heavy Engineering	Offshore construction, marine repair, upgrade and conversion, and asset integrity solutions as well as fabrication for carbon capture, offshore wind and green hydrogen facilities.	Primarily Malaysia (Pasir Gudang and regional yards) serving clients across Southeast Asia and global offshore projects
Others		
Marine Services	Integrated marine solutions across ship management, port and terminal operations, port engineering and maintenance, and marine assurance services, including capability building for future fuel solutions.	Global, supporting MISC's fleet and third party customers across major trading regions and terminals.
Maritime Education & Training	Provision of maritime education, cadet training, simulator-based courses, maritime and offshore safety programmes, management training, research and consultancy based courses via ALAM.	Malaysia-based academy serving domestic and international cadets and maritime professionals.

OTHER ACTIVITIES

MISC's New Energy & Decarbonisation Division (NED) focuses on developing low-carbon and future fuel solutions that complement the Group's core shipping and offshore portfolio, including opportunities in carbon capture, offshore wind, hydrogen and future fuels to support the global energy transition.

As part of this agenda, we have advanced key projects, positioning MISC as a maritime solutions player in carbon capture and storage (CCS) and future fuels, strengthened collaborations with industry partners to bring innovative solutions to market and leveraged Group-wide expertise to deliver integrated solutions through strategic liquefied carbon dioxide (LCO_2) value chain collaboration.

OUR STRATEGY AND SUSTAINABILITY-RELATED GOALS

MISC's overall strategy, which integrates sustainability considerations, is anchored in a long-term shift towards a low-carbon, resilient and profitable business model, guided by its MISC 2030 Ambition and MISC Commitment to Net Zero GHG Emissions by 2050. The Group positions itself to strengthen its role in global energy and maritime supply chains while progressively aligning with climate and sustainability-related expectations from regulators, customers and investors.

At the enterprise level, MISC's strategy is framed around three main pillars, which are:

1. **A Resilient Core to enhance and future-proof its existing shipping and offshore businesses**
2. **A Profitable New Energy Business to capture opportunities in emerging low-carbon value chains**
3. **Decarbonisation to systematically reduce emissions across operations**

These pillars are linked to the Group's capital allocation, risk management and project selection processes, ensuring that strategic decisions are evaluated not only on financial returns but also on climate resilience and long-term value creation.

At the heart of MISC's enterprise strategy is the MISC's sustainability strategy structured around four pillars, namely Financial, Environmental, Social, and Governance. The MISC's sustainability strategy is aligned with 11 priority SDGs, supported by 10 strategic priorities that cover its most material environmental, social and governance (ESG) themes. Under these pillars, the Group focuses on securing recurring and sustainable financial performance, reducing emissions and resource use, safeguarding biodiversity, strengthening health, safety and well-being, developing future-ready talent, contributing to communities and maintaining robust governance, ethics and compliance practices, including enhancing cybersecurity and promoting sustainable supply chain practices.

On climate action, MISC has set a goal to reduce GHG emissions intensity from its shipping operations by 50% by 2030 compared to a 2008 baseline. To achieve this, the Group is investing in more efficient vessels, operational optimisation, and partnerships that support the lower-emission shipping market.

Looking ahead, MISC has also set a net-zero target for 2050, covering both its operations and value chain. To move towards this target, the Group is advancing multiple decarbonisation levers, including LNG and ammonia dual-fuel vessels, exploration of alternative and future fuels, onboard carbon capture technologies, participation in CCS and new energy initiatives led by NED. The pace and scale of deployment of these solutions and initiatives will depend on technology readiness, fuel availability, regulatory developments and customer demand.

OVERVIEW OF THE GROUP AND VALUE CHAIN

OUR VALUE CHAIN

MISC relies on a diverse range of stakeholders across its global supply chain to support the transportation of oil and gas, the development of offshore floating solutions and the execution of marine repair and conversion activities for its broad customer base. These stakeholders include shipbuilders, key suppliers of raw materials and equipment, as well as end customers such as charterers, shipowners, ports and oilfield owners.

Upstream	Description	Geographical Location
Shipyards/Shipbuilders	Shipbuilding companies for newbuild	China, Korea
Equipment and Technology Suppliers	Equipment suppliers (tanks, valves, cargo handling)	China, Australia, Malaysia, Singapore, the United States (US), Europe
Shipbrokers	Facilitate the chartering process between MISC and charterers	Global
Engineering and Construction Firms	Partners or subcontractors in large-scale projects	Global
Classification Societies	Verify vessel compliance with safety and environmental regulations	Global
Suppliers of Goods and Services	Product and service providers such as cleaning, maintenance, crew, ship management, etc.	Brazil, the US, Europe, Malaysia, Uruguay, Singapore, Philippines, India
Port Authorities	Manage port operations and infrastructure where MISC's vessels load and discharge cargo	Global
Insurance Providers	Cover various risks associated with vessel operations and assets	Global
Downstream		
Customers: Charterers/ Shippers/Traders	Oil and gas companies, trading houses and utilities that charter MISC's vessels to transport their products	Global
Transportation and Distribution: Pipeline Operators Distributors/ Wholesalers	Responsible for the safe and efficient operation and maintenance of pipelines that transport oil, natural gas and other petroleum products; transport oil and gas from terminals further inland	Global
Government/Regulatory Bodies	Set and enforce environmental, safety and operational regulations	Malaysia, Singapore, the UK, Europe, the US, the Philippines, Japan, Brazil, India, Uruguay, the Middle East

MATERIALITY ASSESSMENT

This year marks MISC's first climate-related financial disclosures prepared in accordance with the IFRS SDS. As part of this process, a comprehensive materiality assessment was conducted to identify SROs that could reasonably be expected to influence MISC's business prospects, as well as identifying information on SROs that could influence decisions made by primary users of general purpose financial reports.

A two-step materiality process was conducted:

STEP 1

Identify SROs that could be reasonably anticipated from MISC's prospects over the short-, medium-, and long-term.

STEP 2

Determine the material information required for disclosure in relation to the identified SROs.

The Group finalised its materiality assessment, which includes the identification of SROs at the end of the 2025 reporting period. Any events or changes that occurred during the period were considered as part of the materiality determination process.

STEP 1: IDENTIFICATION OF SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

The Group adopted a systematic approach, drawing on multiple sources to identify SROs. The assessment considered the Group's own operations as well as its upstream and downstream value chains, as elaborated under the Overview of the Group and Value Chain section. The process is summarised below:

1.1 UNDERSTANDING THE GROUP'S OPERATIONS, RESOURCES AND RELATIONSHIPS

Identification of risks and opportunities was grounded in an understanding of the Group's operations and value chain, as described in the Overview of the Group and Value Chain section of this report. The Group assessed whether critical resource inputs, key relationships and interdependencies across the value chain are exposed to sustainability-related risks or present opportunities that could affect cash flows, access to finance or cost of capital over the short-, medium- and long-term.

a. **Key locations:** MISC operates mainly in 11 countries, namely Malaysia, Singapore, the UK, Norway, the US, the Philippines, Japan, Brazil, India, Uruguay and the Netherlands. In Malaysia, the Group's operations comprise Gas Assets & Solutions, Marine Services, Offshore and Marine & Heavy Engineering, while the Petroleum & Products segments is primarily managed out of its headquarters in Singapore. In addition to these onshore locations, a significant portion of the Group's activities, i.e., shipping and offshore operations, takes place globally.

b. **Regulations:** MISC is subject to stringent regulatory requirements established by both local and regional such as the European Union and global authorities such as IMO.

c. **Key resources:** MISC's business activities are dependent on several resources, which include the following:

- raw materials for vessel construction, maintenance and upgrades and marine and heavy engineering services, including steel and aluminium
- plant and equipment supplies, such as onboard ship machinery and systems, shipbuilders, shipping fuels, port and terminal equipment and bunkering services
- financial capital (bank loans and other sources of financing to fund MISC's operations, including fleet, offshore floating facilities and yard investments, as well as working capital) own employees and employees of subcontractors
- own employees and subcontractors
- shipbuilders, subcontracting and joint ventures with third parties for its onshore and vessel operations
- commodities such as LNG, crude oil, petroleum and other energy commodities

d. **Strategic partnerships:** MISC's strategic partnerships are critical dependencies that underpin the Group's ability to innovate, operate efficiently and achieve its sustainability objectives. These relationships with joint venture partners, technology providers, research institutions and industry consortia facilitate access to expertise, resources and risks.

MATERIALITY ASSESSMENT

e. **Customer demand for lower- and ultra-low emission vessels:** Customers increasingly expect shipping solutions that meet or exceed tightening environmental requirements. This creates opportunities for MISC to secure or retain long-term contracts and potentially benefit from premium charter rates for more efficient or lower- and ultra-low emission vessels, but also exposes the Group to the risk of reduced utilisation or pricing pressure if it does not transition its fleet in line with customer and regulatory expectations. MISC also recognises that broader geopolitical developments, particularly those impacting energy security and economic stability, can also influence the pace of climate transition and customer demand for lower-emission vessels. The Group will continuously monitor these global developments to inform our strategy and adapt our business model.

1.2 IDENTIFY RISKS AND OPPORTUNITIES

To build an understanding of the SROs that could affect our prospects, we examine our business model and value chain, relevant laws and regulations, resources and relationships, dependencies and impacts.

Our process to identify relevant SRO also took into consideration:

- MISC's internal risk register alongside strategic business plans. This risk register provides a comprehensive catalogue of risks, categorised and rated according to their potential impact and likelihood, offering detailed insights into MISC's current risk landscape and sustainability exposures
- Desktop review and benchmarking against internationally recognised ESG frameworks, standards and disclosures of selected industry peers
- Disclosure topics in the SASB Standards for Marine Transportation, Oil and Gas – Midstream sectors, Industrial Machinery & Goods and Oil and Gas - Services sectors
- Financial materiality analysis conducted as part of the double materiality assessment incorporating inputs from internal and external stakeholders, including Board of Directors (Board) and senior management to prioritise key SROs.

MISC conducted interviews with Board and senior management to validate initial findings and to capture nuanced perspectives on the risks and opportunities that could materially affect MISC's value creation over varying time horizons. In parallel, stakeholder surveys were distributed to a broader range of participants, including investors, customers, regulators, employees, and suppliers, to confirm the relevance of sustainability topics, and prioritised them when views differed, based on how they could affect the Group's long-term cash flows, financial position and value creation. MISC also consulted with an independent sustainability advisor as part of this process.

1.3 ASSESSMENT OF RISKS AND OPPORTUNITIES

Only SROs that could reasonably be expected to affect MISC's cash flows, access to finance, or cost of capital are disclosed in this report. In making this assessment, MISC applied significant judgement and considered a combination of the following factors:

- the likelihood of the event occurring; and
- the magnitude of the potential impact on MISC's financial prospects if the event did occur.

For SROs associated with uncertain future events, MISC considered a range of possible outcomes, informed by historical experience where relevant and by forward-looking analysis (including scenario analysis where available) and assessed the likelihood of each.

Based on the materiality process described above, we identified risks and opportunities that could reasonably be expected to affect MISC's prospects. In line with the IFRS SDS, materiality was assessed using judgement, considering:

Qualitative and quantitative factors;

Possible future events with uncertain outcomes; and

Changes in circumstances and assumptions.

However, no definitive threshold was used as part of this assessment. Instead, the Group considered the combined effect of these factors in determining whether information about a particular risk or opportunity is material for disclosure.

1.4 MITIGATION ACTIONS AND PLANS

The SROs were assessed without taking into account prevention and mitigation actions which allowed MISC to understand the inherent exposure associated with its business model and value chain.

1.5 FINAL CONSOLIDATION AND APPROVAL OF RISKS AND OPPORTUNITIES

The determination of SROs requires judgement. The SROs identified for MISC were presented to the Board Sustainability & Risk Committee (BSRC) for endorsement and subsequently to the Board for approval. The risks and opportunities identified within the scope of sustainability reporting are summarised in Step 2: Identification of material information section.

STEP 2: IDENTIFICATION OF MATERIAL INFORMATION

Following the identification of SROs, the next step is to determine the material information to be disclosed in relation to each risk or opportunity. The Group assessed materiality within the context of its overall sustainability reporting, taking into account both qualitative and quantitative factors, and the judgements applied in identifying material information for SROs are reviewed at each reporting date. Building on this materiality assessment, the corresponding CROs are then identified as presented in the table below.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Material Sustainability Matters	Risk*/ Opportunity Identified	Summary of Management Approach	Affected Component of the Reporting Boundary
Climate Change and GHG Emissions	**Climate-related Transition Risk: Market transition towards a low-carbon economy**	- Fleet rejuvenation with modern and efficient vessels - Future fuels: Exploring and adopting future fuels for bunker - Energy efficiency: Enhancing operational efficiency by optimising fleet operations and improving fuel efficiency - Abatement technology: Adopting emission reduction solutions, including energy saving technologies and onboard CCS - Invest in dual-fuel assets: Enhance fuel flexibility, reduce emissions and improve cost efficiency - Profitable new energy: Focus on LCO_2 carriers, offshore wind and future fuels value chains - Strategic partnership to monetise new solutions	Risk identified for own operations and value chain
	Climate-related Transition Risk: Regulatory compliance risk for GHG emissions	- Establish contractual terms with charterers to ensure recovery of regulatory compliance costs borne by MISC - Collaborative partnerships with charterers to fund and deploy decarbonisation solutions to reduce regulatory compliance costs	Risk identified for own operations and value chain
	Climate-related Transition Risk: Low- and zero-carbon technology transition risk	- Collaborative efforts with like-minded partners to deploy decarbonisation technologies and explore utilisation of lower-emissions fuels - Maintain strategic focus on new energy solutions opportunities such as LCO_2 carriers, offshore wind and CCS projects, recognising that while technologies are still in the early stages, these are critical for long-term growth and competitiveness - Reskilling and upskilling of the workforce, including building capabilities to address the needs for future fuels	Risk identified for own operations and value chain
	Climate-related Physical Risk: Physical Climate Risk - Acute & Chronic	- Installation of real-time weather updates for safer navigation and exploration of alternative shipping routes to mitigate risks in climate-vulnerable regions - Current designs of vessels are able to withstand extreme weather - Incorporation of weather-related clauses in contracts to manage operational risks from extreme weather events - Preventive inspections and monitoring activities, such as sea level monitoring	Risk identified for own operations and value chain

Only CROs are disclosed as MISC has applied the "climate-first approach" transition relief provided under the IFRS SDS.

* *The focus of this report is on CROs. For further details on broader risks, please refer to the Our Risks and Mitigation Strategies section of our Integrated Annual Report 2025*

SUSTAINABILITY GOVERNANCE

The Board of Directors (Board) holds ultimate responsibility for providing oversight on SROs, as well as approaches to manage them. In facilitating the Board in carrying out this role, the Board is supported by the BSRC and Management Committees.

Stakeholders

Customers | Employees | Community | Shareholders | Environment | Regulators

Board of Directors

Board Sustainability & Risk Committee | Board Audit Committee | Board Nomination & Remuneration Committee

President & Group CEO

Executive Leadership Team

Business Segments

- Gas Assets & Solutions
- Petroleum & Products
- Offshore
- Marine Services
- Maritime Education & Training
- New Energy & Decarbonisation

Divisions

- Group Finance
- Group Strategy & Sustainability
- Human Resource
- Group Legal
- Group Health, Safety, Security & Environment (HSSE)
- Group Strategic Relations & Communications

Management Committees

Management Risk Committee* | Management Audit Committee^ | People Development Committee^ | HSSE & Sustainability Council*

^ *comprises ELT Members only*
* *comprises ELT Members & Senior Management*

BOARD OVERSIGHT

Board of Directors

The Board has ultimate responsibility for setting MISC's strategic direction on sustainability, including oversight of the Group's SROs, including CROs. In discharging its responsibilities, the Board approves the allocation of resources required for the effective management and implementation of sustainability-related initiatives.

Sustainability considerations are integrated into the Group's overall corporate strategy. In particular, the Board reviews and oversees SROs as part of its consideration of strategy, performance objectives and risk management processes and policies, including the extent to which these are designed to address SROs and align with MISC's business model, long-term strategy, stakeholder expectations and the Group's net-zero transition.

In exercising this oversight, the Board considers SROs alongside financial performance, capital allocation and risk-return trade-offs. This includes oversight of how decarbonisation investments, new energy initiatives and climate-related capital expenditures are balanced against balance sheet resilience, dividend sustainability and long-term shareholder value creation.

In making strategic decisions, including the evaluation of significant transactions, the Board also considers the potential impacts on the Group's SROs and oversees the Group's sustainability reporting and related disclosures.

The Board is supported by a dedicated Board-level committee, the Board Sustainability & Risk Committee (BSRC), in discharging its sustainability oversight responsibilities.

Board Sustainability & Risk Committee

The BSRC provides focused oversight of the implementation and monitoring of MISC's sustainability strategy, ensuring alignment with the Group's vision, strategic objectives and business priorities. This includes oversight of the frameworks and processes for managing SROs, including CROs. The Committee's responsibilities encompass the identification, prioritisation and target-setting of sustainability matters, as well as periodic reviews of the Group's performance and progress against established objectives.

The BSRC is composed of four (4) independent non-executive directors. During meetings, the BSRC reviews the Group's sustainability performance, including sustainability metrics, targets and Key Performance Indicators (KPIs) as well as relevant external developments, emerging challenges and regulatory expectations. The BSRC reports its deliberations to the Board and makes appropriate recommendations on matters relating to risk management, sustainability, compliance and ethics, and governance.

The BSRC members have the relevant business experience and/or expertise relating to sustainability topics. To support the BSRC in overseeing SROs, the Committee has access to independent external sustainability expertise, where necessary, which may be engaged to provide specialist advice on sustainability initiatives, policies and practices.

The BSRC works closely with Management to establish sustainability-related targets that are aligned with the Group's overall strategy and risk management framework. The BSRC ensures that sustainability-related financial and non-financial risks are reflected in business planning, investment decisions and risk management processes. This includes oversight of business plans, capital expenditures, acquisitions and divestitures for CROs.

The BSRC receives periodic updates on progress against climate-related metrics and targets. The Group's performance are reviewed at least annually by the BSRC and the Board of Directors, in alignment with the Group's balanced scorecard, planning and reporting cycle.

SUSTAINABILITY GOVERNANCE

BOARD OVERSIGHT

Board Audit Committee

The Board Audit Committee (BAC) reviews key ESG-related areas under its oversight as part of its governance responsibilities. The BAC receives periodic updates on whistleblowing and grievance cases to ensure transparency, accountability and timely resolution of reported concerns. The Committee also reviews the Group's GHSSE Audit and Assurance Bi-Annual Reports, with emphasis on assessing the effectiveness of the HSSE Management System across MISC Group's floating assets, operating entities, joint ventures and third-party service providers. In addition, the BAC evaluates the Statement of Directors' Responsibility and the Statement on Risk Management & Internal Control for inclusion in the Integrated Annual Report, supporting the integrity and robustness of the Group's overall internal control environment.

Board Nomination & Remuneration Committee

The Board Nomination & Remuneration Committee (BNRC) reviews ESG performance as part of MISC's balanced scorecard and remuneration framework. The BNRC also reviews the performance of the President & Group Chief Executive Officer (PGCEO), taking into account financial performance, strategic initiatives, operational effectiveness, health, safety, security, environment and sustainability, as well as people development.

Based on performance outcomes against the balanced scorecard, the BNRC makes appropriate recommendations to the Board for approval.

The BNRC ensures that the Board and Board Committees comprise of members with relevant experience and expertise, including sustainability and climate-related matters. As part of its oversight, the BNRC periodically reviews the Board's skills matrix to ensure the Board's expertise matches the Group's evolving risk profile, regulatory requirements and strategic priorities. The Board's skills matrix is progressively enhanced to include greater consideration of sustainability and climate-related expertise and is used in the review of Board and/or Board Committee composition and succession planning to guide targeted skills development, keeping pace with developing SROs. In addition to leveraging existing expertise, the Group strengthens capabilities through targeted training, briefings and in-depth sessions, including working with external experts, when needed.

For more details on the Board's skills matrix, refer to Our Board at a Glance section in the MISC Integrated Annual Report 2025.

MANAGEMENT COMMITTEES

Health, Safety, Security, Environment and Sustainability Council

The Board and its Committees are supported by the HSSE & Sustainability Council, a dedicated management-level committee chaired by the PGCEO. The Council comprises of the Executive Leadership Team members and Head of Group HSSE. The HSSE & Sustainability Council meets bi-monthly and serves as the Group's primary management authority on HSSE & Sustainability matters, including SROs.

The HSSE & Sustainability Council supports the BSRC in the strategic management of the Group's SROs. Its responsibilities include, but are not limited to:

- overseeing the materiality assessment process;
- developing and implementing sustainability strategies and policies;
- monitoring the day-to-day execution of sustainability-related actions and plans in alignment with the Group's strategy;
- recommending sustainability metrics and targets and reviewing performance against those targets; and
- overseeing the preparation and quality of sustainability-related disclosures.

Management Risk Committee

The Management Risk Committee (MRC) is a key delegated management-level committee responsible for implementing MISC's Enterprise Risk Management (ERM) framework across the Group. The MRC meets quarterly to review significant principal risks, including sustainability-related risks and to ensure that appropriate and comprehensive risk management and mitigation plans are in place. The Committee assesses the adequacy and effectiveness of existing controls and evaluates the robustness of mitigation strategies, thereby supporting Management's oversight of risk management practices.

In addition, the Project Risk Assessment Sub-Committee (PRASC) supports the MRC by providing focused oversight of risks associated with capital-intensive projects. Key risk matters reviewed by the MRC are escalated to the BSRC for further review prior to submission to the Board, ensuring effective governance, transparency and alignment across management and Board-level oversight.

SUSTAINABILITY GOVERNANCE

MANAGEMENT COMMITTEES

People Development Committee

The People Development Committee (PDC), composed of MISC's ELT, is responsible for assessing talent performance and overseeing career development programmes, succession planning, competency assessments and other key initiatives aimed at strengthening workforce capability.

Management Audit Committee

The Management Audit Committee (MAC) serves as a management-level oversight platform that supports the MISC Group (excluding MHB)'s governance and internal control framework through the review of internal audit plans and reports, and the monitoring of agreed corrective actions.

IMPACT OF SUSTAINABILITY ON REMUNERATION POLICIES

The BNRC is responsible for developing and overseeing the implementation of the remuneration framework for Directors, Senior Management and employees of MISC. Achieving the Group's sustainability-related targets requires a collective effort across all entities, operations and individuals within the Group.

Sustainability-related targets are cascaded to individual entities and operations based on the nature of their activities, with the Executive Leadership Team (ELT) accountable for achieving these targets, which represent up to 30% of the overall scorecard at the entity or operational level. The ELT balanced scorecard incorporates sustainability-related targets for all roles, while climate-related targets, representing up to 4% of the overall scorecard, are included for key ELT roles to reinforce accountability for advancing the Group's decarbonisation agenda. Performance against the targets is assessed through the annual performance review and directly influences remuneration outcomes.

RISK MANAGEMENT

The processes and policies for identifying and assessing sustainability-related risks, including climate-related risks, are described in the Materiality Assessment section of this report. The risk assessment process incorporates both qualitative and quantitative considerations and evaluates the nature, likelihood and potential magnitude of identified risks.

SROs are identified through the Group's materiality assessment, which are then consolidated alongside other principal risks within the ERM. Following identification, a structured process is applied to prioritise, manage and monitor these SROs. The BSRC has oversight of the Group's sustainability-related risks, which are integrated into the Group's ERM framework and reports on these matters to the Board.

The prioritisation of principal risks is led by the BSRC, with support from the MRC. Risks are prioritised based on severity and likelihood, taking into account potential financial impacts, operational disruptions and regulatory developments. The prioritised risks are reviewed and approved by the Board. With respect to sustainability-related opportunities, the HSSE & Sustainability Council is responsible for identifying, assessing and reporting such opportunities and works with the Board to ensure they are prioritised alongside other strategic opportunities of the Group.

SROs are monitored against defined metrics and targets, with accountability assigned to the ELT members. Performance against these metrics and targets is reported regularly to the HSSE & Sustainability Council and subsequently to the BSRC for oversight.

CLIMATE-RELATED TRANSITION PLAN

As part of realising our MISC 2030 Ambition towards net-zero and capturing opportunities in the renewable value chain, the Group has established the MISC Enterprise Strategy FY2025 - FY2030 anchored on three pillars.

The Resilient Core pillar provides a strong, cash-generating foundation delivering long-term earnings visibility and stable returns that enable us to protect, grow and fund the next phase of transformation. The other two pillars on Profitable New Energy Business and Decarbonisation serve as our climate-related transition plan, positioning the Group to effectively address market demand risks and capture new opportunities arising from a shift to a low-carbon economy.

Execution of the climate-related transition plan, through the MISC Enterprise Strategy, is driven across all business units and corporate enablers, reinforced by key performance indicators, and serves to sharpen focus on the Group's new energy businesses alongside its decarbonisation objectives.

MISC 2030 AMBITION

50% CFO* Improvements	25% CFO from New Energy Solutions	50% GHG Emissions Reduction in Shipping Operations**

**Compared to 2022 baseline (approximately USD1.2 billion)*

***Compared to 2008 baseline*

MISC ENTERPRISE STRATEGY FY2025 – FY2030

SP1 RESILIENT CORE	SP2 PROFITABLE NEW ENERGY BUSINESS	SP3 DECARBONISATION
Strengthening and rejuvenating MISC's core operations through portfolio optimisation and capital recycling to sustain long-term resilience and competitiveness.	Building a commercially viable new energy portfolio to diversify revenue streams and expand MISC's participation in emerging energy value chains.	Accelerating MISC's transition to lower-emission operations while ensuring compliance with international environmental standards.
FOCUS AREAS		
• Portfolio rejuvenation and growth • Maximise asset availability and utilisation • Superior project execution • Asset monetisation • Cost optimisation	• Carbon, offshore wind and future fuels value chains • Strategic partnerships to monetise new solutions • Integrated value offerings	• Energy efficiency • Abatement technologies • Future fuels • Dual-fuel asset investment • Responsible supply chain initiatives

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PROFITABLE NEW ENERGY BUSINESS

The Profitable New Energy Business pillar underscores our commitment to diversifying into emerging energy sectors to ensure MISC remains future ready and financially resilient. By 2030, the Group aims for new energy solutions to contribute 25% of total cash flow from operations, marking a step change in the composition of our earnings base relative to 2022.

Our strategy focuses on establishing a strong presence across the carbon, offshore wind and future fuels value chains, positioning MISC as a key maritime solutions provider in CCS, offshore wind services and future fuels. In 2025, we established the Jules Nautica JV with MOL and PETRONAS as a dedicated platform to develop and own LCO_2 carriers supporting CCS transportation. Recently, we secured a long-term TCP for one LCO_2 carrier with Northern Lights JV DA through a partnership with K Line.

We continue to build strategic partnerships with industry leaders, technology innovators and regulatory bodies to accelerate the commercialisation of new solutions, while leveraging the collective expertise across the Group to deliver integrated, end to end value offerings for our customers.

DECARBONISATION

Decarbonisation is central to MISC's commitment to meeting environmental goals and complying with evolving industry regulations. The 2023 IMO GHG Strategy sets out commitments to reduce total annual GHG emissions from international shipping, with an ambition of 30% by 2030 compared to 2008 levels, and to achieve net-zero GHG emissions by 2050. In alignment with these global objectives, MISC has defined its own medium- and long-term decarbonisation targets, which are to reduce shipping operation's GHG emissions intensity by 50% by 2030 (compared with 2008 baseline) and achieve net-zero GHG emissions by 2050.

This will be achieved through the Group's decarbonisation roadmap which includes fleet rejuvenation with modern and efficient vessels, alongside a series of emissions reduction initiatives such as operational efficiency, retrofit technologies, and use of alternative and future fuels.

The Group recognises that the successful implementation of its decarbonisation roadmap depends on market development, customer demand, external collaboration, technological innovation and regulatory developments. Our decarbonisation roadmap prioritises direct emissions reductions and for any residual emissions that cannot be eliminated through operational reductions, we will consider the use of high-quality GHG removal solutions.

MISC reviews its decarbonisation targets yearly to ensure alignment with evolving IMO guidance and industry best practices. Interim reviews may be conducted in response to significant changes in operational scope or target-setting methodology. Where material adjustments arise, targets will be recalculated and revalidated, and the rationale and impact of any changes are disclosed. For the current reporting period, no revisions to established targets were required.

MISC's decarbonisation targets are currently not validated because SBTi does not accept commitments or validate climate targets for companies operating in the oil, gas and fossil fuel sectors under its Interim Policy on Fossil Fuel Companies. However, MISC continues to closely monitor these developments and remains committed to aligning our GHG emissions reduction targets with the SBTi framework.

CLIMATE-RELATED TRANSITION PLAN

GHG EMISSIONS PERFORMANCE

MISC achieved a 36% reduction in its shipping fleet GHG emissions intensity in 2025, up from a 32% reduction in 2024, compared to its 2008 baseline. The Group expects a continued, steady decline in GHG emissions between 2026 and 2027, driven by ongoing fleet rejuvenation, fleet optimisation and energy-efficiency improvements across the existing fleet.

The table below summarises, for the Group and other investees, total GHG emissions for the year 2025.

Metric tonnes of CO_2 equivalent (tCO_2e)	FY2025
Scope 1	
- The consolidated accounting group	3,235,780
- Other investees within the organisational boundary	666
Total Scope 1	**3,236,446**
Scope 2 (location-based)	
- The consolidated accounting group	45,783
- Other investees within the organisational boundary	
Total Scope 2	**45,783**
Scope 3	
Category 1 – Purchased goods and services	76,218
Category 3 – Fuel and energy-related activities	896,851
Category 8 – Upstream leased assets	113,279
Category 13 – Downstream leased assets	1,600,540
Category 15 – Investments	34,201
Total Scope 3	**2,721,090**
Total Scope 1, Scope 2 and Scope 3	**6,003,319**

Contractual instruments

MISC reports Scope 2 GHG emissions using the location-based method. While these reported figures do not incorporate contractual instruments, the Group purchased and retired 8,952 MWh of hydro-based Renewable Energy Certificates (RECs) during the reporting period as part of our broader renewable energy commitment. The use of RECs reflects MISC's ongoing efforts to support the energy transition, and the Group continues to assess the potential adoption of market-based reporting in future disclosure cycles to provide more comprehensive visibility of our renewable electricity procurement.

GHG EMISSIONS REDUCTION TARGETS AND PROGRESS

Targets*	Unit	Baseline (year 2008)	FY2023	FY2024	FY2025
Medium-term: 50% Reduction in GHG emissions Intensity (for Shipping Operations) by 2030 (2008 base year)	gCO_2e/ton-nm	7.65	5.95	5.25	4.86
Long-term: Net-Zero GHG Emissions by 2050 (Scope 1, 2 and 3)	tonnes CO_2e	N/A	6,506,197	6,000,756	6,003,319

* *The medium-term target is based on the gross GHG emissions intensity for shipping operations while the long-term target is based on the net GHG emissions after utilising high quality carbon credits to offset residual GHG emissions that cannot be eliminated through direct abatement measures*

In 2025, the shipping fleet achieved a 7% improvement in GHG emissions intensity compared to 2024, and a cumulative reduction of 36% relative to the 2008 baseline. MISC Group's total GHG emissions profile across FY2023–FY2025 continued to demonstrate a downward trend. These improvements were driven by fleet-wide energy efficiency enhancements, fleet optimisation measures and the progressive rejuvenation of the fleet.

Methodology, Inputs and Assumptions

1. Scope

We adopt the GHG Protocol Corporate Standard's financial control approach for our GHG emissions (Scope 1 and 2) accounting which includes assets owned or leased where MISC has financial control with the exclusion of the following assets and operations:

- Downstream leased assets which are owned by MISC but leased out to other parties
- Assets where MISC has minority equity ownership and no control
- Upstream leased assets where MISC has no control
- Short-term leases with a lease term of 6 months or less

The above-listed assets from our operations are included in our Scope 3 GHG emissions (where material). The following gases are included in our GHG accounting:

Carbon Dioxide (CO_2)	Methane (CH_4)	Nitrous Oxide (N_2O)

2. Consolidation

Emissions from the assets and facilities where MISC has financial control are accounted as MISC's Scope 1 and 2 emissions in full (100% of the emissions), except for joint venture (JV) assets. JV assets where MISC has joint financial control over the operations are accounted as Scope 1 or 2, with emissions apportioned according to MISC's ownership share of the venture. JVs in which MISC does not have financial control are excluded.

Scope 3 emissions included in this report are emissions assessed as material for MISC in accordance with the following definition:

1

Material categories are those that, individually or in aggregate, account for approximatel two-thirds of the total Group's Scope 3 emissions

2

Operational emissions from assets not accounted as Scope 1 and 2 of which fall under the following Scope 3 categories:

- Leased vessels where MISC has no financial control
- Vessels owned by MISC but leased out to other parties and MISC has no financial control; and
- Vessels which MISC has equity ownership but not accounted in Scope 1 and 2

The following Scope 3 categories are identified as material to MISC based on the updated materiality assessment:

i. Category 1: Purchased goods and services from our Marine & Heavy Engineering segment
ii. Category 3: Fuel-and Energy-Related Activities
iii. Category 8 : In-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor have technical control)
iv. Category 13: Offshore assets which are leased out to customers for offshore oil and gas extraction
v. Category 15: Vessels which are jointly owned by MISC and other parties, where we have equity ownership but do not have control

CLIMATE-RELATED TRANSITION PLAN

Scope 3 categories 2, 4, 5, 6 and 7 are relevant but does not meet the materiality threshold and definition adopted by MISC. Categories related to product and franchise (Category 9-12 and Category 14) are assessed as not relevant for our business.

For more details, please refer to the Performance Data table in the Sustainability Report 2025.

3. GHG Emissions (Scope 1 and 2) Calculations

The methodology MISC has adopted for the quantification of GHG emissions is through the application of documented emission factors. GHG emissions from our marine combustion sources are calculated in accordance with the IMO guidelines and uses emission factors as published by IMO. Two primary references are used namely the Fourth IMO GHG Study 2020 and the Guidelines for Voluntary Use of the Ship Energy Efficiency Operational Indicator. Methane and ethane emissions from our LNG dual-fuel engines are calculated using the corresponding engine specific methane and ethane slip levels.

Methane emissions from all other vessels (non dual-fuel engine) and nitrous oxide emissions are calculated using emission factors published in the Fourth IMO GHG Study 2020. For non-marine sources, our primary scheme used is the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National GHG Inventories. Emission factors from the UK Department for Environment, Food & Rural Affairs (DEFRA) and the US Environmental Protection Agency (EPA) are used where specific elements are not available in the IPCC guidelines.

Scope 2 emissions are calculated using grid-average emission factors of the electricity consumed during the reporting year (location-based method).

4. Scope 3 Emissions Calculations

MISC has applied significant judgement in calculating Scope 3 emissions. For details, please refer to the Significant Judgements section.

Category	Calculation Method
Category 1 (Purchased goods and services from our Marine & Heavy Engineering segment)	The spend-based method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, with industry-average emission factors from the US EPA Supply Chain applied to the economic value of the goods and services.
Category 3 (Fuel-and Energy-Related Activities)	The average-data method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, with industry-average emission factors from the UK Department for DEFRA applied to the actual fuel an energy consumption data.
Category 8 (In-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor have technical control)	The asset-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where the GHG emissions are provided by the ship operator of each leased asset based on actual fuel consumption.
Category 13 (Our offshore assets which are leased out to customers for offshore oil and gas extraction)	The asset-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where asset-specific fuel consumption data are collected from individual assets and fuel-specific emission factors, which is mostly taken from American Petroleum Institute (API) Compendium are used to compute the emissions. For assets where actual fuel consumption data is not available, the emissions were estimated using design figure.
Category 15 (Vessels which are jointly owned by MISC and other parties, where we have equity ownership but do not have control)	The investment-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where GHG emissions of the jointly owned assets are collected from our associated/affiliated companies and the emissions are accounted based on the share of investment.

KEY DEPENDENCIES AND AREA OF UNCERTAINTIES

In October 2025, IMO postponed discussions to formally adopt the Net-Zero Framework, specifically the proposed global fuel standard and the associated economic measure, until late 2026, with the earliest possible entry into force anticipated in 2028.

This delay, coupled with the absence of a definitive global carbon price and clear technical standards for fuel intensity, creates uncertainty regarding the commercial viability and accelerated adoption of lower- and ultra-low emission vessels in the medium-term (2027–2030). Without a clear regulatory landscape, the scaling of alternative and future fuel supply chains may decelerate, risking the availability or cost-effectiveness of such fuels for our fleet, impacting our interim 2030 emission reduction targets.

Our decarbonisation pathway hinges on several key assumptions and dependencies:

Low-carbon solutions ecosystem

The transition assumes that decarbonisation technologies (e.g., ammonia dual-fuel systems and carbon capture solutions) achieve commercial viability and scalability. This is intrinsically linked to the parallel development of essential infrastructure for alternative and future fuels production, bunkering and supply, ensuring such fuels are available at scale and at commercially viable prices.

Market acceptance

Investments in decarbonisation are predicated on sustained market demand for lower- and ultra-low emission vessels and the realisation of associated incentives, such as decarbonisation premiums which may only be fully realised from 2030 onwards based on market development

Asset lifecycle alignment

Our strategy assumes ultra-low emission vessels will become commercially available by 2030, aligning with newbuild lifespans to facilitate a full fleet transition by 2050.

Regulatory certainty

Timely enforcement of global carbon pricing mechanisms, including the IMO Net-Zero Framework, is necessary to support informed investment decisions and the long-term viability of lower- and ultra-low emission vessels.

Customer and industry collaboration

We rely on active engagement and collaboration with customers and industry partners to effectively develop and deploy lower-emission solutions.

In light of these factors and ongoing regulatory uncertainty, MISC regularly reviews its decarbonisation roadmap, specifically the timing and quantum of capital expenditure. This includes adopting a more cautious approach to Final Investment Decisions (FID) for lower- and ultra-low emission vessels and retrofits. We also continue engagement with strategic partners, responding to customer demand and their willingness to pay voluntary decarbonisation premiums in the absence of a mandatory carbon levy.

USE OF INTERNAL CARBON PRICING

MISC employs an Internal Carbon Price (ICP) as a strategic tool to manage climate-related transition risks, guide strategic planning and support investment decision-making. The ICP represents the anticipated future cost carbon per tonne of CO_2e and is used as a shadow price to assess financial impacts of new investments. The ICP for 2025 is set at USD 60/tonne CO_2e.

The ICP is reviewed and updated annually. This process considers evolving regulatory developments, including existing and potential carbon pricing mechanisms and compliance markets (e.g., EU Emissions Trading System (EU ETS), FuelEU Maritime and IMO Net-Zero Framework), alongside market dynamics, national policy targets and MISC's long-term sustainability objectives. The annual internal carbon price is approved by the ELT.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED TRANSITION RISK: MARKET TRANSITION TOWARDS LOW-CARBON ECONOMY

DESCRIPTION

MISC operates within the global energy shipping sector amid a market transition towards a low-carbon economy. While fossil fuels are expected to remain a significant component of the global energy mix in the near to medium-term, industry projections indicate that oil demand is likely to peak in the early 2030s before declining towards mid-century.

This transition, driven by increasingly stringent international decarbonisation policies and legislations and evolving customer requirements for lower-emission shipping solutions, is reshaping cargo profiles, fuel choices and vessel specifications across the maritime industry. These developments present material risks, including shifts in demand and potential asset obsolescence. However, this transition also offers strategic opportunities such as the adoption of decarbonisation solutions, fleet rejuvenation and modernisation and the participation in emerging energy value chains including transportation of new fuels.

Transitioning to a low-carbon economy may require changes in existing business models, accompanied by increased capital investment, increased employee upskilling costs and expanded research and development (R&D) efforts.

EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The change in market demand is expected to impact the Group's operations and value chain. We assess that all, i.e., 100% of MISC's business activities, are vulnerable to climate-related transition risks due to the Group's involvement in the oil and gas sector. Under our Profitable New Energy Business pillar, we have generated a current year revenue of RM720.7 million, 6.5% of the Group's total revenue, from transition-aligned activities i.e., provision of Engineering, Procurement, Construction, Installation, and Commissioning (EPCIC) services for offshore wind farm and CCS projects.

Downstream

Global oil demand is expected to peak in the early 2030s, supporting near-term utilisation of conventional carriers, while sustained natural gas consumption continues to reinforce the role of LNG shipping as part of the transition. At the same time, rising expectations for lower-emission shipping and growth of new energy businesses require MISC to enhance vessel efficiency while building the capabilities needed to participate in new energy markets.

Without timely adaptation, the Group may face constraints in optimising traditional petroleum-focused revenue streams and in capturing opportunities across lower-emission and new energy segments.

Operations

For MISC's operations, the transition requires progressive fleet rejuvenation, including investments in dual-fuel vessels, adoption of emissions reduction initiatives, and the development of capabilities to handle new energy segments such as CCS, offshore wind, and transportation of LCO_2 and ammonia.

This transition increases capital and operational complexity, exposing MISC to technology and cost risks. Fuel availability and cost uncertainties remain as material risks for lower-emission shipping, especially if regulations or incentives evolve more slowly than anticipated. Entering new energy markets also exposes MISC to execution and commercial risks that may affect project delivery, competitiveness and profitability if critical capabilities are not built and commercially viable terms are not secured.

Upstream

Driven by this transition, MISC is likely to become increasingly dependent on shipyards, engine manufacturers, equipment and technology providers, and engineering and construction firms capable of delivering lower-emission and new energy solutions.

This reliance on a smaller pool of technically capable partners introduces counterparty, execution, and pricing risks, as well as potential capacity bottlenecks. Establishing long-term strategic partnerships that are aligned with its strategy will therefore be critical for MISC to secure access to essential technologies, capabilities, and alternative and future fuels.

EFFECTS ON STRATEGY AND DECISION MAKING

To address the risks and capture the opportunities arising from the transition towards a low-carbon economy, MISC has developed a climate-related transition plan focused on decarbonising its operations through rejuvenation, and emissions reduction initiatives, alongside expanding into profitable new energy businesses in the short to medium term.

Over the long term, MISC will continue advancing its decarbonisation pathway towards achieving net-zero GHG emissions by 2050 and pursuing opportunities across the renewable energy value chain in line with the longer-term MISC 2050 vision.

Decarbonisation: Fleet Rejuvenation

As part of our climate-related transition plan, we aim to progressively renew our fleet with high-efficiency new vessels, including dual-fuel vessels capable of operating on lower-emissions fuel such as LNG, ethanol and ammonia.

Replacement of Steam Turbine LNG Carriers

We are progressively transitioning our fleet from ageing steam-turbine LNG carriers to modern, energy-efficient vessels equipped with advanced propulsion and emissions reduction technologies.

While steam-turbine propulsion has historically been reliable, it is significantly less efficient than today's dual-fuel and low-speed engine systems. These legacy vessels typically consume more fuel and exhibit higher carbon intensity, making continued operation increasingly challenging amid tightening regulatory requirements and evolving market expectations.

To support the transition to a lower-emission fleet, MISC has initiated a structured fleet rejuvenation programme, which includes the phased retirement of 13 steam-turbine LNG carriers starting in FY2022. Concurrently, newer, more efficient LNG carriers are being introduced. Key milestones in this programme include:

Seri Damai and *Seri Daya*, feature X-DF propulsion systems that provide superior energy efficiency.	Seven consortium-owned LNG carriers to QatarEnergy, including two fully operated by MISC, delivered in 2025, incorporating enhanced engine performance and reduced emissions.

Ammonia Propulsion Marine Vessel

In September 2025, MISC and Samsung Heavy Industries (SHI) received Approval in Principle (AiP) from Bureau Veritas Marine & Offshore (BV) for the pioneering design of the world's first ammonia-fuelled LR2 tanker powered by Proton Exchange Membrane Fuel Cell (PEMFC) technology. The AiP affirms the technical feasibility of the concept and its initial conformity with relevant rules, industry codes and standards.

The AiP was granted under a strategic Joint Development Project involving MISC, SHI and BV. The collaboration focuses on the design and development of a large-scale commercial vessel that incorporates PEMFC technology developed by Vinssen, integrated with an Ammonia Cracking System engineered by Panasia Co. Ltd. This advanced vessel concept is designed to deliver full-scale power for propulsion, cargo operations and onboard energy requirements, significantly extending the application of such technologies beyond their previous use in small vessels or as auxiliary power sources.

In addition, through a collaboration agreement between AET, ALAM and WinGD, we are strengthening the training and competency to ensure the safe operations of vessels equipped with ammonia dual-fuel engines and other emerging maritime technologies. In 2025, a total of 74 crew members completed the Ammonia Basic Training programme at ALAM.

Methane Monitoring

To address methane slip in our LNG dual-fuel vessels and enhance the accuracy of vessel emissions monitoring, we made a strategic investment in Daphne Technology (Daphne) in 2021. Through this investment and partnership with Daphne, we have successfully installed "PureMetrics" technology by Daphne on four AET vessels. This innovative solution enables the capture of precise emissions data from our LNG dual-fuel vessels, allowing us to assess methane slip levels and other emissions performance metrics. By leveraging these insights, we aim to optimise vessel operations and continue advancing our shipping decarbonisation efforts. In 2025, we continued the testing and calibration of the solution on AET vessels.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Dual-fuel Vessels

With the signing of two newbuild LNG dual-fuel Suezmax tankers in 2025, AET will have dual-fuel capability in all the tanker sectors it operates in – Aframaxes, DPSTs, Suezmaxes and Very Large Crude Carriers (VLCCs). In 2026, AET also signed a newbuild contract for its first hybrid-electric ethanol-ready dual-fuel DPST in addition to three existing ammonia dual-fuel tankers to be delivered from 2028 further strengthening transition-ready fleet capabilities.

The Group will continue to invest in LNG and ammonia dual-fuel vessels, while also evaluating the potential deployment of ethanol dual-fuel vessels.

Decarbonisation: Emissions Reduction Initiatives

As part of our near-term measures to reduce GHG emissions, we are implementing a range of emissions reduction initiatives across our existing fleet to improve emissions intensity performance to comply with the IMO regulatory requirements. These measures include:

1 Operational Efficiency

- **Hull and Hydrodynamic Efficiency:** Enhance hull efficiency and improve hydrodynamic performance through regular hull cleaning, propeller polishing and application of advanced hull coatings to reduce biofouling.
- **Fleet Optimisation:** Enhance vessel performance through initiatives such as improving vessel deployment and operating speeds, balancing STS and long-haul routes, practising Just-in-Time arrival and utilising weather routing software.
- **Energy Efficiency in LNG Carrier Operations:** Improve energy efficiency for LNG carriers by maximising 100% gas-burning operations using boil-off gas and reducing fuel consumption through single-boiler operation during long idle periods.
- **Fuel Performance Enhancement:** Enhance fuel efficiency and improve combustion performance through the integration of advanced fuel additives and use of a fuel optimisation software for the petroleum fleet.
- **Fleet Digitalisation:** Pilot deployment of an advanced high-frequency data acquisition and analytics platform to enable real-time vessel performance monitoring and data-driven operational decision-making that optimises efficiency and reduces emissions.
- **Stakeholder Engagement:** Implement collaborative awareness and engagement programmes with charterers and internal teams to support fuel optimisation, effective voyage planning and speed management, including maximising the use of boil-off gas.

Computational Fluid Dynamics (CFD) studies are fundamental in assessing and identifying suitable energy-efficiency enhancements for our vessels. MISC engaged with DNV to conduct a CFD study, where a range of technologies has been identified for implementation, together with projected fuel consumption savings. These enhancements will be progressively installed across the fleet, reinforcing our commitment to optimising energy efficiency and reducing GHG emissions. Some of the initiatives arising from the CFD study are listed below.

2 Retrofit Technologies

Technologies	Actions in 2025
Installation of Propeller Boss Cap Fins to enhance hydrodynamic performance and support improvements in fuel efficiency.	Installed on two petroleum tankers, i.e., *Eagle Hamilton* and *Eagle Helsinki.*
Deployment of graphene-based propeller coatings to minimise surface roughness, achieve ultra-low friction and enhance propulsion efficiency, resulting in projected fuel savings.	Completed a trial application on one petroleum tanker, *Eagle Helsinki.*
Implementation of ultrasonic antifouling technology, utilising ultrasonic waves to inhibit marine growth on propellers, thereby enhancing vessel efficiency and reducing maintenance requirements.	Installed on four petroleum tankers, i.e., *Eagle Paulinia, Eagle Helsinki, Eagle Paraiso* and *Eagle Pilar.*
Installation of Mewis Ducts that help propellers operate under improved hydrodynamic conditions.	Installed on two LNG carriers, i.e., *Seri Ayu* and *Seri Alam* and two petroleum tankers, i.e., E*agle Paraiso* and *Eagle Pilar.*
Exploring the use of Wind-Assisted Propulsion Systems (WAPS) to harness wind energy and generate aerodynamic forces to reduce engine load and fuel consumption.	Collaborated with the Global Centre for Maritime Decarbonisation under the Pay-As-You-Save framework to evaluate the technical, commercial and governance aspects of WAPS. Discussions are underway regarding financial models, legal terms and project governance.

Onboard Carbon Capture System

MISC has identified onboard carbon capture as a key initiative to support the decarbonisation of its vessels. A feasibility study has been completed to assess technology suitability, define design parameters and evaluate commercial viability for full-scale implementation. Several potential carbon capture technology providers have been identified and assessments are ongoing to determine suitable vessel(s) for a pilot project.

In parallel, MISC has entered into a collaboration with PETRONAS Projects, Technology & Health, Safety, Security & Environment (PT&HSSE) to develop an Onboard Carbon Capture and Storage ecosystem to support the deployment of onboard carbon capture technologies.

Agreement to Develop the World's Longest-Range Hybrid-Electric Vessel

In 2025, AET and Fleetzero entered into an agreement to develop the world's longest-range plug-in hybrid-electric vessel. Under this agreement, one of AET's Lightering Support Vessels (LSVs) will be retrofitted with a plug-in hybrid-electric system. The vessel is expected to operate primarily on battery power, reducing GHG emissions by approximately 82% compared to conventional LSVs on a tank-to-wake basis. Based on AET operational and Fleetzero performance assumptions, the vessel is estimated to avoid around 1,220 tonnes of GHG emissions annually, while significantly reducing fuel consumption and maintenance costs and maintaining high safety standards. As of early 2026, the project remains on schedule.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Lower-Emission Fuels

The adoption of lower-emission fuels such as biofuel and ethanol will further reduce GHG emissions associated with our operations. A diversified energy portfolio enhances the sector's resilience by reducing reliance on any single fuel source, while also improving flexibility and adaptability in response to evolving energy markets and technological advancements.

This year, we continued the use of biofuel in our bunker mix as we transition towards low-carbon operations. At AET, approximately 3,169 tonnes of biofuel was utilised to improve our vessels' CII ratings, achieving GHG emissions savings of approximately 1,607 tonnes.

In parallel, we are evaluating the feasibility of ethanol as a potential future fuel for both existing and newbuild DPSTs through a joint study undertaken by our Marine Services division with Wärtsilä and Raízen.

New Solutions Through Strategic Partnership

MISC supports global decarbonisation efforts and the transition towards a low-carbon future through the adoption of emerging technological solutions. Given that many of these technologies remain at an early stage of development, MISC considers strategic partnerships necessary to advance this agenda in a coordinated and effective manner while optimising costs. The Group engages in a range of collaborations and partnerships to enhance stakeholder engagement and identify viable solutions to address climate-related transition risks. These initiatives reinforce MISC's commitment to charting sustainable and safe transition pathways towards lower-emission shipping operations, while also progressing into new energy ventures as detailed in the next section.

Profitable New Energy Business

Remaining at the forefront of emerging new energy solutions such as CCS, offshore wind, ammonia carriers and LCO_2 carriers is critical to MISC's long-term growth and competitiveness. While these technologies are still at a nascent stage, MISC recognises the positive market momentum towards a low-carbon economy and is actively participating in collaborative and developmental initiatives to support market adaptation and readiness.

Carbon Capture and Storage

Venturing into CCS aligns with MISC's 2050 ambition to achieve net-zero GHG emissions and supports the Group's contribution to the development of the CCS value chain, while positioning itself to capture emerging business opportunities. MISC is actively assessing key areas where it can strategically contribute to the development of the CCS value chain, not only in Malaysia and the Asia Pacific region but also globally.

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

MHB is also collaborating with PETRONAS PT&HSSE in support of the Malaysia Carbon Capture Pilot Project. As part of this initiative, MHB will undertake the fabrication of the carbon capture module at the emitter side for the pilot deployment.

Offshore Wind

MHB has secured a second offshore wind project to construct an Offshore Substation (OSS) High Voltage Direct Current platform. The project reflects MHB's continued participation in sustainable energy infrastructure projects. As a key component of TenneT's 2GW Programme in the Netherlands, the OSS contributes to the expansion of offshore renewable energy capacity and supports the broader transition towards lower-carbon energy systems. Under this project, MHB is responsible for the construction engineering, fabrication, mechanical completion, load out and sea fastening and architectural works on an engineering, procurement and construction basis.

Ammonia Carriers

With the objective of delivering seamless end-to-end solutions for sustainable energy transportation by 2027, MISC entered into a strategic collaboration agreement with Gentari Hydrogen Sdn. Bhd. (Gentari) to develop integrated shipping and floating solutions for ammonia. As part of this collaboration, MISC is working with Gentari on potential requirement of ammonia carriers equipped with ammonia dual-fuel engines.

Liquefied Carbon Dioxide Carriers

In June 2025, MISC, PETRONAS CCS Ventures Sdn. Bhd. (PCCSV) and Mitsui O.S.K. Lines (MOL) incorporated a joint venture, Jules Nautica Sdn. Bhd., to develop and own LCO_2 carriers that will support cross-border CO_2 transport for future CCS projects in the Asia Pacific region. The partners have completed the Front-End Engineering Design for a 62,000 m^3 LCO_2 carrier, undertaken by the Shanghai Merchant Ship Design and Research Institute.

Separately, in January 2026, MISC partnered with Kawasaki Kisen Kaisha Ltd. (K Line) to secure a long-term charter with Northern Lights JV DA for a 12,000 m^3 LCO_2 carrier supporting cross-border CO_2 transport in Europe. A second vessel is expected to be awarded in Q2 of 2026. Construction of the vessels will be undertaken by Dalian Shipbuilding Offshore Co. Ltd. and HD Hyundai Heavy Industries Co. Ltd., with deliveries scheduled between the second half of 2028 and the first half of 2029.

Dual-Fuel Vessels as Enablers of the New Energy Business

Selected newbuild dual-fuel vessels currently under development are capable of operating on future fuels such as ethanol and ammonia and are expected to support both our decarbonisation agenda and the growth of our profitable new energy business. These vessels form part of the new energy business as they are designed to utilise emerging low- to zero-emission fuels that have the potential to deliver significantly lower emissions than conventional marine fuels. Actual deployment of these future fuels will be subject to operational and commercial collaboration with our charterers, aligning with the broader transition toward new energy pathways.

To date, we have three ammonia dual-fuel Aframax tankers scheduled for delivery from 2028, have signed a newbuild contract for our first hybrid-electric ethanol-ready dual-fuel DPST further strengthening transition-ready fleet capabilities, and are in the process of designing and developing an ammonia-fuelled LR2 tanker powered by PEMFC technology.

TRADE-OFFS

MISC faces a strategic trade-off between near-term financial performance and long-term resilience. Significant upfront investment in fleet modernisation, dual-fuel vessels, emissions abatement technologies and workforce upskilling would require increased capital expenditure, resource allocation and operational adjustments, which may exert pressure on short-term profitability and cash flows.

However, such proactive investments are expected to strengthen the Group's long-term competitiveness, support regulatory compliance, mitigate the risk of asset obsolescence and impairment and position MISC to capture emerging revenue opportunities. Conversely, deferring these investments may preserve near-term capital and financial flexibility but could expose the Group to higher future compliance costs, diminished market competitiveness and increased risk of asset underutilisation as regulatory requirements and customer expectations continue to evolve.

A second key strategic trade-off relates to maintaining a primary focus on traditional market segments versus expanding into emerging energy value chains. Continued reliance on established capabilities in fossil fuel transportation leverages existing strengths and asset bases but carries inherent exposure to structural demand decline and potential market contraction over the medium- to long-term.

Conversely, advancing into new energy solutions, including the transportation of future fuels and LCO_2, as well as the development of specialised capabilities in areas such as offshore wind, requires significant upfront investment and dedicated resources. These opportunities are subject to uncertainties related to demand maturity, infrastructure availability and commercial viability. Notwithstanding these challenges, diversification into emerging energy value chains is expected to support long-term growth, enhance portfolio resilience and provide access to new and expanding revenue streams.

Ultimately, MISC manages these complex strategic decisions by carefully balancing the immediate costs, capital commitments and uncertainties against the long-term benefits of establishing a leadership position in lower-emission shipping and new energy solutions. Through close collaboration with industry partners and customers, the Group seeks to manage transition risks while avoiding the significant financial and operational consequences associated with delayed or insufficient adaptation.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

SOURCES OF FUNDING AND RESOURCES FOR IMPLEMENTATION OF PLANS

MISC intends to fund its strategic initiatives through a combination of internal cash and bank borrowings for specific asset acquisitions and strategic partnerships for new energy ventures.

Emissions reduction initiatives such as operational efficiency and early-stage technology adoption, will generally be funded from internal cash. Larger-scale retrofits, including the installation of advanced energy-saving technologies or onboard carbon capture systems, which require more substantial capital expenditure, is expected to be financed through a combination of internal cash and bank borrowings.

Investments in fleet rejuvenation, including the construction of high-efficiency new vessels and dual-fuel vessels, is expected to be primarily financed through internal cash and bank borrowings. These facilities are expected to be supported by long-term charter arrangements and comprehensive asset insurance coverage.

New energy initiatives encompassing ventures across carbon, offshore substation platform and future fuels value chains will be pursued primarily through strategic partnerships with industry participants. Strategic collaborations with industry partners such as PCSB, Tennet, Gentari, PCCSV & MOL, and K Line are intended to leverage specialised capabilities, share investment requirements and mitigate the commercial and execution risks typically associated with capital-intensive energy projects.

MISC has allocated capital over the next five years to support such initiatives, and this is reviewed annually as part of the planning and budgeting cycle, enabling the Group to align budget allocations with the latest business plan and strategy.

FINANCIAL EFFECTS

Current Year Financial Effects

The Group's approach to managing climate-related transition risks is focused on two key areas: decarbonising shipping operations and preparing to provide new energy solutions across both shipping and non-shipping activities.

The Group is proactively responding to evolving customer demand for lower-emission shipping through the adoption of low- and zero-carbon technologies and enhancing its technological readiness for lower-emmissions fuels. As of December 2025, the Group owns a fleet of nine LNG dual-fuel vessels.

Anticipated market demand for lower-emission shipping and low- and zero-carbon technologies is heavily influenced by regulatory frameworks, including EU ETS, FuelEU Maritime and IMO Net-Zero Framework. The Group has invested in emissions reduction initiatives for AET's and GAS's existing vessels, as well as new dual-fuel vessels currently under construction, with capitalised costs of RM29.1 million included in addition of property, plant and equipment, during the year. Prior similar investments have also been capitalised as part of property, plant and equipment with depreciation expenses totaling RM30.0 million during the financial year.

The Group anticipates that a portion of these investments will be recoverable through the Daily Charter Rate (DCR) charged to its charterers or through a cost recovery mechanism established with them. The DCR is subject to commercial negotiation with charterers and may be influenced by regulatory pressures (e.g., EU ETS, FuelEU Maritime and IMO Net-Zero Framework) as well as the maturity of charterers in addressing sustainability-related requirements. Greater clarity regarding the impact on the DCR is anticipated to be available over the medium- to long-term. The Group has not disclosed quantitative information in this area due to the high degree of measurement uncertainty, which could affect the reliability and decision-usefulness of such information for users of this report.

In addition, the Group invested approximately RM6.0 million in reskilling and upskilling shipboard employees to ensure safe operations of ammonia dual-fuel vessels and other emerging maritime technologies. Research and development expenditures of RM2.6 million were incurred during the financial year related to new energy and decarbonisation projects in support of its climate-related transition plan.

The following table presents the Group's current year financial effects after considering mitigation actions to manage the climate-related transition risk.

Financial effects (RM Million)[1]	Current year 2025
Financial Position	
Increase in Property, plant, and equipment	29.1
Increase in Borrowings[2]	–
Financial Performance	
Increase in training expense	(6.0)
Increase in R&D expense	(2.6)
Increase in finance cost	–
Increase in depreciation charge	(30.0)
Cash Flow	
Cash flow from operations[3]	(8.6)
Cash outflow from investing activities	(29.1)
Cash generated from financing activities: – Cash inflow from borrowing – Cash outflow from finance cost and repayment	–

[1] *The financial impact excludes the revenue from shipping operations due to the high degree of measurement uncertainty on the recoverability of the related capital investments from charterers*
[2] *Net of projected repayment and interest on borrowings during the year.*
[3] *Excluded cash flow from non-shipping operations*

For non-shipping operations, the Group generated RM720.7 million in revenue from its New Energy business, primarily from the provision of EPCIC services for offshore wind farm and CCS projects, representing 6.5% of the Group's total revenue.

These projects are classified as transition-aligned activities in line with our climate-related transition plan, supporting the growing demand for new energy solutions through an integrated value offering across the Group's core segments.

Anticipated Financial Effects

Short-term

Significant uncertainty persists regarding the adoption of IMO Net-Zero Framework, which may influence customer demand, fleet upgrades and potential regulatory penalties. MISC's investment strategy is designed to maintain flexibility in response to these uncertainties. While certain capital expenditure commitments have already been made, other investments will be adjusted based on anticipated IMO regulatory announcements in the coming months.

For shipping operations, the Group plans to expand its AET and GAS fleets, including ammonia dual-fuel Aframax, LNG dual-fuel Suezmax and hybrid-electric ethanol-ready dual-fuel DPST vessels for AET and newer, more efficient vessels for GAS in the short-term. In addition, the Group intends to implement fuel-efficiency upgrades across its existing fleet during this period.

These initiatives will result in an anticipated increase in the carrying amount of property, plant and equipment by RM104.2 million over the short-term. As of the reporting date, the Group's total capital commitments in respect of newbuilds are disclosed in Financial Statement's [Note 32] Commitment included as part of "Ships, offshore floating assets and other property, plant and equipment", where RM252.6 million of the capital commitment are the Group's investment in ammonia dual-fuel vessels over the short-term which is part of the new energy solutions under the Group's business plan and strategy. The associated depreciation charges arising from new and accumulated capital investments are anticipated to amount to RM33.9 million in the short-term.

Capital expenditures for vessel upgrades is expected to be funded from internal cash while newbuilds will be primarily financed through internal cash and bank borrowings. The Group anticipates additional borrowings (net repayment) of RM54.7 million in the short-term to fund capital expenditures. Correspondingly, annual interest expenses are projected to increase by RM2.6 million in the short-term.

The Group anticipates that a proportion of these investments will be recoverable through the DCR charged to its charterers or through agreed cost recovery mechanisms. The DCR is subject to commercial negotiations and may be influenced by evolving regulatory requirements (e.g., EU ETS, FuelEU Maritime and IMO Net-Zero Framework), as well as the maturity of charterers in addressing sustainability-related requirements.

Greater clarity on the potential impact on the DCR is anticipated to emerge over the medium- to long-term as regulatory developments and market responses become more established. At this stage, the Group has not disclosed quantitative information in this area due to the high degree of measurement uncertainty, which could affect the reliability and decision-usefulness of such information for users of this report. The Group anticipates annual R&D expenditure of approximately RM21.7 million for new energy and decarbonisation projects. Training and upskilling programmes for employees will continue, building on the initiatives undertaken in the current year, anticipating spending RM9.5 million in the short-term.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The following table presents the Group's short-term financial effects after considering mitigation actions to manage the climate-related transition risk.

Financial effects (RM Million)[1]	Short Term 2026
Financial Position	
Increase in Property, plant, and equipment	104.2
Increase in Borrowings[2]	54.7
Financial Performance	
Increase in training expense	(9.5)
Increase in R&D expense	(21.7)
Increase in finance cost	(2.6)
Increase in depreciation charge	(33.9)
Cash Flow	
Cash flow from operations[3]	(31.2)
Cash outflow from investing activities	(104.2)
Cash generated from financing activities: – Cash inflow from borrowing – Cash outflow from finance cost and repayment	52.1 59.9 (7.8)

[1] *The financial impact excludes the revenue from shipping operations due to the high degree of measurement uncertainty on the recoverability of the related capital investments from charterers*
[2] *Net of projected repayment and interest on borrowings during the year*
[3] *Excluded cash flow from non-shipping operations*

In the short-term, the Group anticipates that its secured New Energy projects will generate revenue from non-shipping operations, although the specific amount is subjected to a degree of uncertainty due to commercial negotiations and project completion progress. MHB will continue to pursue new orders for new energy-related projects, with the aim of increasing the relative contribution of these projects to cash flow from operations over the medium- to long-term.

In addition, the Group anticipates that there will be increased demand for liquified natural gas and CCS projects and plans to make investment of RM19.1 million in a joint venture for the construction of LCO_2 carriers, to build capacity and future proof its business model to meet the future demand for liquified natural gas and CCS projects.

The Group does not anticipate any material adjustments to the carrying amounts of reported assets and liabilities within the next 12 months.

Medium- and Long-term

Over the medium-term, the Group will continue its investment in dual-fuel vessels, building on initiatives commenced in the short-term. These investments are anticipated to increase the carrying amount of property, plant and equipment associated with decarbonisation initiatives by approximately RM33.6 million to RM92.7 million per annum up to 2029. Correspondingly, annual depreciation charges arising from these new and accumulated capital expenditures are projected to increase by RM33.8 million to RM49.1 million per annum. To finance these investments, the Group anticipates a net increase in borrowings of RM21.4 million to RM59.3 million per annum up to 2029, with the balance funded through internal cash. The additional borrowings are anticipated to result in incremental interest expense of approximately RM5.6 million to RM8.3 million per annum.

Under its new energy business, the Group plans to invest between RM163.8 million and RM395.8 million per annum from 2027 to 2028 in ammonia dual-fuel vessels, in line with MISC 2030 Ambition and as a continuation of its short-term commitments. In addition, the Group will continue to invest in its joint venture for the construction of LCO_2 carriers, with a further RM9.6 million to RM19.1 million per annum allocated from 2027 to 2028 to address anticipated demand from liquefied natural gas and CCS projects.

The Group's investment strategy is designed to maintain financial and operational flexibility. While certain capital expenditure commitments have been secured, other investments, including decarbonisation upgrades, will be calibrated in response to evolving regulatory developments, including the proposed IMO Net-Zero Framework.

The Group anticipates that investments related to decarbonisation may, over time, be reflected in charter rates, subject to market conditions and commercial arrangements with charterers. The Group will work with its customers and industry partners in addressing the commercial impact of decarbonisation initiatives, with the expectation that such costs may be recovered through higher revenues from premium charter rates over the medium- to long-term.

Significant uncertainties remain, primarily due to the adoption of IMO Net-Zero Framework which are influenced by complex geopolitical dynamics. These uncertainties affect the pace of the market's transition to a low-carbon economy, the potential emergence of decarbonisation-related charter premiums and the readiness of technology and infrastructure for alternative

fuels. Accordingly, the Group has not disclosed quantitative information for the long-term horizon, as the high level of measurement uncertainty could limit the reliability and decision-usefulness of such information for users of this report. The Group will periodically review and update the MISC Group Decarbonisation Transition Plan as part of its strategic-planning cycle and adjust the plan as circumstances evolve.

Over the long-term, the Group will continue its progressive fleet rejuvenation with high-efficiency new vessels, including LNG or ammonia dual-fuel vessels, alongside retrofits of the existing fleet to enhance energy efficiency in line with the market transition to a low-carbon economy.

These investments are anticipated to impact the following financial statement line items:

- Financial performance will see an increase in revenue, offset by an increase in depreciation charge and finance costs.
- Financial position will show an increase in property, plant and equipment, as well as borrowings.
- Cash flows will reflect a cash outflow from the purchase of ships and property, plant and equipment, alongside an increase in net cash generated from operating activities.

PROCESS AND CONTROLS

The identification, assessment, prioritisation and monitoring of climate-related risks are integrated within the Group's ERM framework, as detailed in the Risk Management section.

Group Strategy & Sustainability, GHSSE, NED and the respective Business Units collectively oversee the identification and assessment of market transition risks using a structured approach, which includes:

- **Inputs and Parameters:** Comprehensive analysis is conducted with regards to IMO and regional regulatory developments, national climate strategies and standards, global energy demand shifts, evolving demand for lower- and ultra-low emission vessels, customer preferences in shipping, internal fleet performance data such as CII and Annual Efficiency Ratio, assumptions regarding cost pass-through to customers and potential decarbonisation premiums.
- **Process:** Inputs and parameters are continuously monitored to inform capital expenditure planning, and progress is tracked against detailed capital expenditure plans and budgets. Opportunities are identified in areas such as fleet rejuvenation including dual-fuel investments, exploration of future fuels, energy efficiency improvements, abatement technology adoption, and profitable new energy ventures in carbon, offshore wind and future fuels value chains.
- **Scenario Analysis:** Forward-looking scenario analysis is used to assess potential market and regulatory outcomes, supporting management's assessment of the climate resilience of MISC's key segments, as detailed in the Climate Resilience section.

Key risk indicators are monitored Group Strategy & Sustainability with support from the respective Risk Custodians, and findings are reported to the MRC and subsequently the BSRC.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

METRICS AND TARGETS

Metrics	Description	Calculation Methodology	Measuring unit	2025 Value	2024 Value	2023 Value	Target		
							Short-term	Medium-term	Long-term
Annual Efficiency Ratio ($AERCO_2e$)	Vessel's total emissions of carbon dioxide, methane and nitrous oxide using a common unit termed carbon dioxide equivalent per transport work. Transport work is calculated by multiplying vessel's deadweight with distance travelled	Total CO_2e emissions/ (Total Deadweight Tonnage* Distance Travelled)	gCO_2e/ ton-nm	**4.86**	5.25	5.95	-	Reduce 50% GHG emissions intensity from MISC's shipping operations by 2030 compared to 2008	-
Average Energy Efficiency Design Index (EEDI) for new ships	Average energy efficiency of newly constructed ships	Total EEDI/ Number of new vessels	gCO_2e/ ton-nm	**4.39**	2.75	3.18	-	-	-
Business activities vulnerable to climate-related transition risks	Percentage of business activities vulnerable to climate-related transition risks	Percentage of business activities	%	**100%**	-	-	-	-	-
Revenue generated from new energy business	Revenue and percentage of the Group revenue generated from new energy business e.g., Carbon, Offshore Wind and Future Fuels Value Chains	Revenue from new energy business/ Group Revenue	RM million (%)	**720.7 (6.5%)**	-	-	-	-	-
Workforce upskilled and ready for future fuels and decarbonisation solutions	Number and percentage of total seafarers who have been trained to operate and support future fuels and decarbonisation solutions	Number of seafarers trained/Total number of seafarers	Number (%)	**174 (4.8%)**	-	-	-	-	-

CLIMATE-RELATED TRANSITION RISK: REGULATORY COMPLIANCE RISK FOR GHG EMISSIONS

DESCRIPTION

Global maritime GHG regulations are becoming increasingly stringent across multiple jurisdictions, resulting in expanded reporting requirements, higher performance standards and potential financial obligations for MISC. Existing regulatory frameworks, including the IMO CII, EU ETS and FuelEU Maritime, give rise to near-term compliance requirements.

In addition, the proposed global fuel standard and the associated economic measure, introduced under the IMO Net-Zero Framework, was approved at the Marine Environment Protection Committee (MEPC) 83 session in April 2025. The regulation establishes several mechanisms aimed at reducing lifecycle well-to-wake GHG emissions from shipping activities. For the framework to become legally binding, it must go through several steps which includes a formal adoption at the MEPC. However, IMO has deferred discussions to formally adopt the Net-Zero Framework until October 2026, creating uncertainty regarding the direction and timing of future maritime climate policies and the pace of industry-wide decarbonisation efforts.

Furthermore, emerging carbon pricing mechanisms across key markets within MISC's operating jurisdictions and Malaysia Carbon Tax 2026 add further complexity to its regulatory exposure. These mechanisms are at a relatively early stage of development, with ongoing uncertainties related to implementation timelines, pricing structures and potential jurisdictional overlaps.

In the absence of a defined climate-related transition plan, MISC may be exposed to increased compliance costs, including financial penalties, carbon taxes and the potential need to procure carbon credits. Regulatory transition risk may also arise from delays in, or insufficient readiness for, evolving GHG-related regulatory requirements, which could materially increase MISC's cost of compliance if mitigation measures are not implemented in a timely manner.

EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

Risks and opportunities arising from compliance with GHG emissions regulations are expected to primarily impact the Group's operations. Based on the current year's GHG emissions profile, 137,196 tonnes of CO_2e from our operations are covered under existing carbon pricing mechanisms, namely the EU ETS and FuelEU Maritime regulations. Accordingly, we assess that approximately 4.2% of our business activities are exposed to regulatory compliance risk related to GHG emissions.

Operations

MISC will be subject to financial penalties under the EU ETS and FuelEU Maritime regulations for voyages calling at EU ports. As a result, ageing vessels with comparatively higher emissions may face reduced utilisation, idling, or lay-up.

Should the IMO Net-Zero Framework be adopted, it could expose the Group to additional penalties and increase the risk of lay-up or asset impairment for older, higher-emission vessels. Conversely, performance exceeding future regulatory thresholds could present strategic opportunities, including the potential monetisation of surplus allowances. In addition, MISC may be subject to a range of carbon pricing mechanisms across the jurisdictions in which it operates, including schemes such as the EU ETS and FuelEU Maritime. Depending on their scope and design, such mechanisms could increase the Group's cost base either directly, through explicit carbon charges, or indirectly via supplier cost pass-through. This may result in higher procurement costs for key inputs, including energy, steel, iron and other materials critical to the Group's operations.

EFFECTS ON STRATEGY AND DECISION MAKING

To manage the risks and capitalise on the opportunities associated with GHG regulatory compliance, MISC has developed a climate-related transition plan centred on operational and commercial optimisation, complemented by the adoption of technological solutions aimed at enhancing efficiency and reducing emissions over the short- to medium-term (up to 2030).

Read more in the Decarbonisation: Fleet Rejuvenation, Decarbonisation: Emissions Reduction Initiatives and New Solutions Through Strategic Partnership sections under the Climate-related Transition Risk: Market Transition Towards Low-Carbon Economy.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Cost Recovery

MISC ensures that carbon compliance costs arising from regulatory requirements are managed equitably and recovered through contract terms established with our charterers. The Group actively monitors industry standard updates, such as BIMCO clauses, related to charter party and ship management agreements to clarify allocation of costs and responsibilities for obtaining, transferring and surrendering GHG emissions allowances under EU ETS, as well as managing carbon compliance costs arising from FuelEU maritime.

TRADE-OFFS

MISC is required to balance the substantial capital investment needed for fleet rejuvenation against the financial and operational implications of operating an older, less compliant fleet. Proactive investment entails phasing out ageing vessels and acquiring modern, dual-fuel and energy-efficient alternatives, which involves significant upfront capital and may include costs associated with the devaluation of older assets.

Conversely, a delayed approach exposes the Group to potential penalties due to the higher carbon pricing obligations and the risk of higher-emission vessels becoming idle or losing substantial value. Accordingly, MISC's strategic decisions weigh the immediate costs of investment against the potential financial and operational consequences of inaction.

SOURCES OF FUNDING AND RESOURCES FOR IMPLEMENTATION OF PLANS

Read more in the Sources of Funding and Resources for Implementation of Plans section under the Climate-related Transition Risk: Market Transition Towards Low-Carbon Economy.

FINANCIAL EFFECTS

Current Year Financial Effects

For the current reporting period, the financial implications of climate-related transition initiatives are primarily addressed through the Group's strategic investments aimed at managing SROs on Market Transition towards a low-carbon economy and low- and zero-carbon technology transition risk. These investments, including those for emissions reduction have been fully incorporated into the respective disclosures. The Group has not incurred any direct financial impacts from regulatory, carbon taxes, or levies during the current year.

During the year, MISC is subject to EU ETS and FuelEU Maritime regulations for relevant EU voyages, where the associated compliance costs were borne by the charterers as part of the contractual agreements. The net impact on the Group is minimal.

Anticipated Financial Effects

MISC anticipates financial effects arising from climate-related regulatory risks, primarily associated with EU ETS, FuelEU Maritime, the proposed Malaysian carbon tax expected to enter into force in 2026 and the proposed IMO Net-Zero Framework with earliest possible entry into force anticipated in 2028.

EU ETS, FuelEU Maritime and IMO Net-Zero Framework

For shipping operations, MISC is subject to EU ETS and FuelEU Maritime requirements across the short-, medium- and long-term. The Group's policy is to recover operating costs through the Daily Charter Rate (DCR) charged to customers. In addition, under time charter agreements, EU ETS and FuelEU Maritime compliance costs are borne by charterers as part of their operational obligations. Accordingly, management anticipates the financial impact of EU ETS and FuelEU Maritime compliance on the Group to be minimal.

The Group anticipates that similar commercial arrangements will apply should the IMO Net-Zero Framework be adopted, leveraging established industry practices developed under the EU ETS and FuelEU Maritime regulations.

Proposed Malaysian 2026 Carbon Tax

The proposed Malaysian carbon tax, which is anticipated to be implemented from 2026, is not expected to have a material direct impact on MISC, as its proposed scope is limited to the iron, steel, and energy sectors. However, as the Group's operations involve the use of products from these sectors, the lack of comprehensive details regarding the tax's final design and implementation means that a reliable quantitative assessment of the potential financial impact cannot be determined at this stage. The Group will continue to closely monitor developments related to this tax and will update its analysis as further information becomes available.

PROCESS AND CONTROLS

The identification, assessment, prioritisation and monitoring of climate-related risks are integrated within the Group's ERM framework, as detailed in the Risk Management section.

MISC conducts a comprehensive and ongoing review of applicable and emerging regulations, including the IMO Net-Zero Framework, EU ETS, FuelEU Maritime and regional carbon pricing schemes, to determine compliance requirements and timelines. This regulatory review is complemented by the systematic collection and analysis of detailed vessel operational data, such as fuel type, consumption rates, voyage parameters and emissions profiles, to assess current risk exposure.

Risks are evaluated and prioritised based on regulatory deadlines, potential financial penalties and operational impact, such as restrictions on port access or vessel deployment. Particular attention is given to vessels operating in regions with stringent regulations or a high likelihood of enforcement.

METRICS AND TARGETS

Metrics	Description	Calculation Methodology	Measuring unit	2025 Value	2024 Value	2023 Value	Target		
							Short term	Medium term	Long term
GHG Emissions covered under existing carbon pricing regulations	GHG Emissions and percentage of total Scope 1 GHG Emissions covered under carbon pricing regulations in force e.g., EU ETS, FuelEU Maritime	GHG Emissions covered under carbon pricing regulations/ Total Scope 1 GHG emissions	Tonnes CO_2e (%)	**137,196 (4.2%)**	-	-	-	-	-

CLIMATE-RELATED RISKS AND OPPORTUNITIES

CLIMATE-RELATED TRANSITION RISK: LOW- AND ZERO-CARBON TECHNOLOGY TRANSITION RISK

DESCRIPTION

MISC is exposed to climate-related transition risks associated with low- and zero-carbon technologies, primarily due to the limited readiness of the broader maritime ecosystem to support large-scale decarbonisation. While the industry is progressing towards the adoption of advanced solutions, such as alternative fuels, including ammonia and onboard carbon capture systems to meet evolving regulatory requirements and customer expectations, the commercialisation and large-scale deployment of these technologies remain at an early stage. These ecosystem constraints are characterised by significant economic barriers, technological immaturity, capability gaps and insufficient supporting infrastructure.

In the absence of a more mature ecosystem and coordinated industry-wide support, MISC may face material challenges, including constrained access to financing, delays in fleet rejuvenation and retrofitting, operational disruptions and suboptimal utilisation of newly deployed assets. Such challenges could hinder decarbonisation progress, extend investment payback periods and increase exposure to regulatory and reputational risks. Accordingly, enhancing organisational adaptability through targeted prototyping initiatives, workforce capability development and strategic collaborations is critical to navigating the transition effectively and sustaining long-term competitiveness and relevance.

EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The risk of low- and zero-carbon technologies is expected to primarily impact the Group's operations and upstream value chain. We assess that all i.e., 100% of MISC's business activities are vulnerable to climate-related transition risks due to the Group's involvement in the oil and gas sector. Under our Profitable New Energy Business pillar, we have generated a current year revenue of RM720.7 million, 6.5% of the Group's total revenue, from transition-aligned activities i.e., provision of EPCIC services for offshore substation platform and CCS projects.

Upstream

Gaps in future fuel supply and its associated critical value chain infrastructure, particularly the limited availability of alternative fuel bunkering facilities and suitable port infrastructure, significantly constrain the operationalisation of future-fuel-ready assets and the deployment of low- and zero-carbon solutions.

Operations

The transition to low- and zero-carbon technologies presents a range of structural and operational challenges for MISC. These challenges stem from economic, technological, infrastructural and human capital constraints that affect the pace and scale of adoption. The following factors highlight the key challenges influencing the deployment, integration and operationalisation of emerging decarbonisation solutions.

1. High capital requirements and uncertain returns associated with emerging technologies continue to delay deployment, as financing institutions adopt a cautious approach due to perceived risks, unclear commercial margins and limited deployment precedents. These constraints impact the viability of business models and the broader value chain.
2. The early-stage development of key low- and zero-carbon technologies, such as onboard carbon capture systems and alternative fuel-powered engines leads to performance uncertainties and unproven reliability, which may delay fleet upgrades and hinder the integration of these technologies into routine operations.
3. Insufficient technical expertise and workforce capability constrain the effective operation, maintenance and scaling of new technologies, potentially delaying adoption and reducing overall operational efficiency.

EFFECTS ON STRATEGY AND DECISION MAKING

The effects on strategy and decision making under this SRO relate to the adoption of emissions abatement technologies that advance our decarbonisation pathway, anchored on fleet rejuvenation with modern and efficient vessels, alongside emissions reduction initiatives.

Read more in the Decarbonisation: Fleet Rejuvenation, Decarbonisation: Emissions Reduction Initiatives and New Solutions Through Strategic Partnership sections under the Climate-related Transition Risk: Market Transition Towards Low-Carbon Economy.

Employee Reskilling and Upskilling

We prioritise the reskilling and upskilling of our workforce to build the capabilities required to support alternative and future fuels, as well as the deployment of new solutions and technologies. This includes targeted capability development, knowledge transfer and training initiatives to ensure our people are equipped to meet evolving regulatory, technological and operational requirements.

Among our key initiatives conducted in 2025 are as follows:

1. Marine Services enrolled its employees to undergo reskilling training for managing LNG and ammonia dual-fuel vessels, including key concerns related to ammonia as a fuel, its technological challenges, safety considerations and the changing regulatory landscape to support the shipping sector.
2. In collaboration with ALAM, Marine Services implemented an upskilling programme to strengthen seafarers' competencies and certify steam engineers to operate gas vessels with motor propulsion systems.
3. MISC partnered with the Maritime and Port Authority of Singapore to develop specialised training courses for future maritime professionals, focusing on future fuels and technologies.
4. ALAM together with AET collaborated with WinGD to provide ongoing training and development of mariners at all levels to safely operate vessels equipped with ammonia dual-fuel engines and emerging maritime technologies.

TRADE-OFFS, SOURCES OF FUNDING AND RESOURCES FOR IMPLEMENTATION OF PLANS, AND FINANCIAL EFFECTS

Read more in the relevant sections under the Climate-related Transition Risk: Market Transition Towards Low-Carbon Economy.

PROCESS AND CONTROLS

The identification, assessment, prioritisation and monitoring of climate-related risks are integrated within the Group's ERM framework, as detailed in the Risk Management section.

Group Strategy & Sustainability and the respective Business Units are responsible for identifying and assessing this risk, applying a structured approach to evaluate technology readiness and ecosystem maturity through the following activities:

Inputs and Parameters

We leverage internal R&D insights, external technology roadmaps, industry reports on alternative fuels and infrastructure development, academic research and market intelligence on supplier capabilities and bunkering solutions to inform our assessments.

Collaborative Engagement

We work in close collaboration with key external stakeholders, including shipyards, engine manufacturers, classification societies, fuel suppliers and other partners, to evaluate the suitability of emerging technologies for MISC's operations and to understand the inherent risks associated with deploying new technologies within a developing ecosystem.

Feasibility Studies

We conduct detailed studies to assess technology readiness levels, engineering feasibility, safety assumptions and the commercial viability of emerging low- and zero-carbon technologies, including onboard carbon capture systems and future fuels such as ammonia and ethanol.

Scenario Analysis:

Scenario analysis is a key tool in this process, enabling management to assess the implications of varying technology readiness levels and infrastructure availability on investments in low- and zero-carbon technologies, including impacts on decarbonisation pathways, project timelines and the recoverability of such investments, as shown in the Climate Resilience section.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

PROCESS AND CONTROLS (CONT'D)

This risk is prioritised based on its potential impact on MISC's ability to achieve its decarbonisation targets, future operational efficiency, capital expenditure plans and long-term competitiveness. Insights from this risk assessment directly inform strategic planning for fleet rejuvenation and investment plans, R&D priorities, capital allocation for low- and zero-carbon technologies and the development of collaborative partnerships. We also assess the effectiveness of mitigation measures, such as pilot projects and joint industry initiatives, alongside the proportion of capital expenditure aligned with the transition plan and evolving stakeholder sentiment and customer requirements.

Key risk indicators are monitored by Group Strategy & Sustainability with support from the respective Risk Custodians, and are reported to the MRC and subsequently the BSRC.

CLIMATE-RELATED PHYSICAL RISK: PHYSICAL CLIMATE RISK - ACUTE & CHRONIC

DESCRIPTION

Windstorms and extreme wave conditions pose operational risks and can cause damage to the Group's assets. Climate change–driven sea level rise and flooding, driven by melting polar ice caps and changing precipitation patterns, adversely affect port operations, docked vessels and onshore facilities, while increasingly frequent heat waves present additional risks to workforce health & safety and asset performance.

Adating to intensifying climate-related physical risks may require adjustments to operating models, accompanied by increased capital investment for asset resilience, higher maintenance and insurance costs and expanded risk management and contingency planning efforts.

EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

Climate-related physical risks are expected to primarily impact the Group's operations and upstream value chain. In 2025, we conducted a preliminary risk assessment on 32 of our key non-shipping assets, identifying that 13% of these assets, located in the US, the UK and Malaysia, to be vulnerable to climate-related physical hazards such as windstorms, flooding and sea-level rise, across the current year and short-term.

Operations

Weather events, including windstorms and extreme waves, pose significant risks to workforce safety and operational continuity. Such events disrupt operations, resulting in schedule delays and increased maintenance costs. Additionally, exposure to severe weather conditions may result in damage to structures and equipment, necessitating additional capital expenditures for upgrades to the Group's assets. Furthermore, the heightened risk of spills or leaks during extreme weather events may lead to increased compliance obligations and remediation costs.

Sudden heat waves also place significant stress on workforce health & safety and equipment, potentially reducing overall performance and resilience. These conditions may increase the incidence of employee injuries and asset damage, resulting in higher insurance premiums.

Upstream

Flooding and sea level rise pose significant risks to port and yard operations across our upstream value chain. Infrastructure located only a few meters above sea level is particularly vulnerable, increasing the potential for material damage to critical shipping hubs and ports. Such impacts may result in operational disruptions and substantial delays to vessel movements and project deliveries at affected locations.

EFFECTS ON STRATEGY AND DECISION MAKING

To address both acute and chronic climate-related physical risk drivers, MISC has implemented preventative measures across its shipping, onshore operations and offshore floating facilities as outlined below.

Shipping Operations

- Installation of real-time weather updates for safer navigation.
- Exploration of alternative shipping routes to mitigate risks in climate-vulnerable regions.

Onshore Operations & Offshore Floating Facilities

- Incorporation of weather-related clauses in contracts to manage operational risks from extreme weather events.
- Conducted preventive inspections and monitoring activities, such as sea level monitoring.

MISC continuously enhances employee safety protocols and updates its health, safety and environment (HSE) standards to address evolving climate-related and operational risks. Comprehensive crew training, accumulated operational experience and structured decision-making frameworks further support safe and reliable operations under adverse maritime conditions.

MISC integrates comprehensive safety controls into its vessel navigation protocols and HSSE Management Systems, supported by established procedures to effectively manage climate-related risks, including:

- Passage planning and vessel management during adverse weather conditions
- Maintenance of navigational equipment
- Resource optimisation
- Contingency planning for a wide range of vessel emergencies

CLIMATE-RELATED RISKS AND OPPORTUNITIES

TRADE-OFFS, SOURCES OF FUNDING AND RESOURCES FOR IMPLEMENTATION OF PLANS

Our vessels are designed to withstand extreme weather events and are equipped with real-time weather monitoring systems to support safe navigation. Accordingly, they were not included in the preliminary risk assessment conducted in 2025, which focused on identifying key climate-related hazards that may affect our onshore assets and offshore floating facilities.

In the subsequent phase, site-specific assessments will be undertaken to determine the potential impacts on these assets and to evaluate whether additional mitigation measures are required. It is worth noting that our offshore floating facilities are designed to withstand extreme weather conditions.

Given the above, no investments have been made or considered under our climate-related transition plan in relation to weather-exposed onshore assets. Consequently, no trade-offs have been identified at this stage, and no associated funding or resources were allocated. A review of the plan will be undertaken upon completion of the next phase of assessment.

FINANCIAL EFFECTS

There are no material current financial effects, and anticipated financial effects are not quantified due to the inherent uncertainties associated with long-term projections and forward-looking assumptions used in the third-party National Catastrophe and future climate models to conduct the assessment.

PROCESS AND CONTROLS

The identification, assessment, prioritisation and monitoring of climate-related risks are integrated within the Group's ERM framework, as detailed in the Risk Management section.

The Group monitors key risk indicators and implements targeted mitigation measures to strengthen the resilience of its assets, supporting sustained operational continuity and adaptability in a changing climate.

Employee safety protocols and HSE standards are reviewed regularly to ensure they remain relevant and effective in mitigating evolving climate-related and operational risks. Weather forecasts from National Oceanic and Atmospheric Administration will continue to be utilised, supplemented by third-party specialised vessel-routing and weather-intelligence services, to assess current and emerging climate-related physical risks affecting shipping and port activities, supporting safe navigation.

Other risk controls include the MISC Strategic Crisis Management Guideline (SCMG) and the MISC Business Continuity Management Framework (BCMF). The SCMG provides the structure for managing corporate-level crises, and is complemented by the BCMF, which establishes clear and consistent business continuity management expectations across the Group. Together, the SCMG and BCMF integrate seamlessly with operational-level emergency response plans, creating a cohesive link between crisis management, business continuity management and disaster recovery planning.

Physical risk assessments, including site-specific assessments, will be conducted periodically across three climate change scenarios i.e., SSP1-2.6, SSP2-4.5 and SSP5-8.5 as per the IPCC AR6 framework and across short-, medium-, and long-term time horizons. Given the complex and evolving nature of climate systems, uncertainties remain, making precise predictions challenging. Consequently, models are regularly reviewed and updated to incorporate the latest scientific understanding and emerging data.

METRICS AND TARGETS

Metrics	Description	Calculation Methodology	Measuring unit	2025 Value	2024 Value	2023 Value	Target		
							Short term	Medium term	Long term
Assets vulnerable to climate-related physical risks	Number and percentage of key non-shipping assets exposed to climate-related physical risks	Number of key non-shipping assets exposed to climate-related physical risks/Total key non-shipping assets	Number (%)	**4 (13%)**	-	-	-	-	-

CROSS-INDUSTRY METRICS

Metrics	Descriptions	Unit	2025 Value
Scope 1 emissions	Gross Scope 1, Scope 2 and Scope 3 emissions	Refer to the GHG Emissions Performance section	
Scope 2 emissions			
Scope 3 emissions			
Climate-related transition risks	The percentage of business activities vulnerable to climate-related transition risks	%	100
Climate-related physical risks	The amount and percentage of key non-shipping assets vulnerable to climate-related physical risks	Number and %	4 (13%)
Climate-related opportunities	The amount and percentage of revenue generated from new energy business e.g., carbon, offshore wind and future fuels value chains	RM million and %	720.7 (6.5%)
Capital deployment	The amount of capital expenditure and investments deployed towards decarbonisation initiatives and new energy business	RM million	29.1
Internal carbon price	How an entity applies a carbon price in its decision-making (e.g., investment, transfer pricing, scenario analysis), including the specific price per metric tonne of greenhouse gas emissions used to assess associated costs	USD/tCO_2e	60 Refer to the Use of Internal Carbon Pricing section
Remunerations associated with climate change	How climate considerations are factored in the executive remuneration and the percentage of pay linked to them	Refer to the Impact of Sustainability on Remuneration Policies section	

INDUSTRY-BASED METRICS (SASB STANDARDS – MARINE TRANSPORTATION)

Topic	Accounting Metric	Unit	2025 Value
Greenhouse Gas Emissions	Gross global Scope 1 emissions	tonnes CO_2e	Refer to the GHG Emissions Performance section
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	N/A	Refer to the GHG Management section in MISC Sustainability Report 2025
	Total energy consumed	Gigajoules (GJ)	47,077,798
	Percentage of heavy fuel oil	%	4.60
	Percentage renewable	%	0.07
	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO_2 per ton-nautical mile	Refer to Climate-related Transition Risk: Market Transition Towards Low-Carbon Economy

CLIMATE RESILIENCE

MISC conducted a climate-related scenario analysis to assess and evaluate the potential impacts of climate-related transition and physical risks on the Group's operations across a range of plausible scenarios. The scenarios were developed using publicly available data from authoritative sources, including regional and international climate projections. The scenario analysis was performed for the financial year ended 31 December 2025.

The Group reviews the climate-related scenario analysis periodically and updates the analysis where significant new climate data that is expected to materially impact the Group's scenario analysis becomes available.

The Group's current strategies are designed to address moderate levels of climate-related risks (see climate-related scenario SSP2-4.5), which are aligned with MISC's current trajectory of moderate mitigation efforts, strategic investments and a gradual transition. The Group's mitigation and adaptation initiatives may require adjustment to effectively address alternative climate outcomes under more severe or less mitigated scenarios (see climate-related scenarios SSP1-2.6 and SSP3-7). The Group's capabilities and capacity to address and respond to climate-related risks are further described in the section titled "Capacity to Adjust or Adapt Strategy and Business Model" below.

Climate-related scenarios are generally characterised as either "high transition risk/low physical risk" or "low transition risk/high physical risk." This classification reflects the inverse relationship between the intensity of emissions reduction efforts and the extent of global warming, whereby stronger mitigation actions result in lower levels of warming and vice versa.

The IPCC has adopted the use of combined Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs), referred to as SSP–RCP scenarios, in climate modelling and projections. The SSPs describe alternative future pathways in which challenges related to mitigation and adaptation range from low to very high.

As part of the climate-related scenario analysis, the Group has used assumptions set out in the SSPs, as elaborated in the following section.

SSP1-2.6: STRONG CARBON REGULATIONS, RESULTING IN LOW GHG EMISSIONS AND TEMPERATURES

KEY ASSUMPTIONS, INPUTS AND PARAMETERS

1. New carbon regulations and increasing demand for renewable solutions, drive market investments and technological advancement in renewable and decarbonisation initiatives.
2. Stricter policies and higher carbon prices result in rapid reduction in demand for high-carbon energy and an accelerated development and widespread adoption of alternative and future fuels such as green ammonia and decarbonisation solutions.
3. Decarbonisation capital expenditure is assumed to be fully recoverable through decarbonisation premiums or other recovery mechanisms due to high carbon prices.
4. Climate-related physical risks are reduced and stablised at moderate levels due to effective global mitigation efforts, although they do not disappear entirely, resulting in lower long-term residual climate-related physical risks relative to SSP2-4.5 and SSP3-7 climate-related scenarios.

IMPACT ON THE GROUP'S STRATEGY AND BUSINESS MODEL

Under this scenario, the Group anticipates a low exposure to climate-related physical risks and a high exposure to climate-related transition risks in the short to medium term, reflecting strong and early decarbonisation policies. Over the longer term, as transition activities largely mature and localised weather events may still occur, the Group anticipates a moderate exposure to both climate-related transition and physical risks, resulting in lower overall climate-related risks relative to SSP2-4.5 and SSP3-7 climate-related scenarios.

Market Transition Towards Low-Carbon Economy & Low- and Zero-Carbon Technology Transition Risk

MISC operates in a market environment that is supportive of the transition to a low-carbon economy. This is reflected in the anticipated higher charter rates for vessels with decarbonisation features, which enables the Group to recover costs associated with decarbonisation initiatives. Technology costs are assessed to be stable, indicating either the maturity of available solutions or effective cost management and supporting continued investment in low- and zero-carbon technologies without significant cost escalation.

This operating environment, alongside a long-term declining interest in fossil fuel which could negatively impact MISC's core business, supports a strategy focused on continuous innovation and market leadership in advanced lower-emission shipping and new energy solutions, with market mechanisms recognising and compensating for such advancements.

Regulatory Compliance Risk for GHG Emissions

MISC operates within a regulatory landscape that is becoming increasingly stringent in relation to energy efficiency and carbon emissions. The IMO Net-Zero Framework is assumed to be adopted in 2026, with entry into force in 2028, with penalty rates of USD 100 per tCO_2e for Tier 1 and USD 380 per tCO_2e for Tier 2. This evolving regulatory framework is anticipated to place continued pressure on the industry to accelerate decarbonisation efforts. The EU ETS and FuelEU Maritime are also expected to play a significant role, with an assumed material increase in EU Allowance prices and penalties respectively, resulting in stringent compliance requirements for operations within European waters. The Group assumes that costs related to EU ETS, FuelEU Maritime and IMO Net-Zero Framework will be borne by charterers, thereby limiting direct financial exposure to MISC.

Physical Climate Risk

Climate-related physical risks are significantly moderated under this scenario due to effective global mitigation efforts. While localised weather events may still occur, their potential impacts on MISC's operations and assets are assessed to be manageable. The overall lower-emissions trajectory reduces the severity and frequency of long-term climate-related physical disruptions, enabling MISC to focus its strategic efforts primarily on managing transition-related risks and opportunities.

CONCLUSION

MISC exhibits strong climate resilience under this scenario, effectively managing higher near-term climate-related transition risks and maintaining relatively low residual physical and transition risks in the longer term compared to SSP2-4.5 and SSP3-7 climate-related scenarios.

FINANCIAL EFFECTS

Under this scenario, the Group anticipates climate-related transition risks to be manageable and broadly aligned with its current financial and strategic planning assumptions. Incremental operating and capital expenditures will be required to comply with more stringent regulatory standards, enhance energy efficiency and deploy low- and zero-carbon technologies. These additional costs are anticipated to be substantially offset over time through higher charter rates, fuel-efficiency improvements and contractual cost-recovery mechanisms embedded in many of the Group's commercial arrangements.

In the short- to medium-term, the Group anticipates upward pressure on operating costs and depreciation arising from investments in vessel retrofits and new technologies implemented in advance of regulatory requirements. While these investments may result in margin pressure within the Group's shipping operations, the impact is anticipated to remain within the Group's risk appetite, supported by favourable demand for lower-emission shipping solutions and the Group's ability to differentiate its services based on vessel emissions performance.

CLIMATE RESILIENCE

FINANCIAL EFFECTS (CONT'D)

Over the longer term, successful execution of the MISC Climate-related Transition Plan is expected to strengthen the resilience of the Group's cash flows and reduce its exposure to future cost escalation associated with tightening carbon regulations, while also mitigating risks to the Group's core business arising from reduced demand for fossil-fuel related services. Conversely, failure to deliver the planned transition investments, or a materially lower-than-expected ability to pass through costs to charterers, would increase pressure on profitability and could adversely affect the Group's competitive position. These downside risks have been considered in the Group's strategic planning and capital allocation decisions.

At this stage, the Group has not disclosed detailed quantitative estimates of the financial impacts under this scenario, as such estimates remain subject to a high degree of measurement uncertainty arising from evolving IMO Net-Zero Framework, technology cost trajectories and customer behaviour. Notwithstanding these uncertainties, the scenario analysis is used to inform MISC's strategic planning, risk management and investment decisions and the Group intends to progressively enhance the granularity and robustness of its financial impact assessments over time.

SSP2-4.5: MODERATE CARBON REGULATIONS, RESULTING IN MODERATE GHG EMISSIONS AND TEMPERATURES

KEY ASSUMPTIONS, INPUTS AND PARAMETERS

1. Global energy demand will continue to climb through 2050, and global oil demand is forecasted to peak in the early 2030s. Despite gradually declining, oil will be in the energy mix through 2050 while gas will peak in 2040s before slowly declining. Therefore, demand for oil & gas shipping would still be required beyond 2035.
2. A gradual transition towards lower- and ultra-low emission vessels e.g., LNG and ammonia, is assumed, alongside growing demand for new energy and decarbonisation solutions, such as carbon capture technologies.
3. Technological development and adoption of alternative and future fuels are assumed to progress at a moderate pace, with mature ammonia bunkering infrastructure expected to begin emerging after 2030 in selected regions.
4. The Group's budgeted investment plans is assumed to remain broadly aligned with the cost trajectory of emissions abatement technologies, with a proportion of these investments expected to be recoverable through decarbonisation premiums or other cost-recovery mechanisms supported by gradually tightening carbon regulations.
5. Climate-related physical risks are expected to increase over time and while they are broadly manageable, they will require progressive enhancement of the Group's existing risk management framework and adaptation response.

IMPACT ON THE GROUP'S STRATEGY AND BUSINESS MODEL

Under this scenario, the Group anticipates a moderate exposure to both climate-related physical and transition risks in the short to medium term. Over the longer term, as global warming and associated climate hazards intensify under moderate mitigation, the Group anticipates a high exposure to climate-related physical risks and a moderate exposure to climate-related transition risks, requiring targeted enhancements to the Group's risk management and climate-related transition plan.

Market Transition Towards Low-Carbon Economy & Low- and Zero-Carbon Technology Transition Risk

The demand for conventional fuel carriers is expected to remain stable, providing a reliable and sustained revenue base. Concurrently, the market is characterised by moderate technological advancements and gradual adoption of alternative and futurefuels. Over the medium- to long-term, infrastructure and ecosystems for alternative fuels, such as ammonia bunkering, are anticipated to mature gradually, achieving commercial viability. This transition presents strategic opportunities for MISC, as decarbonisation premiums are likely to become standard for vessels demonstrating superior environmental performance. In addition, increasing demand for the transportation of emerging commodities and carbon capture solutions offers potential avenues for business diversification and growth.

Regulatory Compliance Risk for GHG Emissions

MISC operates within a regulatory environment characterised by moderate and progressively tightening requirements related to energy efficiency and carbon emissions, evolving from initial mandates toward more sophisticated regulatory frameworks. The IMO Net-Zero Framework is assumed to be adopted in 2026, with the earliest possible entry into force in 2028 with penalty rates of USD 100 per tCO_2e for Tier 1 and USD 380 per tCO_2e for Tier 2. The Group assumes that IMO Net-Zero Framework related costs will be borne by charterers.

Carbon pricing under the EU ETS and FuelEU Maritime are expected to increase gradually. The Group assumes that costs related to EU ETS and FuelEU Maritime will be borne by charterers, thereby limiting direct financial exposure to MISC.

Physical Climate Risk

Whilst climate-related physical risks rise, they generally remain manageable, although the trend is towards greater disruption. Over the long-term, the intensifying and variable weather events will increasingly impact shipping schedules and port infrastructure, incur higher operational costs and necessitate adaptive measures, with potential significant, albeit localised, impacts on coastal infrastructure where MISC operates.

CONCLUSION

MISC exhibits moderate climate resilience under this scenario, effectively managing climate-related transition risks, but will need to adjust its climate-related transition plan and risk management measures to effectively manage the increasing climate-related physical risks in selected regions or assets over the longer term.

FINANCIAL EFFECTS

Please refer to the current and anticipated financial effects disclosures for the respective SROs, as presented in the preceding sections. The Group has not provided quantitative information for the long-term due to the high degree of measurement uncertainty, which would affect the reliability and decision-usefulness of such information for users of this report. This applies to projections related to market, technological and regulatory outcomes and their potential impact on the Group.

CLIMATE RESILIENCE

SSP3-7: WEAK CARBON REGULATIONS, RESULTING IN HIGH GHG EMISSIONS AND TEMPERATURES

KEY ASSUMPTIONS, INPUTS AND PARAMETERS

1. Fossil fuel reliance remains high, while demand for decarbonisation initiatives, including alternative and future fuels, and new energy solutions continue to be limited.
2. Slower decarbonisation progress due to reduced investment in alternative and future fuels such as green ammonia due to underdeveloped supply chains.
3. Under weak and fragmented carbon regulations, where policy frameworks remain inconsistent across regions and lack enforceable obligations, market investment remains slow and uneven, making cost-recovery mechanisms for decarbonisation initiatives largely unviable.
4. Climate-related physical risks are intensifying, with more frequent and severe events causing schedule disruptions and cumulative productivity losses over time.

IMPACT ON THE GROUP'S STRATEGY AND BUSINESS MODEL

Under this scenario, the Group anticipates a moderate exposure to climate-related physical risks and a low exposure to climate-related transition risks in the short to medium term, reflecting weak and fragmented climate policy. Over the longer term, the Group anticipates a very high exposure to climate-related physical risks as global warming accelerates, and moderate exposure to climate-related transition risks, primarily driven by potential late and disorderly policy responses or market-shifts in selected regions.

Market Transition Towards Low-Carbon Economy & Low- and Zero-Carbon Technology Transition Risk

Market demand continues to prioritise the most cost-efficient transport solutions, with limited interest in lower-emission shipping, making decarbonisation premiums minimal or largely irrelevant. Consequently, the Group does not recover costs through charter rates for decarbonisation efforts, resulting in reduced revenue from green initiatives. Supply chains for alternative and future fuels remain nascent and underdeveloped, while high-emission fuel supply chains continue to dominate. In response, MISC will adopt a cautious approach, moderating investments and delaying decarbonisation initiatives in lower-emission shipping and new energy solutions.

Regulatory Compliance Risk for GHG Emissions

The regulatory environment remains fragmented and inconsistent. International bodies, such as IMO, face challenges in reaching consensus on decarbonisation goals, resulting in stalled discussions and delayed implementation of regulatory timelines and penalty rates, potentially extending to 2030 or beyond. At the domestic level, policies such as the Malaysia carbon tax do not currently apply to MISC, although the extent of potential indirect cost impacts remain uncertain. EU ETS and FuelEU Maritime continue to operate with potential political pressures affecting future pricing. Overall, limited international and regional carbon regulation persists, sustaining reliance on fossil fuels and prioritising operational safety over emissions reduction.

Physical Climate Risk

Climate-related physical impacts are becoming increasingly frequent, widespread and severe, ranging from extreme weather events, such as windstorms, heatwaves and sea-level rise, to potentially catastrophic levels. These events result in persistent operational disruptions, including port closures, route alterations, infrastructure damage and mandatory stop-work orders during extreme heat, adversely affecting productivity. Consequently, MISC faces higher operational costs and increased asset maintenance requirements due to accelerated degradation and recurring operational challenges, with notable financial implications. The Group's strategy will increasingly prioritise maintaining operational viability in high-risk environments, necessitating significant investment in resilience measures and adaptive capacities to safeguard assets and sustain essential services.

CONCLUSION

MISC's current climate-related transition plan would require significant adjustments to effectively address the rapid and severe physical changes projected under this scenario. Managing the associated operational disruptions and potential asset impacts will necessitate substantial investment in adaptation measures, including flood mitigation and other resilience-enhancing initiatives. While climate-related transition risks driven by carbon regulations remain lower than in SSP1-2.6 and SSP2-4.5 climate-related scenarios, the Group is anticipated to be significantly exposed to very high climate-related physical risks.

FINANCIAL EFFECTS

Under this scenario, the Group is anticipated to experience cost pressures primarily driven by climate-related physical risks. More frequent and severe extreme weather events, alongside gradual climate impacts such as sea-level rise, are anticipated to increase operating expenses, asset maintenance and repair requirements and insurance premiums. Periodic disruptions to shipyard operations may also result in revenue losses and reduced asset utilisation. Over time, these factors could compress margins in affected segments and necessitate the reallocation of capital towards resilience-building through climate adaptation projects.

In the medium- to long-term, the growing frequency of climate-related events may further heighten the risk of asset impairment or accelerate depreciation where assets are damaged, become more costly to operate, or are located in increasingly challenging operational environments. At this stage, the Group has not provided quantitative estimates of these potential financial impacts due to the high degree of uncertainty surrounding the frequency and severity of future climate events, regulatory developments, insurance market dynamics and the timing and scale of adaptation investments. Qualitative analysis is currently used to guide capital allocation decisions and to inform the development of an appropriate climate adaptation strategy.

SIGNIFICANT AREAS OF UNCERTAINTIES

The Group's climate resilience position is subject to several material uncertainties as outlined below:

1. CARBON PRICING TRAJECTORY

The trajectory, timing, scope and enforcement of regional, national and international carbon pricing mechanisms, including carbon taxes, levies, and market-based instruments for GHG emissions, remain highly uncertain. This includes the existing EU ETS and FuelEU Maritime regulations, proposed IMO Net-Zero Framework with earliest possible entry into force anticipated in 2028, and Malaysia carbon tax expected to enter into force in 2026. Variations in policy design and adoption across regions may significantly influence the cost of compliance and the economic viability of MISC's decarbonisation pathway.

2. DECARBONISATION PREMIUM

The extent to which charterers are willing to pay a premium for lower-emission shipping services remains uncertain. Market acceptance of such premiums will depend on regulatory developments, industry adoption of low-carbon solutions, and broader shifts in customer and supply chain decarbonisation commitments.

3. CLIMATE-RELATED PHYSICAL IMPACTS

The frequency and severity of climate-related physical risks, including windstorms, extreme heat events, and sea-level rise, remain difficult to predict due to inherent climate variability. The potential impacts on ports, infrastructure, and shipping routes may vary significantly by geography and over time.

CLIMATE RESILIENCE

CAPACITY TO ADJUST OR ADAPT BUSINESS STRATEGY TO CLIMATE CHANGE

MISC recognises the need to continuously review and adapt its business strategy in response to evolving CROs. The Group regularly assesses the potential impacts of CROs and incorporates the relevant mitigation and adaptation measures in its business strategy to strengthen its long-term resilience.

1. FINANCIAL FLEXIBILITY

MISC's financial strategy prioritises strengthening earnings visibility while directing capital toward assets that remain resilient and competitive amid tightening environmental and regulatory conditions. The Group reinforces its adaptability through disciplined financial governance and a five-year rolling business plan that enhances recurring cash flows, ensuring capital allocation and investment decisions remain responsive to evolving market and climate-related scenarios.

2. INVESTMENTS IN CLIMATE-RELATED MITIGATION, ADAPTATION AND OPPORTUNITIES

The Group's climate-related transition plan incorporates investments that enhance climate resilience and support the transition to a low-carbon economy. These include investments in high-efficiency new vessels, LNG and ammonia dual-fuel vessels, emissions reduction initiatives, and the expansion into new energy business such as CCS, offshore wind, LCO_2 carriers and ammonia carriers. Collectively, these initiatives position MISC to comply with evolving regulatory requirements, reduce its carbon footprint, and capture new growth opportunities associated with the global energy transition.

3. STRATEGIC PARTNERSHIPS

MISC continues to strengthen strategic partnerships with key stakeholders, including technology providers and customers, to support investments in climate-related mitigation, adaptation and emerging opportunities. These partnerships enhance the Group's ability to respond effectively to technological advancements and regulatory developments across climate-related scenarios.

CLIMATE RESILIENCE

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate Change & GHG Emissions	Annual Efficiency Ratio (AERCO_2e)	gCO_2e/ton-nm	4.86	Reduce 50% GHG emissions intensity from MISC's shipping operations by 2030 compared to 2008	External (Limited)	Vessel's total emissions of carbon dioxide,methane and nitrous oxide using a common unit termed carbon dioxide equivalent per transport work. Transport work is calculated by multiplying vessel's deadweight with distance travelled.
Climate Change & GHG Emissions	Average Energy Efficiency Design Index for new ships	gCO_2/ton-nm	4.39	-	No assurance	Average energy efficiency of newly constructed ships
Climate Change & GHG Emissions	Business activities vulnerable to climate-related transition risks	%	100	-	No assurance	Percentage of business activities vulnerable to climate-related transition risks
Climate Change & GHG Emissions	Revenue generated from new energy business	RM million (%)	720.7 (6.5%)	-	No assurance	Revenue and percentage of the Group revenue generated from new energy business e.g., Carbon, Offshore Wind and Future Fuels Value Chains
Climate Change & GHG Emissions	Workforce upskilled and ready for future fuels and decarbonisation solutions	Number (%)	174 (4.8%)	-	No assurance	Number and percentage of total seafarers who have been trained to operate and support future fuels and decarbonisation solutions
Climate Change & GHG Emissions	GHG emissions covered under existing carbon pricing regulations	Tonnes CO_2e (%)	137,196 (4.2%)	-	No assurance	GHG emissions and percentage of total Scope 1 GHG emissions covered under carbon pricing regulations in force e.g., EU ETS, FuelEU Maritime

BURSA MALAYSIA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate Change & GHG Emissions	Assets vulnerable to climate-related physical risks	Number (%)	4 (13%)	-	No assurance	Number and percentage of key non-shipping assets exposed to climate-related physical risks
Climate Change & GHG Emissions	Scope 1 GHG emissions	Tonnes CO_2e	3,236,446	-	External (Limited)	Gross Scope 1 emissions
Climate Change & GHG Emissions	Scope 2 GHG emissions	Tonnes CO_2e	45,783	-	External (Limited)	Gross Scope 2 emissions
Climate Change & GHG Emissions	Scope 3 GHG emissions	Tonnes CO_2e	2,721,090	-	No assurance	Gross Scope 3 emissions for categories 1, 3, 8, 13 and 15.
Climate Change & GHG Emissions	Capital Deployment	RM million	29.1	-	No assurance	The amount of capital expenditure and investments deployed towards decarbonisation initiatives and new energy business
Climate Change & GHG Emissions	Internal carbon price	USD/tCO_2e	60	-	No assurance	Price per metric tonne of greenhouse gas emissions
Climate Change & GHG Emissions	Remunerations associated with climate change	%	up to 4	-	No assurance	Percentage of Executive Leadership Team (ELT) balanced scorecard linked to climate-related target
Climate Change & GHG Emissions	Total energy consumed	Gigajoules (GJ)	47,077,798	-	External (Limited)	
Climate Change & GHG Emissions	Percentage of heavy fuel oil	%	4.60	-	No assurance	
Climate Change & GHG Emissions	Percentage of renewable energy	%	0.07	-	No assurance	

SECTION 5

ADDITIONAL INFORMATION

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INDEPENDENT ASSURANCE STATEMENT 2025

ABS

Independent Assurance Statement

Independent Verification and Limited Assurance Report of American Bureau of Shipping to MISC Berhad

We were engaged by MISC Berhad ("the Company") to assure selected environmental and social metrics ("the Metrics") and disclosures of the Company's Sustainability Report 2025 ("the Report") relating to the year ended 31 December 2025 in the form of a limited assurance conclusion about the proper preparation of the Metrics, in all material respects, in accordance with the Company's own methodology for sustainability report development ("the Methodology").

This independent limited assurance report is issued solely to the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might provide limited assurance to the Company on those matters that we have been engaged to consider in this report only and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Responsibilities of the directors of the company

The directors of the Company are responsible for the proper preparation of the Report, and the Metrics, information and statements contained therein, in accordance with the Methodology.

It is the directors' responsibility to develop, operate and maintain internal systems and processes relevant to the proper preparation of a Report that is free from material misstatement, whether due to fraud or error.

Responsibilities of American Bureau of Shipping

Our responsibility is to independently express a limited assurance conclusion to the Company, based on the procedures performed and evidence obtained, as to the proper preparation of the Report, in all material respects, in accordance with the Methodology. We conducted our work over the course of several months from late 2025 through early 2026, in accordance with the *International Standard on Sustainability Assurance 5000: General Requirement for Sustainability Assurance Engagements* ("Standard"), issued by the International Auditing and Assurance Standards Board. The Standard requires that we obtain sufficient and appropriate evidence related to the Metrics that is free of material misstatement on which to base our conclusion.

Scope of work

The limited assurance engagement for the Company involves planning and performing procedures to obtain sufficient appropriate evidence for a meaningful level of assurance over the Metrics stated below, as disclosed in the company's Sustainability Report:

Metrics	Value	Unit
Scope 1 GHG Emissions (non-biogenic)	3,236,446	tonnes CO_2e
Biogenic Emissions	913	tonnes CO_2e
Scope 2 GHG Emissions	45,783	tonnes CO_2e
GHG Intensity	4.86	gCO_2e/ton-nm
Energy Consumption	47,077,798	GJ
Lost Time Incident Frequency (LTIF)	0.2	per 1 million man-hours
Total Recordable Case Frequency (TRCF)	0.28	per 1 million man-hours
Average Training Hours per Employee	20.5	hours
Total Employee Training Hours	176,505	hours
Percentage of Employees Who Have Received Training on Anti-Bribery and Corruption	96%	percent

The procedures selected depend on our judgment, on our understanding of the Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- Investigating, observing, inspecting, and reporting on the processes and documents reviewed, and agreeing or reconciling with the underlying records to check errors or omissions in data analysis, consistency, and reasoning of reporting
- Reviewing the Metrics disclosed in the Company's Sustainability Report for 2025
- Inquiries to the Company's management and personnel involved in the sustainability report's preparation process, the internal control system governing this process, and selected disclosures in the sustainability report
- Data collection, including limited substantive testing, on a selective basis of Company's owned fleet (excluding vessels chartered by the Company) to verify the Metrics stated in the report. Calculations were re-checked for limited data sets to verify the data accuracy

The procedures performed in a limited assurance engagement vary in nature and timing and are not as extensive as a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other Information

Management of the Company is responsible for the report and assurance of any other information outside our scope of work. The other information comprises the information outlined in the Company's Annual Report, including the financial statements and notes thereto, chairman's statement, and the sustainability information in the Sustainability Report, other than the Metrics subject to assurance and our assurance report thereon.

Our conclusion on the Selected Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the Selected Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Selected Sustainability Disclosures or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Inherent limitations

In providing our limited assurance conclusion, we relied on the information and documents provided to us by the Company. To the best of our knowledge, there are no circumstances which would render such information or documents unreliable. Because of such reliance, there may be errors or irregularities which may not have been detected.

Limited assurance engagements are based on selective testing of the information being examined and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-adherence to the GRI Standards reporting framework, as the assurance engagement is not performed continuously throughout the year and the procedures performed are on a test basis. The conclusion expressed in this report must be read in conjunction with the inherent limitations stated in this assurance statement.

INDEPENDENT ASSURANCE STATEMENT 2025

Independent Assurance Statement

Practitioner's Responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected Sustainability Disclosures.

As part of a limited assurance engagement in accordance with ISSA 5000, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control; and
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Conclusion

Based on the procedures performed and evidence obtained, and subject to the key assumptions and inherent limitations set out above, nothing has come to our attention that causes us to believe that the Metrics presented in the Report for the year ended 31 December 2025 have not been properly prepared, in any material respects, in accordance with the Methodology.

American Bureau of Shipping

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23 March 2026

PERFORMANCE DATA

FINANCIAL PILLAR	Unit	2025	2024	2023
FINANCIAL PERFORMANCE				
Revenue	RM million	**11,146.1**	13,237.5	14,271.7
Operating Profit	RM million	**2,776.5**	2,593.7	2,881.4
Profit/(loss) before taxation	RM million	**1,861.9**	1,283.5	2,093.7
Profit/(loss) after taxation	RM million	**1,738.0**	1,233.2	1,958.9
Tax for the Year				
Malaysia income tax	RM '000	**50,523**	49,400	60,042
Foreign tax	RM '000	**66,126**	53,670	30,950
Under/(Over) Provision in Prior Year				
Malaysia income tax	RM '000	**5,468**	(5,789)	368
Foreign tax	RM '000	**(5,141)**	(47,471)	48,685
CLIMATE-RELATED INDICATOR				
Expenditure on climate-related initiatives	RM	**36,906,705.2**	167,375,350	157,789,782
Expenditure on environmental protection initiatives (including climate change and environmental management system)	RM	**16,559,022.8**	12,227,708	10,817,446
REVENUE				
Lower-emission Vessels				
Aframax	RM	**318,877,625**	84,543,706	90,320,715
DPST	RM	**185,911,187**	218,875,090	396,678,943
VLCC	RM	**355,172,200**	321,195,374	98,400,554
VLEC	RM	**335,537,071**	365,291,386	376,761,667
LNGC	RM	**539,991,849**	594,303,358	567,237,996
TOTAL	RM	**875,528,920**	1,584,208,914	1,529,399,875

For more details in our Financial performance, please refer to MISC's Financial Report 2025.

PERFORMANCE DATA

ENVIRONMENTAL PILLAR	Unit	2025	2024	2023
GHG EMISSIONS				
Total GHG (Scope 1 and 2)	tonnes CO_2e	**3,282,230**	3,795,420*	4,160,578
Scope 1[1]	tonnes CO_2e	**3,236,446**	3,750,396*	4,120,702
Scope 2	tonnes CO_2e	**45,783**	45,024	39,875
CO_2 Biogenic[A]	tonnes CO_2e	**913**	2,993	1,100
Total Scope 1	tonnes CO_2e	**3,236,446**	3,750,396*	4,120,702
Breakdown by Operations				
Shipping	tonnes CO_2e	**3,207,145**	3,719,360*	4,088,748
- Gas	tonnes CO_2e	**1,513,146**	2,058,813	2,445,402
- Petroleum	tonnes CO_2e	**1,688,364**	1,654,470*	1,616,373
- Product	tonnes CO_2e	**0**	43*	21,848
- Workboat	tonnes CO_2e	**5,636**	6,034	5,125
Non Shipping	tonnes CO_2e	**29,301**	31,035	31,954
Total Scope 2	tonnes CO_2e	**45,783**	45,024	39,875
Breakdown by Operations				
Shipping	tonnes CO_2e	**139**	25	-
- Workboat	tonnes CO_2e	**139**	25	-
Non Shipping	tonnes CO_2e	**45,644**	44,999	39,875
Total Scope 3 (Material Categories)	tonnes CO_2e	**2,721,090**	2,205,336*	2,345,620*
Breakdown by Category				
Category 1-Purchased goods and services from MISC's Marine and Heavy Engineering Business	tonnes CO_2e	**76,218**	91,315	131,267
Category 3-Fuel & Energy related activities	tonnes CO_2e	**896,851**	1,080,428*	1,133,237
Category 8-Upstream Leased Assets	tonnes CO_2e	**113,279**	12,951	44,310
Category 13-Downstream Leased Assets	tonnes CO_2e	**1,600,540**	984,057	999,402
Category 15-Investments	tonnes CO_2e	**34,201**	36,585	37,404
AIR EMISSIONS				
NO_x emissions (reported data for shipping and non-shipping)[6]	tonnes	**35,076**	39,181*	43,829.00
SO_x emissions (reported data for shipping and non-shipping)[7 A]	tonnes	**3,648**	3,748*	3,933.00
PM_{10} emissions (reported data for non-shipping only)[8 B]	tonnes	**3.07**	3.40	3.76
REFRIGERANT				
Ozone Depleting Substances (ODS)	tonnes	**0.08**	0.13	0.17
GHG EMISSIONS INTENSITY AND ANNUAL EFFICIENCY RATIO				
ANNUAL EFFICIENCY RATIO (AER)				
MISC Shipping Fleet (GAS and Petroleum)[C]	gCO_2e/ton-nm	**4.75**	5.14*	5.71
ANNUAL EFFICIENCY RATIO (AER CO_2e)				
MISC Shipping Fleet (GAS and Petroleum)	gCO_2e/ton-nm	**4.86**	5.25*	5.95
CII RATING				
Vessel Rated A	%	**18**	18	19
Vessel Rated B	%	**26**	28	23
Vessel Rated C	%	**29**	31	40
Vessel Rated D	%	**23**	16	13
Vessel Rated E	%	**5**	7	5

PERFORMANCE DATA

ENVIRONMENTAL PILLAR	Unit	2025	2024	2023
OPERATIONAL DATA				
Total distance travelled by vessels (GAS and Petroleum)[11]	nautical miles (nm)	**4,806,927**	5,361,462*	5,453,030
AVERAGE ENERGY EFFICIENCY INDEX (EEDI) FOR NEW VESSELS				
LNGC	gCO_2/ton-nm	**4.39**	-	4.69
VLEC	gCO_2/ton-nm	**-**	-	-
LNG Dual-Fuel DPST	gCO_2/ton-nm	**-**	-	-
Conventional DPST	gCO_2/ton-nm	**-**	-	-
LNG Dual-Fuel VLCC	gCO_2/ton-nm	**-**	-	1.67
Shuttle Tanker	gCO_2/ton-nm	**-**	2.75	-
ENERGY				
TOTAL GROUP ENERGY CONSUMPTION	GJ	**47,077,798**	56,486,224*	59,997,493
Heavy Fuel Oil[3]	tonnes	**53,867**	56,457*	72,728
Very-Low Sulphur Heavy Fuel Oil	tonnes	**328,815**	324,456*	416,653
Ultra-Low Sulphur Heavy Fuel Oil	tonnes	**1,730**	1,446*	3,928
Very-Low Sulphur Light Fuel Oil	tonnes	**52,139**	81,130*	-
Ultra-Low Sulphur Light Fuel Oil	tonnes	**2,647**	2,076	-
Marine Gas Oil	tonnes	**59**	47	109
Very-Low Sulphur Marine Fuel Oil	tonnes	**131,315**	37,092*	3,922
Ultra-Low Sulphur Marine Fuel Oil	tonnes	**29,046**	124,094*	163,927
Liquified Natural Gas	tonnes	**429,558**	608,117*	672,031
Propane	litres	**324**	100	-
Diesel	litres	**2,559,642**	2,553,337	419,889
Biodiesel (from shipping)	tonnes	**3,169**	12,905	5,329
Biodiesel (from non-shipping)	litres	**3,183,515**	3,791,840	6,625,386
Petrol	litres	**52,184**	68,492	49,189
Compressed Natural Gas	m^3	**582,920**	470,254	405,000
Liquified Petroleum Gas	tonnes	**5**	7	6
Electricity	kWh	**68,734,837**	67,621,966	59,881,813
Ethane	tonnes	**27,826**	13,790	1,221
Renewable Energy [4D]	MWh	**8,952**	8,826	8,827
ENERGY INTENSITY RATIO				
Breakdown by Subsidiaries				
Shipping operations - GAS and Petroleum & Products	(GJ per million transport work)	**70**	79*	86
Heavy & Marine Engineering	(GJ per thousand man hours)	**13**	11	12
Maritime Education & Training	GJ per million sales in RM)	**152**	185	160
Marine Services (Maritime Services)	(GJ per hour)	**4**	4	4
WASTE				
NON-SHIPPING OPERATIONS				
TOTAL GENERATION OF GENERAL/NON-HAZARDOUS WASTE	tonnes	**2,775**	2,630	5,220
Total recycled/reused/recovered	tonnes	**279**	250	151
Total final disposal	tonnes	**2,496**	2,380	5,069
TOTAL GENERATION OF HAZARDOUS WASTE	tonnes	**25,828**	16,739	19,904
Total waste recycled/reused/recovered	tonnes	**19,998**	16,198	19,087
Total waste sent for disposal (incineration/landfill)	tonnes	**50**	42	17
SHIPPING OPERATIONS				
Ship oil sludge	m^3	**6,402**	6,799	6,537
Ship operational effluent discharge - comprises bilge water and cargo residue	m^3	**60,509**	58,696	63,761
Operational effluent discharge per vessel per month - bilge water	m^3	**25**	30	30

PERFORMANCE DATA

ENVIRONMENTAL PILLAR	Unit	2025	2024	2023
Ship garbage	m^3	**5,585**	6,826	6,974
Ship garbage disposed to reception facility	m^3	**4,704**	5,829	5,995
Ship garbage discharge to sea- Category B	m^3	**428**	460	470
Ship garbage incinerated on board	m^3	**453**	537	509
WATER				
TOTAL FRESHWATER WITHDRAWAL	m^3	**1,075,763**	931,541^	883,033
Total Freshwater Withdrawal from surface water	m^3	**0**	0	0
Total Freshwater Withdrawal from third-party service provider	m^3	**1,075,763**	931,541^	883,033
WATER CONSUMPTION				
Water consumption (from vessels' freshwater generator)	m^3	**272,967**	294,461	308,930
BALLAST WATER				
Percentage of Fleet implementing Ballast Water Exchange and Treatment				
- exchange[12]	%	**NIL**	NIL	1
- treatment[13]	%	**100**	100	99
SPILLS				
Total spills[9]	number	**0**	2	2
Average volume of spills and releases to the environment[10]	litres	**0**	6	16
FINES/PENALTIES AND AUDITS				
Fines/penalties on environmental-related non-compliance	number	**0**	2	0
Fines/penalties on environmental-related non-compliance	RM	**0**	4,000	0
Audit conducted on environmental-related matters#	number	**97**	170	153
ISO CERTIFICATION [E]				
ISO 50001 Energy Management System	%	**39**	35	32
Breakdown by Business Unit				
Gas Assets & Solutions		**No**	No	No
Petroleum & Products		**No**	No	No
Offshore		**No**	No	No
Marine & Heavy Engineering		**No**	No	No
Marine Services (Ship Management)		**Yes**	Yes	Yes
Marine Services (Maritime Services)		**No**	No	No
Maritime Education & Training		**No**	No	No
ISO 14001 Environmental Management System	%	**84**	85	86
Breakdown by Business Unit				
Gas Assets & Solutions		**No**	No	No
Petroleum & Products		**No**	No	No
Offshore		**Yes**	Yes	Yes
Marine & Heavy Engineering		**Yes**	Yes	Yes
Marine Services (Ship Management)		**Yes**	Yes	Yes
Marine Services (Maritime Services)		**No**	No	No
Maritime Education & Training		**No**	No	No

Note:
[1–13] *Referring to SASB indicator*
\# *Environmental audits including compliance audit that covers the following aspect; management system, waste, pollution, water, energy use and biodiversity*
* *Data has been restated post-IMO Data Collection System (DCS) verification*
^ *Data has been restated to reflect actual data*
A *Data excludes six vessels fitted with scrubbers as the system configuration for quantifying SO_x emissions from scrubber is ongoing*
B *Data for non-shipping only*
C *AER data calculated for total CO_2 emissions without any corrections or adjustment applied*
D *Renewable energy from renewable energy certificate bought*
E *ISO certification for business unit is subject to applicability and operational relevance*

Training and Awareness Conducted in 2025

Training Type	Total Number of Programmes	Total Number of Participants
Environment	5	1,103

Scope of ISO certification

Certification	Entity	Certification Scope
ISO50001:2018 Energy Management System ISO50001:2011 Energy Management System	MISC Shipmanagement (L) Pte. Ltd.	Provision of Fleet Management Services
	MISC Shipmanagement (S) Pte. Ltd.	Shore Management of operation of tanker
ISO 14001:2015 Environment Management System	MISC Shipmanagement (L) Pte. Ltd.	Provision of Fleet & Shipboard Operation Management Services
	MISC Shipmanagement (S) Pte. Ltd.	Shore Management of operation of tanker
	MISC Berhad (Offshore)	Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation & Maintenance and Decommissioning of Offshore Floating/Mobile Facilities
	Malaysia Marine and Heavy Engineering Holdings Berhad	i. Repair & Refurbishment, and Conversion of Ship and Marine Vessel. ii. Engineering, Procurement, Construction, Hook Up, and Testing & Commissioning of Production System and its Facilities. iii. Maintenance of Onshore Production Systems and its Facilities Including Fabrication and Testing & Commissioning. iv. Project Management for Transportation and Installation of Offshore Production System and its Facilities. v. Construction, Hook Up, Testing and Commissioning Of Production System and its Facilities.

PERFORMANCE DATA

SOCIAL PILLAR - HEALTH, SAFETY AND SECURITY	Unit	2025	2024	2023
Working hours	hours	**50,376,507.7**	61,261,070*	65,463,715*
Fatalities	number	**1**	1	3
Employees	number	**1**	1	1
Contractor	number	**0**	0	2
Number of Lost Time Injury (LTI)	number	**9**	2*	4*
Employees	number	**7**	1*	1*
Contractor	number	**2**	1	3*
Lost Time Injury Frequency (LTIF)	per 1 million man-hours	**0.20**	**0.05**	0.11*
Employees	per 1 million man-hours	**0.22**	0.05	0.05
Contractor	per 1 million man-hours	**0.14**	0.05	0.19*
Total Recordable Case (TRC)	number	**14**	14	21*
Employees	number	**11**	8	8*
Contractor	number	**3**	6	13*
Total Recordable Case Frequency (TRCF)	per 1 million man-hours	**0.28**	0.23	0.32
Employees	per 1 million man-hours	**0.30**	0.19	0.20
Contractor	per 1 million man-hours	**0.22**	0.32	0.50
Total Recordable Occupational Illness Frequency (TROF)	per 1 million man-hours	**0.00**	0.03	0.00
FINES/PENALTIES AND AUDIT				
Incidents of non-compliance concerning the health and safety impacts of products and services	number	**0**	0	0
Health and Safety Audits (as part of the HSSEMS assurance)	number	**17**	25	25
ISO CERTIFICATION				
ISO 45001 Occupational Health and Safety Management System/ISO 18001 Occupational Health and Safety Management System Certification	%	**87**	87	86
Breakdown by Business Unit				
Gas Assets & Solutions		**No**	No	No
Petroleum & Products		**No**	No	No
Offshore		**Yes**	Yes	Yes
Marine & Heavy Engineering		**Yes**	Yes	Yes
Marine Services (Ship Management)		**Yes**	Yes	Yes
Marine Services (Port Management & Maritime Services)		**Yes**	No	No
Maritime Education and Training		**No**	No	No
ISO 9001 Quality Management System	%	**98**	98	98
Breakdown by Business Unit				
Gas Assets & Solutions		**No**	No	No
Petroleum & Products		**Yes**	Yes	Yes
Offshore		**Yes**	Yes	Yes
Marine & Heavy Engineering		**Yes**	Yes	Yes
Marine Services (Ship Management)		**Yes**	Yes	Yes
Marine Services (Port Management & Maritime Services)		**Yes**	Yes	Yes
Maritime Education & Training		**Yes**	Yes	Yes

Note:
* *Figures have been restated to reflect the reclassification of incidents and updates to the underlying data*

Scope of ISO certification

Certification	Entity	Certification Scope
ISO 45001:2018 Occupational Health and Safety Management System	MISC Berhad (Offshore)	Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation & Maintenance and Decommissioning of Offshore Floating/Mobile Facilities
	MISC Shipmanagement (L) Pte. Ltd.	Provision of Fleet & Shipboard Operation Management Services
	MISC Shipmanagement (S) Pte. Ltd.	Management of tanker operations
	Malaysia Marine and Heavy Engineering Holdings Berhad	i. Repair & Refurbishment, and Conversion of Ship and Marine Vessel ii. Engineering, Procurement, Construction, Hook Up, and Testing & Commissioning of Production System and its Facilities iii. Maintenance of Onshore Production Systems and its Facilities Including Fabrication and Testing & Commissioning iv. Project Management for Transportation and Installation of Offshore Production System and its Facilities v. Construction, Hook Up, Testing and Commissioning Of Production System and its Facilities
ISO 9001:2015 Quality Management System	MISC Berhad (Offshore)	Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation & Maintenance and Decommissioning of Offshore Floating/Mobile Facilities
	AET Tankers Pte. Ltd.	Asset acquisition, commercial management and management of operations of owned and in chartered vessels including provision of ship lightering and support services.
	MISC Shipmanagement (L) Pte. Ltd.	Provision of Fleet & Shipboard Operation Management Services
	MISC Shipmanagement (S) Pte. Ltd.	Management of tanker operations
	Malaysia Maritime Services Sdn. Bhd.	- Provision of Maritime Services - Provision of Corporate Support Services - Provision of Port & Terminal Management Services
	Maritime Education & Training (Akademi Laut Malaysia-ALAM)	Provision of Standard for Training, Certification, and Watchkeeping for Seafarers(STCW) Training Courses for Maritime Personnel
	Malaysia Marine and Heavy Engineering Holdings Berhad	i. Repair, Construction, Refurbishment and Conversion of Ships & Marine Vessels ii. Engineering, Procurement, Construction, Hook Up, Testing & Commissioning and Maintenance of Production System and Its Facilities iii. Fabrication, Testing, Commissioning and Maintenance of Onshore Production Systems and Its Facilities iv. Project Management for Transportation and Installation of Offshore Production System and Its Facilities v. Construction, Hook Up, Testing and Commissioning and Maintenance of Production System and Its Facilities * Scope cover MMHE East and MMHE Melaka
ISO 55001:2014 Assets Management System	MISC Berhad (Offshore)	Provision of Asset management services for Floating/Mobile Facilities
ISO 29001:2020 Quality Management System for Petroleum, Petrochemical and Natural Gas Industries	MISC Berhad (Offshore)	Provision of Engineering, Procurement and Construction Management of Subcontractors, Installation, Commissioning, Operation & Maintenance and Decommissioning of Offshore Floating/Mobile Facilities

Training and Awareness Conducted in 2025

Training Type	Total Number of Programmes	Total Number of Participants
Safety & Loss Prevention	8	298
Occupational Health & Industrial Hygiene	13	1,480
Policies & Strategies	54	1,983
Audit & Assurance	4	97
Security	2	391
Sustainability	12	1,005

PERFORMANCE DATA

SOCIAL PILLAR - TALENT EXCELLENCE	Unit		2025		2024		2023
EMPLOYEES							
Total Employees	number	**8,630**		9,536		10,435	
Employees by location and gender							
Sea	number,%	**3,663**	**42.44%**	3,936	41.28%	3,982.0	38.16%
Shore	number,%	**4,967**	**57.56%**	5,600	58.72%	6,453.0	61.84%
Female Employees	number,%	**1,360**	**15.75%**	1,476	15%	1,588.0	15%
Sea	number,%	**94**	**6.92%**	86	5.83%	72.0	4.53%
Shore	number,%	**1,266**	**93.08%**	1,390	94.17%	1,516.0	95.47%
Male Employees	number,%	**7,270**	**84.24%**	8,060	84.52%	8,847.0	84.78%
Sea	number,%	**3,569**	**49.09%**	3,850	47.77%	3,910.0	44.42%
Shore	number,%	**3,701**	**51.91%**	4,210	52.23%	4,937.0	55.58%
Employees by age group							
30 and below	number,%	**1,991**	**23.07%**	2,329	24.42%	3,016	28.99%
31-50 years old	number,%	**5,524**	**64.01%**	6,005	62.97%	6,252	59.91%
Over 50 years old	number,%	**1,115**	**12.92%**	1,202	12.60%	1,167	11.18%
Employees by employment category							
Senior/Top Management	number,%	**120**	**1.39%**	127	1.33%	121	1.16%
Female	number,%	**28**	**23.33%**	24	18.90%	22	18.18%
Male	number,%	**92**	**76.67%**	103	81.10%	99	81.82%
Middle Management	number,%	**241**	**2.79%**	230	2.41%	210	2.01%
Female	number,%	**65**	**26.97%**	66	28.70%	58	27.62%
Male	number,%	**176**	**73.03%**	164	71.30%	152	72.38%
Junior Management	number,%	**778**	**9.02%**	754	7.91%	749	7.18%
Female	number,%	**201**	**25.84%**	178	23.61%	187	24.97%
Male	number,%	**577**	**74.16%**	576	76.39%	562	75.03%
Executives/Officers	number,%	**3,927**	**45.50%**	4,340	45.51%	4,480	42.93%
Female	number,%	**794**	**20.22%**	807	18.59%	798	17.81%
Male	number,%	**3,133**	**79.78%**	3,533	81.41%	3,682	82.19%
Non-Executives/Ratings	number,%	**3,564**	**41.30%**	4,085	42.84%	4,875	46.72%
Female	number,%	**272**	**7.63%**	402	9.84%	523	10.73%
Male	number,%	**3,292**	**92.37%**	3,683	90.16%	4,352	89.27%
Management position in revenue generating function	number,%	**652**	**7.56%**	653	6.85%	630	6.04%
Female	number,%	**104**	**15.95%**	93	14.24%	100	15.87%
Male	number,%	**548**	**84.05%**	560	85.76%	530	84.13%
STEM-related function	number	**4,499**		4,387		5,179	
Female	number,%	**612**	**13.60%**	793	18.08%	881	16.95%
Male	number,%	**3,887**	**86.40%**	3,594	81.92%	4,316	83.05%
Employee basic salary by gender (Male:Female)	ratio	**1.08:1**		1.01:1		1.1:1	
Employee with disability	number	**4**		5		5	
Female	number,%	**1**	**25.00%**	1	20.00%	1	20.00%
Male	number,%	**3**	**75.00%**	4	80.00%	4	80.00%

PERFORMANCE DATA

SOCIAL PILLAR - TALENT EXCELLENCE	Unit	2025		2024		2023	
EMPLOYEES							
Employees by countries of operation (shore employees only)							
Malaysia	number,%	**3,957**	**79.91%**	5,261	94.10%	6,108	94.70%
Bangladesh	number,%	**384**	**7.75%**	0	0.00%	0	0%
Brazil	number,%	**23**	**0.46%**	20	0.36%	19	0.29%
India	number,%	**26**	**0.53%**	23	0.41%	28	0.43%
Indonesia	number,%	**79**	**1.60%**	0	0.00%	0	0%
Japan	number,%	**7**	**0.14%**	0	0.00%	1	0.02%
Nepal	number,%	**43**	**0.87%**	0	0.00%	0	0%
Netherlands	number,%	**5**	**0.10%**	5	0.09%	5	0.08%
Norway	number,%	**2**	**0.04%**	2	0.04%	2	0.03%
Pakistan	number,%	**112**	**2.26%**	0	0.00%	0	0%
Philippines	number,%	**39**	**0.79%**	0	0.00%	0	0%
Saudi Arabia	number,%	**1**	**0.02%**	1	0.02%	1	0.02%
Singapore	number,%	**177**	**3.57%**	189	3.38%	190	2.94%
South Korea	number,%	**0**	**0.00%**	0	0.00%	4	0.06%
Thailand	number,%	**1**	**0.02%**	0	0.00%	0	0%
United Kingdom	number,%	**17**	**0.34%**	16	0.29%	19	0.29%
United States	number,%	**78**	**1.58%**	73	1.31%	75	1.16%
Vietnam	number,%	**1**	**0.02%**	0	0.00%	0	0%

PERFORMANCE DATA

SOCIAL PILLAR - TALENT EXCELLENCE	Unit	2025		2024		2023	
NATIONALITY							
Malaysian	number,%	**5,848**	**67.71%**	6,498	68.14%	7,192	68.92%
Australia	number,%	**2**	**0.02%**	3	0.03%	5	0.05%
Algeria	number,%	**0**	**0.00%**	7	0.07%	11	0.11%
Bangladesh	number,%	**453**	**5.26%**	476	4.99%	534	5.12%
Belgium	number,%	**0**	**0.00%**	1	0.01%	1	0.01%
Brazil	number,%	**188**	**2.18%**	207	2.17%	204	1.95%
Bulgaria	number,%	**1**	**0.01%**	1	0.01%	1	0.01%
Canada	number,%	**4**	**0.05%**	3	0.03%	3	0.03%
China	number,%	**79**	**0.92%**	85	0.89%	90	0.86%
Croatia	number,%	**0**	**0.00%**	1	0.01%	2	0.02%
Egypt	number,%	**1**	**0.01%**	1	0.01%	1	0.01%
France	number,%	**1**	**0.01%**	3	0.03%	3	0.03%
Germany	number,%	**0**	**0.00%**	0	0.00%	1	0.01%
Ghana	number,%	**32**	**0.37%**	33	0.35%	35	0.34%
Greece	number,%	**2**	**0.02%**	2	0.02%	2	0.02%
Hong Kong	number,%	**1**	**0.01%**	0	0.00%	0	0.00%
India	number,%	**817**	**9.48%**	849	8.90%	889	8.52%
Indonesia	number,%	**95**	**1.10%**	124	1.30%	137	1.31%
Italy	number,%	**2**	**0.02%**	3	0.03%	2	0.02%
Iran	number,%	**0**	**0.00%**	1	0.01%	1	0.01%
Japan	number,%	**4**	**0.05%**	5	0.05%	5	0.05%
Latvia	number,%	**1**	**0.01%**	2	0.02%	3	0.03%
Libya	number,%	**0**	**0.00%**	1	0.01%		0.00%
Mexico	number,%	**1**	**0.01%**	1	0.01%	2	0.02%
Myanmar	number,%	**22**	**0.26%**	22	0.23%	22	0.21%
Nepal	number,%	**43**	**0.50%**	69	0.72%	85	0.81%
Netherlands	number,%	**5**	**0.06%**	5	0.05%	5	0.05%
Nigeria	number,%	**5**	**0.06%**	7	0.07%	9	0.09%
Norway	number,%	**3**	**0.03%**	2	0.02%	3	0.03%
Pakistan	number,%	**122**	**1.42%**	162	1.70%	189	1.81%
Philippines	number,%	**580**	**6.73%**	630	6.61%	653	6.26%
Poland	number,%	**31**	**0.36%**	34	0.36%	39	0.37%
Portugal	number,%	**1**	**0.01%**	2	0.02%	3	0.03%
Romania	number,%	**1**	**0.01%**	2	0.02%	3	0.03%
Russia	number,%	**18**	**0.21%**	20	0.21%	17	0.16%
Saint Kitts and Nevis	number,%	**2**	**0.02%**	2	0.02%	0	0.00%
Saudi Arabia	number,%	**1**	**0.01%**	1	0.01%	1	0.01%
Singapore	number,%	**115**	**1.33%**	114	1.20%	112	1.07%
South Africa	number,%	**1**	**0.01%**	1	0.01%	1	0.01%
South Korea	number,%	**2**	**0.02%**	3	0.03%	3	0.03%
Sweden	number,%	**3**	**0.03%**	2	0.02%	2	0.02%
Thailand	number,%	**1**	**0.01%**	1	0.01%	1	0.01%
Turkey	number,%	**1**	**0.01%**	1	0.01%	1	0.01%
Ukraine	number,%	**41**	**0.48%**	49	0.51%	57	0.55%
United Kingdom	number,%	**16**	**0.19%**	17	0.18%	20	0.19%
United States	number,%	**60**	**0.70%**	56	0.59%	56	0.54%
Vietnam	number,%	**1**	**0.01%**	2	0.02%	2	0.02%
Yemen	number,%	**23**	**0.27%**	25	0.26%	27	0.26%

PERFORMANCE DATA

SOCIAL PILLAR - TALENT EXCELLENCE	Unit		2025		2024		2023
Race and Ethnicity (shore employees only)							
Malay	number,%	**3,634**	**73.38%**	4,137	73.88%	4,826	74.79%
Chinese	number,%	**124**	**2.50%**	156	2.79%	150	2.32%
Indian	number,%	**121**	**2.44%**	195	3.48%	217	3.36%
Others	number,%	**1,073**	**21.67%**	1,112	19.86%	1,260	19.53%
EMPLOYMENT TYPE							
Permanent	number,%	**2,676**	**31.00%**	2,831	29.69%	2,756	26.41%
Contract & Third Party	number,%	**5,954**	**69.00%**	6,705	70.31%	7,679	73.59%
NEW HIRES							
Total new hires (shore employees)	number	**441**		544		2,235	
Hires rate	%	**9%**		10%		35%	
By age group							
30 and below	number,%	**130**	**29.41%**	236	43.38%	1,257	56.24%
31-50 years old	number,%	**291**	**65.84%**	285	52.39%	912	40.81%
Over 50 years old	number,%	**21**	**4.75%**	23	4.23%	66	2.95%
By gender							
Female	number,%	**136**	**30.77%**	182	33.46%	470	21.03%
Male	number,%	**306**	**69.23%**	362	66.54%	1,765	78.97%
By employment category							
Senior/Top Management	number,%	**10**	**2.26%**	9	1.65%	16	0.72%
Middle Management	number,%	**24**	**5.43%**	22	4.04%	17	0.76%
Junior Management	number,%	**83**	**18.78%**	68	12.50%	97	4.34%
Executives/Officers	number,%	**239**	**54.07%**	289	53%	763	34%
Non-Executives/Ratings	number,%	**86**	**19.46%**	156	29%	1,342	60%
By countries of operation							
Malaysia	number,%	**399**	**90.27%**	496	91.18%	2,179	97.49%
Brazil	number,%	**7**	**1.58%**	5	0.92%	7	0.31%
India	number,%	**2**	**0.45%**	1	0.18%	9	0.40%
Singapore	number,%	**18**	**4.07%**	28	5.15%	20	0.89%
UK	number,%	**4**	**0.90%**	4	0.74%	4	0.18%
USA	number,%	**12**	**2.71%**	10	1.84%	16	0.72%
Average hiring cost	USD	**2,787.48**		2,601		885	
Internal mobility	number	**948**		1,197		832	
Female	number,%	**390**	**41.14%**	195	16.29%	233	28.00%
Male	number,%	**558**	**58.86%**	1,002	83.71%	599	72.00%
Total new hires (seafarers)	number	**77**		122		165	
TURNOVER							
Total turnover (shore employees)	number	**1,046**		1,400		898	
Attrition rate	%		**21.12%**		23.20%		15.60%
Voluntary rate	%		**8.44%**		9.90%		8.50%
By age group							
30 and below	number,%	**319**	**30.50%**	578	41.29%	357	39.76%
31-50 years old	number,%	**584**	**55.83%**	666	47.57%	456	50.78%
Over 50 years old	number,%	**143**	**13.67%**	156	11.14%	85	9.47%
By gender							
Female	number,%	**256**	**24.47%**	330	23.57%	202	22.49%
Male	number,%	**790**	**75.53%**	1,070	76.43%	696	77.51%

PERFORMANCE DATA

SOCIAL PILLAR - TALENT EXCELLENCE	Unit	2025		2024		2023	
By countries of operations							
Malaysia	number,%	**1,015**	**97.04%**	1,355	96.79%	858	95.55%
Brazil	number,%	**3**	**0.29%**	5	0.36%	2	0.22%
India	number,%	**4**	**0.38%**	5	0.36%	2	0.22%
Singapore	number,%	**16**	**1.53%**	19	1.36%	20	2.23%
UK	number,%	**3**	**0.27%**	7	0.50%	3	0.33%
USA	number,%	**5**	**0.48%**	9	0.64%	13	1.45%
By employment category							
Senior/Top Management	number,%	**21**	**2.00%**	16	1.14%	23	2.56%
Middle Management	number,%	**38**	**3.63%**	17	1.21%	33	3.67%
Junior Management	number,%	**105**	**10.04%**	92	6.57%	97	10.80%
Executives/Officers	number,%	**405**	**38.72%**	442	31.57%	284	31.62%
Non-Executives/Ratings	number,%	**477**	**45.60%**	833	59.50%	461	51.34%
Total turnover (seafarers)	number	**560**		392		584	
Total Voluntary turnover (seafarers)	number	**552**		931		916	
Seafarer's that joined Corporate Position		**7**		9		8	
Female	number	**0**		2		0	
Male	number	**7**		7		8	
KEY TALENT DEVELOPMENT							
Total training hours	hours	**176,505**		225,261		287,262	
Total training hours by employment category	hours	**176,505**		225,261		287,262	
Senior/Top Management	hours	**4,817**		3,894		4,643	
Middle Management	hours	**7,810**		9,410		9,400	
Junior Management	hours	**42,052**		31,514		74,462	
Executives/Officers	hours	**87,298**		98,785		135,636	
Non-Executives/Ratings	hours	**34,529**		81,658		67,498	
Average training hours per employee	hours	**20.5**		24		28	
Average training hours by gender							
Female	hours	**20**		41		31	
Male	hours	**25**		21		26	
Average training hours by employment category							
Senior/Top Management	hours	**40**		31		38	
Middle Management	hours	**33**		41		45	
Junior Management	hours	**54**		42		99	
Executives/Officers	hours	**22**		37		43	
Non-Executives/Ratings	hours	**10**		36		15	
Number of training days	days	**22,063**		28,158		35,953	
Male	days	**4,174**		7,480		6,306	
Female	days	**17,889**		20,677		29,646	
Total amount of training invested	USD	**9,513,661**		11		12	
Average amount invested per employee	USD	**1,102**		1,720		1,143	
PERFORMANCE MANAGEMENT							
Performance Appraisal	%		**100%**		100%		100%
Female	%		**16%**		28%		17%
Male	%		**84%**		72%		83%

PERFORMANCE DATA

SOCIAL PILLAR - TALENT EXCELLENCE	Unit	2025		2024		2023	
PARENTAL LEAVE							
Employees Taking Parental Leave	number	**214**		236		160	
Female	number,%	**48**	**22%**	67	28%	67	42%
Male	number,%	**166**	**78%**	169	72%	93	58%
Employees Returned after Parental Leave ended	number	**206**		234		154	
Female	number,%	**43**	**21%**	65	28%	61	40%
Male	number,%	**163**	**79%**	169	72%	93	60%
Employees Returned after Parental Leave ended, still employed 12 months after return to work	number	**195**		230		151	
Female	number,%	**42**	**22%**	61	27%	61	40%
Male	number,%	**153**	**78%**	169	73%	90	60%
EMPLOYEE ENGAGEMENT							
Employee Engaged	%	**N/A**		97		95	
Female	%	**N/A**		N/A		N/A	
Male	%	**N/A**		N/A		N/A	
Unionised Employees	number,%	**1,021**	**12%**	1,160	12%	1,248	12%
Breakdown by countries of operation							
Malaysia	number,%	**211**	**21%**	291	25%	289	23%
Singapore	number,%	**0**	**0**	0	0%	0	0%
United Kingdom	number,%	**0**	**0**	0	0	0	0
United States of America	number,%	**0**	**0**	0	0	0	0
Japan	number,%	**0**	**0**	0	0	0	0
Brazil	number,%	**12**	**1%**	11	1%	10	1%
Others	number,%	**798**	**78%**	858	74%	949	76%

PERFORMANCE DATA

Training and Awareness Conducted in 2025

No	Training Type	Programme Title	Content Description	Number of Participant
1	Core Training	• Generative HSSE Culture • Human Rights Management • MISC Anti-Bribery and Corruption Policy and Guidelines • MISC Code of Conduct and Business Ethics (CoBE) • MISC Competition Law Personal Data Protection and Privacy	• Compulsory corporate training that is rolled out to all employees aimed at strengthening employees' awareness and adherence to the Group's HSSE standards, ethical business conduct, human rights commitments, regulatory compliance, and data protection practices.	2,183
2	Functional And Technical Skills Development	• Techno-Commercial Excellence in Maritime (TEXiM) • MISC Professional Engineer Development Programme • Port and Terminal Multiskilling Programme • Collaboration with Universities and TVET Institutions for Heavy Engineering • Awareness on Energy-Saving Technologies for Petroleum and Products • Steam to Motor Upskilling Programme and Ammonia Vessels readiness • Tropical Basic Offshore Safety Induction & Emergency Training with Compressed Air Emergency Breathing System (CA-EBS) and Travel Safely By Boat Initial Training (OPITO Approved) • Data Storytelling & Visualization Masterclass • Malaysia Maritime Week 2025 Conference • MISC ISSB Capability Development Workshop	• Structured in-house programme designed to strengthen techno-commercial skills to bridge technical expertise and commercial acumen that is fit for purpose for MISC in the space of maritime industry, while fostering cross-entity collaboration. • MISC launched a Professional Engineer Development Programme in collaboration with Board of Engineers Malaysia (BEM) reflecting MISC's commitment to elevate the capabilities of its engineering workforce while supporting the technical talents in attaining professional engineering accreditation. • Certifies Marine Executives to perform multiple roles; Marine Controller, Offshore Pilotage, Loading Master, and Marine Pilot. This develops multi-skilled executives to enhance operational efficiency and versatility by equipping participants with the knowledge and competencies across these disciplines, enabling them to safely and effectively manage complex, next-generation fleet operations. • Strengthen organisational understanding of alternative fuels in support of the MISC Group's decarbonisation agenda. • Strengthened critical technical and functional capabilities to support MISC's expanding global operations, focusing on compliance excellence, operational safety, data-driven decision-making and industry-relevant competencies.	1,605
3	MISC Leadership Development Intervention – Foundational Programmes	**Leadership Pathway (Leader+)** • Emerging Leaders Programme (ELP) for Managers • Strategic Leaders Programme (SLP) for Senior Managers and General Managers **Leadership Pathway (Signature Series)** • Senior Leaders Series (SLS) for Senior Managers and above • Leaders Development Series (LDS) for Managers • Executive Development Series (EDS) for Executives and Support Group **Leader As Coach (LAC)**	• The Leadership Pathway is a series of accelerated development programmes designed for Successors and High-Potentials (Leader+) and masses (Signature Series), aimed at developing their leadership capabilities in building a progressive pipeline of leaders for MISC Group. • It helps participants in establishing strong personal leadership foundations, strengthening self-awareness, emotional intelligence and ability to influence others, and ultimately cultivate strategic thinking and enterprise-wide leadership. • The programmes are delivered through experiential learning ranging from six months to two years. It comprises engaging lectures, case studies and business simulations, coaching sessions and group assignments to provide a fully immersive learning experience. • Participants are also given access to faculty who guide them through leadership concepts, stimulate critical thinking, and connect learning to real organisational challenges. • At the end of the programmes, the proficiencies gained will enhance participants' leadership perspective at work and promote the right behaviors in increasing their readiness to assume greater roles. • Leader as Coach (LAC), is a 12-16 week development programme designed to strengthen coaching capability and embed a sustainable coaching culture within the organisation. • It supports leaders in building the mindset through a blended learning journey comprising preparatory learning, interactive workshops, and applied workplace practice. • Through this programme, participants will develop the confidence and capability to lead impactful coaching conversations and leverage coaching as a tool to enhance business performance and people's well-being.	146

No	Training Type	Programme Title	Content Description	Number of Participant
4	Other Leadership Programmes	• Transformational Leadership • Self-learning and e-learning content • Programmes such as Critical Thinking & Problem Solving, Coaching, Crisis Management, Diversity, Learning Agility for the Future of Work, Becoming Agile	• Collaborated with external learning partners to convert the content of our leadership programmes into virtual platforms. • Addressed mindset change, creative problem-solving and communication gaps. • Developed the next generation of leaders for the organisation through a structured employee succession planning programme that supports workers by identifying gaps in their skillsets and conducting planned interventions to enhance their capabilities.	1,128
5	Culture	• MISC Leadership Dialogue (MLD) • Living the MISC Culture • Executive Leadership Team (ELT) Step Back Moment • Enterprise Culture: Accountability, Collaboration, Generations Diversity	• Experiential development was systematically deployed alongside formal learning through cross-functional projects, enterprise task forces, international exposure, stretch roles and transformation initiatives. These assignments were intentionally aligned to individual capability gaps and succession needs to drive direct business impact. • The aim is to strengthen and reinforce Diversity and Inclusion (D&I) culture, ensuring that these values are deeply embedded in the employees to enhance employee engagement, promote equal opportunities, and create a workplace where diverse perspectives are valued and embraced.	428

PERFORMANCE DATA

GOVERNANCE PILLAR	Unit	2025	2024	2023
ANTI-BRIBERY & ANTI-CORRUPTION				
Anti-bribery Management System (ABMS) number of assurances	number	**12**	12	18
Percentage of operations assessed for corruption related risks	%	**100**	100	100
Confirmed incidents of corruption and action taken	number	**0**	0	0
Monetary losses as a result of legal proceedings associated with bribery or corruption	number	**0**	0	0
WHISTLEBLOWING				
Number of cases received	number	**73**	65	35
Number of cases on-going	number	**42**	36	11
Number of cases investigated	number	**30**	29	35
Number of cases closed	number	**31**	29	24
COMPETITION PROTOCOLS AND OTHER CRITICAL LAW				
Legal actions for anti-competitive behaviour, anti-trust, monopoly practises and other law	number	**0**	0	0
PERSONAL DATA AND INFORMATION				
Complaints concerning breaches of Customer Privacy and losses of customer data	number	**0**	0	0
Substantiate complaints from regulatory	number	**0**	0	0
Substantiate complaints from external	number	**0**	0	0
Public policy positions/Political Contributions				
Contribution to Political related agenda	number	**0**	0	0
Expenditure on lobbying activities	number	**0**	0	0
Third party compliance due diligence				
Compliance due diligence and risk assessment completed		**374**	528	473
CODE OF CONDUCT AND BUSINESS ETHICS				
Coverage	%			
Employees	%	**100**	100	100
Contractors/suppliers/service providers	%	**100**	100	100
Subsidiaries	%	**100**	100	100
Joint venture (incl.stakes above 10%)	%	**50**	71	58
Written/Digital Acknowledgement				
Employees	%	**100**	100	100
Contractors/suppliers/service providers	%	**100**	100	83
Subsidiaries	%	**100**	97	93
Joint venture (incl.stakes above 10%)	%	**7**	20	33
Training Provided				
Employees	%	**96**	100	100
Contractors/suppliers/service providers	%	**8**	5	7
Subsidiaries	%	**79**	89	58
Joint venture (incl.stakes above 10%)	%	**84**	84	78
Audits				
Audits on five critical legal areas	number	**5**	6	0
HUMAN RIGHTS				
Number of human rights cases received	number	**22**	N/A	N/A
Number of substantiated human rights cases	number	**0**	9	11
Number of harassment and discrimination	number	**18**	9	0
Number of training sessions conducted	number	**12**	9	2

PERFORMANCE DATA

SUPPLY CHAIN	Unit	2025	2024	2023
SUPPLIER SCREENING				
Total Supplier	number	**2,188**	2,660	2,466
TIER 1 SUPPLIER	Number			
Total Tier 1 Supplier	number	**2,188**	2,660	2,466
Critical Supplier in Tier-1				
Total critical supplier in Tier-1	number	**116**	103	108
% of total spend on critical suppliers in Tier-1	%	**17**	13	28
Total number of critical suppliers in non Tier-1	number	**N/A**	N/A	N/A
Total number of critical suppliers (Tier-1 and non Tier-1)	number	**116**	103	108
Supplier Assessment	Number			
Total number of suppliers assessed via desk assessments/ on-site assessments	number	**270**	355	137
% of critical suppliers assessed	%	**10**	37	61
Number of suppliers assessed with substantial actual/potential negative impacts	number	**19**	41	6
% of suppliers assessed with substantial actual/potential negative impacts with agreed corrective action/improvement plan	%	**58**	12	67
Number of suppliers assessed with substantial actual/potential negative impacts that were terminated	number	**5**	N/A	N/A
Supplier with corrective Action Plans Implemented	Number			
Total number of suppliers supported in corrective action plan implementation	number	**11**	41	6
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action/improvement plan	%	**58**	12	67
Supplier Capacity Building Programmes				
Total number of suppliers in capacity building programmes	number	**N/A**	N/A	N/A
% of critical suppliers in capacity building programmes	%	**N/A**	N/A	N/A
Proportion of spending on local suppliers	%	**60**	45	60

Training and Awareness Conducted in 2025

Training Type	Total Number of Programmes	Total Number of Participants
Compliance & Business Ethics	18	3,616
Cybersecurity	9	549

Scope of ISO certification

Certification	Entity	Certification Scope
ISO 37001:2016 Anti-Bribery Management System	MISC Berhad	Anti-Bribery Management System covering integrity and compliance processes, procurement, vendor management and business development for GAS Business Unit and Offshore Business segments.
	Malaysia Marine and Heavy Engineering Holdings Sdn. Bhd.	Anti-Bribery Management System for yard operation and its corporate services of Marine Operations and Heavy Engineering Operations.
	AET Tankers Pte. Ltd. (AET)	Asset acquisition, commercial management and management of operations of owned and in chartered vessels including provision of ship lightering and support services.
	MISC Maritime Services Sdn. Bhd.	Provision of support services, Port & Terminal Management services & Maritime services, at all regional sites where MMS operates namely in East & West Coast, Peninsular Malaysia and East Malaysia.
	MISC Marine Holdings (L) Pte. Ltd. and MISC Shipmanagement (L) Pte. Ltd.	Provision of fleet management services.
ISO 27001:2022 Information Security Management Systems	Malaysia Marine and Heavy Engineering Holdings Berhad	Information Security Management Systems for ICT services in securing business information related to major system applications

REPORTING PRINCIPLES & DATA ASSUMPTIONS

Reporting Approach

The sustainability reporting principles of stakeholder inclusiveness, sustainability context, materiality and completeness have been applied when defining the content. Accuracy, balance, clarity, comparability, reliability and timeliness have also been considered.

PRECAUTIONARY PRINCIPLES

We support a precautionary approach to social and environmental challenges. Many initiatives have been implemented to promote the development of sustainable solutions and innovations including effectively managing assets, business activities and project work. We have also collaborated with industry partners and both professional and technical organisations.

We have established a group-wide risk management system that identifies and assesses risks systematically. This system ensures that the Group's focus and stakeholders' expectations are balanced when combined with a thorough materiality assessment.

INFORMATION ON EXCLUSIONS

Our approach to exclusions is based on our Group-wide sustainable business risk framework. Information which we are unable to verify is excluded from the report.

SUSTAINABILITY FRAMEWORK

This Sustainability Report has been prepared in accordance with several local and international sustainability standards and frameworks indicated on page 5 of this report. Our reporting period covers the period from 1 January to 31 December 2025, unless specified and any material events that occurred after this date up to the date of publication.

SCOPE

Except for GHG data, all our sustainability performance data are reported based on operational control. Based on the operational control scope, data are accounted from assets or facilities where MISC or its subsidiaries have the authority to introduce and implement our operational and HSE policies.

Please refer to the scope for GHG data under the Environment Pillar in this section.

CONSOLIDATION

For operational scope, 100% of the data reported is accounted for irrespective of the percentage of ownership where MISC has operational control. Assets and operations, in which MISC does not have operational control, are excluded.

Please refer to the operational scope for GHG data under the Environment Pillar in this section.

ENVIRONMENT PILLAR

GHG DATA

Scope

We adopt the GHG Protocol Corporate Standard's financial control approach for our GHG emissions (Scope 1 and 2) accounting which includes assets owned or leased that are used by MISC to gain economic benefits, with the exclusion of the following assets and operations:

- Downstream leased assets which are owned by MISC but leased out to other parties
- Assets where MISC has minority equity ownership and no control
- Upstream leased assets where MISC has no contro
- Short-term leases with a lease term of 6 months or less

The above-listed assets from our operations will be included in our Scope 3 GHG emissions (where material). The following gases are included in our GHG accounting:

- Carbon Dioxide (CO_2)
- Methane (CH_4)
- Nitrous Oxide (N_2O)
- Ethane (C_2H_6) – from our VLECs which uses ethane as fuel

Consolidation

Emissions from the assets and facilities where MISC has financial control are accounted as MISC's Scope 1 and 2 emissions in full (100% of the emissions), except for JV assets. JV assets where MISC has joint financial control over the operations are accounted as Scope 1 or 2, with emissions apportioned according to MISC's ownership share of the venture. JVs in which MISC does not have financial control, are excluded.

Scope 3 emissions included in this report are emissions assessed as material for MISC in accordance with the following definition:

i. Scope 3 categories covering the top two-thirds of the total Group's Scope 3 emissions
ii. Operational emissions from assets not accounted as Scope 1 and 2 of which fall under the following Scope 3 categories:
    - Leased vessels where MISC has no financial control
    - Vessels owned by MISC but leased out to other parties and MISC has no financial control
    - Vessels which MISC has equity ownership but not accounted in Scope 1 and 2

In 2025, we revisited our Scope 3 materiality categories to evaluate their relevance to our evolving operations. The following Scope 3 categories are identified as material to MISC based on the updated materiality assessment:

i. Category 1 i.e., purchased goods and services from our Marine & Heavy Engineering segment
ii. Category 3 (Fuel-and Energy-Related Activities)
iii. Category 8 i.e., in-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor have technical control)
iv. Category 13 i.e., our offshore assets which are leased out to customers for offshore oil and gas extraction
v. Category 15 i.e., vessels which are jointly owned by MISC and other parties, where we have equity ownership but do not have control

Scope 3 categories 2, 4, 5, 6 and 7 are relevant but does not meet the materiality threshold and definition adopted by MISC. Categories related to product and franchise (Category 9-12 and Category 14) are assessed as not relevant for our business. A similar consolidation approach for our Scope 1 and 2 emissions, according to the financial consolidation methodology, is adopted for our Scope 3 emissions.

REPORTING PRINCIPLES & DATA ASSUMPTIONS

Scope 3 Emissions Calculations

Scope 3 Category	Calculation Method
Category 1 i.e., purchased goods and services from our Marine & Heavy Engineering segment	The spend-based method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, with industry-average emission factors from the US EPA Supply Chain applied to the economic value of the goods and services.
Category 3 (Fuel-and Energy-Related Activities)	The average-data method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, with industry-average emission factors from the UK Department for Environment, Food & Rural Affairs (DEFRA) applied to the actual fuel consumption data.
Category 8 i.e., in-chartered vessels where MISC is the commercial operator only (neither the vessel owner nor have technical control)	The asset-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where the GHG emissions are provided by the ship operator of each leased asset based on actual fuel consumption.
Category 13 i.e., our offshore assets which are leased out to customers for offshore oil and gas extraction	The asset-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where asset-specific fuel consumption data are collected from individual assets and fuel-specific emission factors, which is mostly taken from API Compendium are used to compute the emissions. For assets where actual fuel consumption data is not available, the emissions were estimated using design figure.
Category 15 i.e., vessels which are jointly owned by MISC and other parties, where we have equity ownership but do not have control	The investment-specific method, as described in the Scope 3 Technical Guidance by the GHG Protocol, is used to calculate emissions, where GHG emissions of the jointly owned assets are collected from our associated/affiliated companies and the emissions are accounted based on the share of investment.

GHG Emissions (Scope 1 and 2) Calculations

The methodology MISC has adopted for the quantification of GHG emissions is through the application of documented emission factors. GHG emissions from our marine combustion sources are calculated in accordance with the IMO guidelines and uses emission factors as published by IMO. Two primary references are used namely the Fourth IMO GHG Study 2020 and the Guidelines for Voluntary Use of the Ship Energy Efficiency Operational Indicator (EEOI). Methane/ethane emissions from our LNG dual-fuel engines are calculated using engine specific methane/ethane slip levels.

Methane emissions from all other vessels (non dual-fuel engine) and nitrous oxide emissions are calculated using emission factors published in the Fourth IMO GHG Study 2020. For non-marine sources, our primary scheme used is the 2006 IPCC Guidelines for National GHG Inventories (IPCC). Specific elements not available in the IPCC, UK BEIS and US EPA emission factors are used. We measure our vessel's carbon intensity performance using two metrices as follows:

Annual Efficiency Ratio (AER)

- AER measures a vessel's total CO_2 per transport work (unit is gCO_2/ton-nm).
- Transport work is calculated by multiplying the vessel's deadweight with the distance travelled.
- AER is chosen to align with the metric adopted by IMO for ships CII scheme applicable for tankers and LNGCs which effects in 2023.

At the MEPC 78 meeting, IMO approved correction factors applicable on some of MISC's ship types. These correction factors allow for adjustments on the attained AER equation and excludes some portion of emissions from the calculation.

The AER reported in the Performance Data Metrics however are calculated for total emissions of MISC's vessels without any corrections or adjustments applied.

Carbon Intensity Indicator (CII)

- Rating system that measures a vessel's energy efficiency and carbon using a common unit termed as gram of carbon dioxide emitted per nautical mile and cargo carrying capacity.
- The ship is given an annual rating from A to E based on its CII.

GHG Emissions Intensity (AERCO_2e)

- Measures a vessel's total emissions of carbon, methane, ethane and nitrous oxide using a common unit termed as carbon dioxide equivalent per transport work (gCO_2e/ton-nm).
- Transport work is calculated by multiplying the vessel's deadweight with the distance travelled.

REPORTING PRINCIPLES & DATA ASSUMPTIONS

Environmental Indicators

Indicator	Assumptions
Air Emissions	Emissions from marine sources are calculated using the methodology and emission factors from the Fourth IMO GHG Study 2020. For non-marine sources, our primary scheme used is USEPA.
Vessel Garbage	Sum of all garbage categories in volumetric unit (m^3) disposed to reception facilities, discharged to sea and incinerated, as recorded in the vessel's Garbage Record Book.
Operational Effluent Discharge	Sum of the volumes of bilge water and cargo residues discharged to sea and at shore reception facility, as recorded in the vessel's Oil Record Book.
Hazardous Waste	Sum of all hazardous waste types generated from MISC's shore operations. Hazardous wastes managed through reuse, recovery and recycle (3R) is the sum of all hazardous waste types generated which are sent to 3R facilities and excludes the quantity of hazardous wastes sent to final disposal sites i.e. landfill or incineration sites.
Non-hazardous Waste	Sum of all non-hazardous waste types generated from MISC's shore operations. Non-hazardous wastes managed through reuse, recovery and recycle (3R) is the sum of all non-hazardous waste types generated which are sent to 3R facilities. Assumptions are used to estimate the non-hazardous waste generation for facilities where the actual data is not available.
Freshwater Withdrawal	Actual volume of freshwater drawn into MISC facilities from municipal supply, as recorded in water bills.
Spill	Unplanned or uncontrolled releases of liquid or solid associated with current operations from primary or secondary containment, into the environment. (i.e., soil and surface water).
Average Energy Efficiency Design Index (EEDI) for New Vessels	Total EEDI for new vessels divided by total number of new vessels.
Fines/penalties	A sum of money required to be paid to the regulatory agency/local authority as a penalty for an offence such as non-compliance with rules and regulations.
ISO Certification Percentages	Calculated based on the manhours of each entity against total manhours of the Group.

SOCIAL PILLAR

Health & Safety

Data regarding working hours, fatalities, injuries and recordable cases under the health and safety are reported through our consolidated reporting tool based on submitted data from all reporting entities within the Group.

Indicator	Assumptions
LTI (Lost Time Injury)	The Sum of Fatalities, Permanent Total Disabilities (PTD), Permanent Partial Disabilities (PPD) and Lost Workday Cases (LWC) but excluding Restricted Work Cases (RWC) and Medical Treatment Cases (MTC).
LTIF (Lost Time Injury Frequency)	The number of Lost Time Injuries per million hours worked.
TRC (Total Recordable Case)	TRC The sum of Fatalities, Permanent Total Disabilities (PTD), Permanent Partial Disabilities (PPD), Lost Workday Cases (LWC), Restricted Workday Cases (RWC) and Medical Treatment Cases (MTC).
TRCF (Total Recordable Case Frequency)	The number of Total Recordable Cases per million hours worked.
TROIF (Total Recordable Occupational Illness Frequency)	TROIF measures the frequency of work-related illnesses per million hours worked.
TROIF (Total Recordable Working Hours)	Actual "hours worked" including overtime and training but excluding off-duty hours (although the time is spent at the worksite or premise), leave, sickness and other absences. For shipping operations (Eaglestar), man-hours accumulation starts when the employee signs on and ends when the employees sign off from the vessel.
Work-related	Work-related is described as those activities for which management controls are, or should have been, in place. Incidents occurring during such activities are reportable and will be included in the statistics.
Fines/penalties	A sum of money required to be paid to the regulatory agency/local authority as a penalty for an offence such as non-compliance with rules and regulations. This shall include traffic summons and fines by municipal bodies issued to company-owned vehicles.
Significant Investment Agreement and Contracts	Human rights clauses are already included as part of requirements in significant investments agreements and contracts that require approval at higher level i.e. PGCEO and Board (MISC Berhad only).

REPORTING PRINCIPLES & DATA ASSUMPTIONS

Talent Excellence

Data regarding number of employees and seafarers, gender, employment position, age group, nationality, new hires, turnover, training hours, parental leaves and collective bargaining are generated through SAP System (HR System).

Indicator	Assumptions
Average Hiring Cost	The average hiring cost includes internal and external recruiting cost e.g. recruiter salaries, interviews, agency fees, advertising, job fairs, travel and relocation costs.
Average Training Hours	Total training hours divided by the total number of employees.
Employee Engaged	Engaged employee is based on active employees participating in the company's scaled employee engagement surveys-POCS.
Headcounts	Regular employees excluding those on unpaid leave as of 31st December. Permanent and contract employees, third-party, JVs and project are included in the scope.
Junior Management	Represent Manager unless if specifically stated otherwise.
Middle Management	Represent Manager and Senior Manager unless if specifically stated otherwise.
Performance Appraisal	All eligible employees will undergo formal performance evaluation during year-end review and will be given performance rating based on the performance rating scale.
Rate of Absenteeism	Absenteeism is non-attendance at work when attendance was scheduled or expected i.e. AWOL/MIA.
Senior Leadership	Represent General Manager and above unless if specifically stated otherwise.
Unionised Employees	Employee who is eligible and opted to join a union that is recognised by the company.
Management Position in Revenue Generating Functions	Refers to management roles in departments such as sales, or that contribute directly to the output of products or services. It excludes support functions such as HR, IT, Legal. May also be referred to as roles that have P&L responsibility.
STEM-Related Function	Refers to roles that use their knowledge of Science, Technology, Engineering and Mathematics (STEM) in their daily responsibilities.
Talent Retention	Cover only high-performing employees.
Average Hiring Cost	The average hiring cost includes internal and external recruiting cost e.g. recruiter salaries, interviews, agency fees, advertising, job fairs, travel and relocation costs.
Attrition Rate	Overall employee turnover which includes but not limited to resignation, retirement, mutual separation, contract expiry, dismissal/termination, medical boarded out, redundancy, deceased/death.
Voluntary Attrition Rate	Includes only resignations, retirements and mutual separations.

GOVERNANCE PILLAR

Data regarding number of anti-bribery and corruption, whistleblowing, competition protocol and other critical laws, personal data and information, political contribution, third-party due diligence, human rights and cybersecurity are generated through internal data consolidation system.

Indicator	Assumptions
Major Cybersecurity Breach	A cybersecurity breach that has major adverse impact on any of our asset, data, environmental,functional, people or reputation per MISC Cybersecurity Incident Response Plan definitions.

Sustainability Reporting Standards & Disclosures - Global Reporting Initiative Content Index

Statement of Use	MISC has reported the information cited in this Global Reporting Initiative (GRI) content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021	Location of the Disclosures	Page No.
GRI 2-1: Organisational details	• About This Report • Who We Are • Our Businesses	4-13, IAR 6-10
GRI 2-2: Entities included in the organisation's sustainability reporting	About This Report	4
GRI 2-3: Reporting period, frequency and contact point		
GRI 2-4: Restatements of information	• Social Pillar - Health,Safety & Security • Environmental Pilar - GHG Emissions	286, 283-284
GRI 2-5: External assurance	Data Assurance	278-280
GRI 2-6: Activities, value chain and other business relationships	• Who We Are • Our Businesses • How We Move Energy	6-13, 230-232, IAR 6-13
GRI 2-7: Employees	Performance Data: Social Pillar - Talent Excellence	288-291
GRI 2-9: Governance structure and composition	Sustainability Governance	40-43, IAR 152-160, IAR 172-195
GRI 2-10: Nomination and selection of the highest governance body	Integrated Annual Report: • Profile of the Board of Directors • Corporate Governance Overview Staement (Board Committees)	IAR 152-160, IAR 175
GRI 2-11: Chair of the highest governance body	Integrated Annual Report: Profile of the Board of Directors	IAR 152
GRI 2-12: Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	40-43
GRI 2-13: Delegation of responsibility for managing impact		
GRI 2-14: Role of the highest governance body in sustainability reporting		
GRI 2-15: Conflicts of interest	Operating Responsibly	203-205, IAR 211
GRI 2-16: Communication of critical concerns	Sustainability Governance	179, 183, 215
GRI 2-17: Collective knowledge of the highest governance body	Integrated Annual Report: Corporate Governance Overview Statement	239, IAR 172-195, IAR 176-177
GRI 2-18: Evaluation of the performance of the highest governance body		
GRI 2-19: Remuneration policies		
GRI 2-20: Process to determine remuneration		
GRI 2-22: Statement on sustainable development strategy	Chairman's Message	14-17
GRI 2-23: Policy commitments	Respecting Human Rights at Sea and Shore	180-181
GRI 2-24: Embedding policy commitments	• Respecting Human Rights at Sea and Shore • Operating Responsibly	180-191, 202-217
GRI 2-25: Process to remediate negative impacts	Respecting Human Rights at Sea and Shore	191

SUSTAINABILITY REPORTING STANDARDS & DISCLOSURES - GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI 2: General Disclosures 2021	Location of the Disclosures	Page No.
GRI 2-26: Mechanism for seeking advice and raising concerns	• Operating Responsibly • Respecting Human Rights at Sea and Shore	180, 191, 215
GRI 2-27: Compliance with laws and regulations	• Operating Responsibly • Performance Data: Governance Pillar • Integrated Annual Report: Statement of Risk Management and Internal Control	204, 296, IAR 218-237
GRI 2-28: Membership associations	Our Stakeholders' Universe	76-81
GRI 2-29: Approach to stakeholder engagement	Our Stakeholders' Universe	54-75
GRI 2-30: Collective bargaining agreements	Performance Data: Social Pillar – Talent Excellence	293
GRI 3: Material Topics 2021		
GRI 3-1: Process to determine material topics	• Prioritising What Is Most Material • Throughout The Report • Integrated Annual Report (Our Material Matters)	44-53, IAR 64-73
GRI 3-2: List of material topics		
GRI 3-3: Management of material topics		

GRI Content Index	Location of the Disclosures	Page No.
GRI 201: Economic Performance 2016		
Disclosure 201-1: Direct economic value generated and distributed	• Economic Value Creation • Sustainability-related Financial Disclosures	88-92, 246-265
Disclosure 201-2: Financial implications and other risks and opportunities due to climate change		
GRI 203: Indirect Economic Impacts 2016		
Disclosure 203-2: Significant indirect economic impacts	Economic Value Creation	93-94
GRI 204: Procurement Practise 2016		
Disclosure 204-1: Proportion of spending on local suppliers	Performance Data: Supply Chain	94, 297
GRI 205: Anti-corruption 2016		
Disclosure 205-1: Operations assessed for risks related to corruption	Performance Data: Governance Pillar	296
Disclosure 205-2: Communication and training about anti-corruption policies and procedures	Operating Responsibly	205-208, 296
Disclosure 205-3: Confirmed incidents of corruption and action taken	Performance Data: Governance Pillar	296
GRI 206: Anti-competitive Behaviour 2016		
Disclosure 206-1: Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Performance Data: Governance Pillar	296

SUSTAINABILITY REPORTING STANDARDS & DISCLOSURES - GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI Content Index	Location of the Disclosures	Page No.
GRI 207: Tax 2019		
Disclosure 207-1: Approach to tax	Economic Value Creation	86-87
Disclosure 207-2: Tax governance, control and risk management		
Disclosure 207-3: Stakeholder engagement and management of concerns related to tax		
GRI 302: Energy 2016		
Disclosure 302-1: Energy consumption within the organisation	• Greenhouse Gas Management • Performance Data: Environmental Pillar	113, 283
Disclosure 302-3: Energy intensity	Performance Data: Environmental Pillar	283
Disclosure 302-4: Reduction of energy consumption	Greenhouse Gas Management	112-113
GRI 303: Water and Effluents 2018		
Disclosure 303-1: Interactions with water as a shared resource	Water Management	132
Disclosure 303-2: Management of water discharge-related impacts	Wastewater Management	131
Disclosure 303-3: Water withdrawal	• Water Management • Performance Data: Environmental Pillar	132, 284
Disclosure 303-5: Water consumption	Performance Data: Environmental Pillar	284
GRI 305: Emissions 2016		
Disclosure 305-1: Direct (Scope 1) GHG emissions	• Greenhouse Gas Management • Performance Data: Environmental Pillar	111-114, 282-283
Disclosure 305-2: Energy indirect (Scope 2) GHG emission		
Disclosure 305-3: Other indirect (Scope 3) GHG emissions		
Disclosure 305-4: GHG emissions intensity		
Disclosure 305-5: Reduction of GHG emissions		
Disclosure 305-6: Emission of ozone – depleting substances (ODS)	Other Environmental Matters	131
Disclosure 305-7: Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions	Other Environmental Matters	130
GRI 306: Waste 2020		
Disclosure 306-1: Waste generation and significant waste-related impacts	Promoting Circular Economy	117-119
Disclosure 306-2: Management of significant waste-related impacts		
Disclosure 306-3: Waste generated	Performance Data: Environmental Pillar	283-284
Disclosure 306-4: Waste diverted from disposal		
Disclosure 306-5: Waste directed to disposal		
GRI 308: Supplier Environmental Assessment 2016		
Disclosure 308-1: New suppliers that were screened using environmental criteria	Performance Data: Supply Chain	297
Disclosure 308-2: Negative environmental impacts in the supply chain and actions taken		

SUSTAINABILITY REPORTING STANDARDS & DISCLOSURES - GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI Content Index	Location of the Disclosures	Page No.
GRI 401: Employment 2016		
Disclosure 401-1: New employee hires and employee turnover	Performance Data: Social Pillar – Talent Excellence	291-292
Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, Our Strength	174-175
Disclosure 401-3: Parental leave	Performance Data: Social Pillar – Talent Excellence	293
GRI 403: Occupational Health and Safety 2018		
Disclosure 403-1 Occupational health and safety management system	• Strengthening Safety Culture • Performance Data: Social Pillar – Health, Safety and Security	133-135, 286-287
Disclosure 403-3: Occupational health services	Strengthening Safety Culture	154-158
Disclosure 403-4: Worker participation, consultation and communication on occupational health and safety	Strengthening Safety Culture	146
Disclosure 403-5: Worker training on occupational health and safety	• Strengthening Safety Culture • Performance Data: Social Pillar – Health, Safety and Security	150, 287
Disclosure 403-6: Promotion of worker health	Strengthening Safety Culture	153-158
Disclosure 403-9: Work-related injuries	• Strengthening Safety Culture • Performance Data: Social Pillar – Health, Safety and Security	142, 286
GRI 404: Training and Education 2016		
Disclosure 404-1: Average hours of training per year per employee	Performance Data: Social Pillar – Talent Excellence	292
Disclosure 404-2: Programmes for upgrading employee skills and transition assistance programmes	Performance Data: Social Pillar – Talent Excellence	169-171
Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	Our People, Our Strength	174
GRI 405: Diversity and Equal Opportunity 2016		
Disclosure 405-1: Diversity of governance bodies and employees	Performance Data: Social Pillar – Talent Excellence	288-292
Disclosure 405-2: Ratio of basic salary and remuneration of women to men		

SUSTAINABILITY REPORTING STANDARDS & DISCLOSURES - GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI Content Index	Location of the Disclosures	Page No.
GRI 406: Non-discrimination 2016		
Disclosure 406-1: Incidents of discrimination and corrective actions taken	Performance Data: Governance Pillar	296
GRI 413: Local Communities 2016		
Disclosure 413-1: Operations with local community engagement, impact assessments and development programmes	• Partnering With the Community • Respecting Human Rights at Sea and Shore	192-198
GRI 414: Supplier Social Assessment 2016		
Disclosure 414-1: New suppliers that were screened using social criteria	Performance Data: Supply Chain	297
Disclosure 414-2: Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016		
Disclosure 415-1: Political contributions	Performance Data: Governance Pillar	296
GRI 418: Customer Privacy 2016		
Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Performance Data: Governance Pillar	296
GRI 101: Biodiversity 2024		
Disclosure 101-1: Policies to halt and reverse biodiversity loss	Conserving Marine Biodiversity	121-122
Disclosure 101-2 : Management of biodiversity impact		
Disclosure 101-4 : Identification of biodiversity impact		

SUSTAINABILITY REPORTING STANDARDS & DISCLOSURES - SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

MISC recognises the value of Sustainability Accounting Standards Board (SASB) approach to create disclosures expectations based on the material issues for each sector. The standards identify the subset of environmental, social and governance issues most relevance to financial performance.

Topic	Accounting Metric	Unit	Data/Location of Disclosures
Greenhouse Gas Emissions	Gross global Scope 1 emissions[1]	Metric tons (t) CO_2e	Performance data – Environmental pillar
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	n/a	Our Decarbonisation Pathway
	(1) Total energy consumed[2], (2) percentage heavy fuel oil[3] and (3) percentage renewable[4]	Gigajoules (GJ), Percentage (%)	(1) 47,077,798 (2) 4.60 (3) 0.07
	Average Energy Efficiency Design Index (EEDI) for new ships[5]	Grams of CO_2 per ton-nautical mile	Performance data – Environmental pillar
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N2O)[6], (2) SO_x[7] and (3) particulate matter (PM_{10})[8]	Metric tons (t)	Performance data – Environmental pillar
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	0
	Percentage of fleet implementing ballast water (1) exchange[12] and (2) treatment[13]	Percentage (%)	Performance data – Environmental pillar
	(1) Number[9] and (2) aggregate volume of spills and releases to the environment[10]	Number, Cubic meters (m^3)	Performance data – Environmental pillar
Employee Health & Safety	Lost time incident rate (LTIR)	Rate	Performance data – Social pillar - Health, Safety and Security
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	63
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	N/A
Accident & Safety Management	(1) Number of marine casualties, (2) Percentage classified as very serious	Number, Percentage (%)	(1) 0* (2) 0%
	Number of (1) Conditions of Class or (2) Recommendations	Number	(1) 41
	Number of port state control (1) deficiencies and (2) detentions	Number	Number of port state control (1) 67 (2) NIL

Note :
** for shipping segment only*

SUSTAINABILITY REPORTING STANDARDS & DISCLOSURES - SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX

Activity Metrics

Activity Metric	Unit	Value
Number of shipboard employees	Number	3,663
Total distance travelled by vessels [11]	Nautical miles (nm)	4,806,927
Operating days	Days	18,658
Deadweight tonnage	Thousand deadweight tons	10,885,333
Number of vessels in total shipping fleet	Number	108
Number of vessel port calls	Number	33,009

LIST OF ABBREVIATIONS

ABAC	Anti-Bribery and Anti-Corruption
ABS	American Bureau of Shipping
ACS	Ammonia Cracking System
AER	Annual Efficiency Ratio
AET	AET Tanker Holdings Sdn. Bhd.
AiP	Approval in Principle
ALAM	Akademi Laut Malaysia
API	American Petroleum Institute
AR6	Sixth Assessment Report of the Intergovernmental Panel on Climate Change
ATR	Adoption Transition Relief
BAC	Board Audit Committee
BCAV	Behavioural Competency Assessment and Verification
BCMF	Business Continuity Management Framework
BEIS	UK Department for Business, Energy & Industrial Strategy
BIMCO	Baltic and International Maritime Council
BNRC	Board Nomination & Remuneration Committee
BSRC	Board Sustainability & Risk Committee
BU	Business Unit
BV	Bureau Veritas
CAPEX	Capital Expenditure
CCS	Carbon Capture and Storage
CDP	Carbon Disclosure Project
CFD	Computational Fluid Dynamics
CHRO	Chief Human Resource Officer
CII	Carbon Intensity Indicator
CLA	Critical Legal Areas
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRO	Climate-related risks and opportunities
CSSO	Chief Strategy & Sustainability Officer
DCR	Daily Charter Rate
DEFRA	UK Department for Environment, Food & Rural Affairs
DPST	Dynamic Positioning Shuttle Tanker
EEDI	Energy Efficiency Design Index
EEOI	Energy Efficiency Operational Indicator
ELT	Executive Leadership Team
EPC	Engineering, Procurement and Construction
EPCIC	Engineering, Procurement, Construction, Installation and Commissioning
ESG	Environmental, social and governance
ETS	Emissions Trading System
EU ETS	European Union Emissions Trading System
FID	Final Investment Decision
FPSO	Floating production, storage and offloading
FSO	Floating storage and offloading
FPU	Floating production unit
FY	Financial year
GAS	Gas Assets & Solutions
GC	Generative Culture
GCMD	Global Centre for Maritime Decarbonisation
GFI	Greenhouse gas fuel intensity
GHG	Greenhouse gas
GHSSE	Group Health, Safety, Security and Environment
GRI	Global Reporting Initiative
HAZID	Hazard Identification
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HSSE	Health, safety, security and environment
HSSES	Health, Safety, Security, Environment and Sustainability
HSSEMS	Health, safety, security and environment management system
HVDC	High Voltage Direct Current
ICAO	International Civil Aviation Organization
ICP	Internal Carbon Pricing
IFRS	International Financial Reporting Standards
IMO	International Maritime Organization
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
JV	Joint venture
JIT	Just-in-Time
KPI	Key Performance Indicator
LCO_2	Liquefied carbon dioxide
LNG	Liquefied natural gas
LOPC	Loss of primary containment
LSV	Lightering Support Vessel

LIST OF ABBREVIATIONS

LTIF	Lost time injury frequency
MCV	Modular Capture Vessel
MEAT	Management Effectiveness Assessment Tool
MFRS	Malaysian Financial Reporting Standards
MHB	Malaysia Marine and Heavy Engineering Holdings Berhad
MISC	MISC Berhad
MMLR	Main Market Listing Requirements
MRV	Monitoring, reporting and verification
MRC	Management Risk Committee
NED	New Energy Division
NOAA	National Oceanic and Atmospheric Administration
NO_x	Nitrogen oxides
OCCS	Onboard carbon capture and storage
OLA	Operational Legal Areas
OSS	Offshore Substation
PAYS	Pay-As-You-Save
PEM	Proton Exchange Membrane
PEMFC	Proton Exchange Membrane Fuel Cell
PPE	Personal Protective Equipment
PRASC	Project Risk Assessment Sub-Committee
R&D	Research and Development
RECs	Renewable Energy Certificates
RM	Ringgit Malaysia
SASB	Sustainability Accounting Standards Board
SCMG	Strategic Crisis Management Guideline
Scope 1, 2, 3	Direct, energy-indirect and other indirect greenhouse gas emissions
SDGs	Sustainable Development Goals
SHI	Samsung Heavy Industries
SO_x	Sulphur oxides
SRO	Sustainability-related risks and opportunities
SSP	Shared Socioeconomic Pathway
STS	Ship-to-Ship
SU	Sustainability Unit
TRCF	Total recordable case frequency
UCUA	Unsafe condition unsafe act
USD	United States dollar
VLCC	Very large crude carrier
VLEC	Very large ethane carrier
WAPS	Wind-assisted propulsion system
WtW	Well-to-wake

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