

Masteel

MALAYSIA STEEL WORKS (KL) BHD

PRESS RELEASE

Masteel raises industry benchmarks as the 1st ‘ultra low carbon emission’ integrated steel mill in Malaysia

- *Invests RM60 million on carbon reduction initiatives*
- *3 stars out of 4 in the Environmental, Social and Governance (“ESG”) Ratings places it within the Top 26-50% of PLCs assessed by FTSE Russell*

Petaling Jaya, Malaysia, 31 January 2023 - Integrated steel manufacturer **Malaysia Steel Works (KL) Bhd** (Masteel; the Group; 马来西亚钢厂（吉隆坡）有限公司; Bloomberg: MSW MK; Reuters: MSWK.KL) has raised industry benchmarks as the first ‘ultra low carbon emission’ integrated steel mill in Malaysia with its inclusion in the FTSE4GOOD Bursa Malaysia Index in December 2022, following its RM60 million investment in various carbon reduction initiatives towards reaching its goal of reducing total CO2 emissions in its operations.

Masteel earned 3 stars out of 4 in the Environmental, Social and Governance (“ESG”) Ratings amongst public listed companies (PLCs) in FBM EMAS, placing it within the Top 26-50% of PLCs assessed by FTSE Russell.

Amongst other major accomplishments, Masteel had decreased its overall greenhouse gas (“GHG”) emissions by a significant 47% from the baseline year of 2017 to 2021, primarily attributable to the reduction in Scope 1 emissions from the steelmaking process due to the transition to new steel making technologies starting in 2018.

The new facilities also reduce energy inputs required from natural gas and oxygen. Masteel had completed the construction of a curtain wall of its reheating furnace which resulted in the further decrease usage of natural gas. This has already yielded positive results, with estimated reduction in natural gas usage of >9 Sm³/mt and a reduction of oxygen of >7 Nm³/mt². These improvements also serve to reduce mill downtime.

“Masteel’s pioneering achievement as the first ‘ultra low carbon emission’ integrated steel mill on FTSE4GOOD Bursa Malaysia Index was borne out of our unequivocal dedication, foresight and immense success in revolutionising the steel making industry at the very core manufacturing process.

This has spurred our resolve to maintain this momentum, and thus we aim to reduce emissions by a further 10% by 2026, and 15% by 2031. At the same time, we will also expand our emissions monitoring systems from Scopes 1 and 2 currently to include Scope 3, to implement incremental step ups in a systematic and sustainable manner.

We have invested approximately RM60.66 million across various carbon-reduction initiatives in our operations towards our goal of reducing total CO2 emissions by approximately 7,300 tonnes. We are extremely proud of our accomplishment as Malaysia’s first ultra low carbon emission steel manufacturer, and intend to remain in the forefront of championing environmentally-responsible practices in the industry.”

***Dato’ Sri Tai Hean Leng (“拿督斯里戴贤龙”),
Managing Director and CEO of Malaysia Steel Works (KL) Bhd***

Masteel

MALAYSIA STEEL WORKS (KL) BHD

Masteel was included in the FTSE4GOOD Bursa Malaysia Index as well as the FTSE4GOOD Bursa Malaysia Syariah Index, becoming one of the 991 Public Listed Companies in Malaysia to meet the standards to be a component of the FTSE Russell FTSE4GOOD Index.

The assessment by FTSE4GOOD was based on information contained within Masteel's Sustainability Report 2021 as well as public domain as at October 2022.

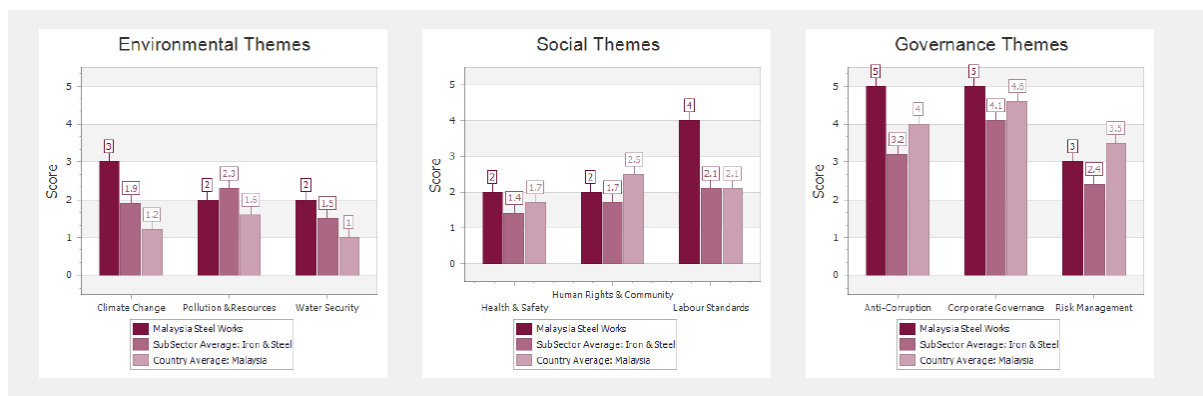
Masteel has also taken the initiative to adhere to the Task Force for Climate-Related Financial Disclosures (TCFD), including conducting a climate scenario analysis for three different temperature scenarios as per global requirements.

Masteel currently records Scope 1 and Scope 2 GHG emissions. Scope 1 (direct) emissions result from the combustion of carbon fuel sources, such as the natural gas used in operations, and diesel from company vehicles. Scope 2 (indirect) emissions are the result of consumption of grid electricity.

In addition to carbon emissions mitigation measures, Masteel is focused on minimising other air pollutants. The Group had installed a Continuous Emissions Monitoring System at the Bukit Raja plant in 2021, which is capable of tracking particulate matter, NO2 and SO2 emissions in real-time.

Additionally, Masteel reached the highest scores within individual ESG components compared to its iron and steel subsector and country averages.

Malaysia Steel Works vs SubSector and Country averages



Notably, Masteel was the best performer versus subsector and country averages in climate change and water security measures, health and safety, human rights and community, and labour standards. It fared equally well in governance, topping the charts in anti-corruption, corporate governance and risk management practices.

The FTSE4GOOD Bursa Malaysia Index is an ESG index aimed at increasing the profile and exposure of companies with leading ESG practices, in addition to supporting the transition to a lower carbon and more sustainable economy.

Constituents of the FTSE4Good Bursa Malaysia Index are selected from the top 241 Malaysian stocks in the FTSE Bursa Malaysia EMAS Index, screened in accordance with the transparent and defined ESG criteria. The index has been designed to identify Malaysian companies with recognised corporate responsibility practices, expanding the range of the benchmarks of the FTSE Bursa Malaysia Index Series for the Malaysian markets.

Masteel

MALAYSIA STEEL WORKS (KL) BHD

About Masteel

Malaysia Steel Works (KL) Bhd, listed on the Main Market of Bursa Malaysia Securities Berhad, is one of the top five integrated steel companies in Malaysia. It is involved in the manufacturing of high-tensile deformed steel bars, mild steel round bars and steel billets.

It has 68 domestic dealers and exports its steel products to Australia, New Zealand, Papua New Guinea, Indonesia, Singapore, Vietnam, Philippines and China.

Issued for and on behalf of MALAYSIA STEEL WORKS (KL) BHD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

Ms. Julia Pong julia@aquilas.com.my T: +603-2711 1391 / +6012-3909 258