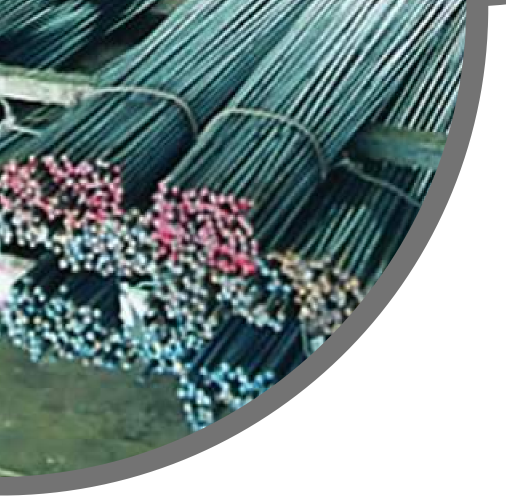

Masteel

MALAYSIA STEEL WORKS (KL) BHD

(7878-V)

2023

SUSTAINABILITY REPORT

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ABOUT MALAYSIA STEEL WORKS (KL) BHD

Malaysia Steel Works (KL) Bhd, commonly known as Masteel, stands out as one of the premier steel producers in Malaysia. The company focuses on crafting high tensile steel bars, mild steel bars, and prime steel billets, which are predominantly utilised in the construction and development of infrastructure projects. Masteel's manufacturing operations are strategically positioned in Petaling Jaya and Bukit Raja, Klang, within the state of Selangor Darul Ehsan, Malaysia, to optimise logistics and accessibility. The heart of Masteel's production, the Bukit Raja plant, stands as the cornerstone of our steel manufacturing capabilities.

This facility plays a critical role in our operations, as the billets it produces serve as the foundational input for the rolling mills located both in Petaling Jaya and Bukit Raja. Both plants are outfitted with state-of-the-art equipment and leverage fully computerised systems to ensure the production of high-precision, quality steel products. This technological integration allows for meticulous control over production processes, ensuring that the final products meet the rigorous standards required by the construction and infrastructure sectors. Masteel's product portfolio, renowned for its adherence to both international and domestic standards, exemplifies our unwavering commitment to quality, environmental responsibility, and safety. Our offerings, compliant with the Malaysian SIRIM (MS 146:2014) standards, and bearing certifications such as ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational health and safety management, meet the rigorous requirements for construction materials on a global scale.

ABOUT MALAYSIA STEEL WORKS (KL) BHD

Further endorsements by TÜV NORD (Germany) and the Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) in Australia underscore our pledge to excellence and our aim to exceed the construction and infrastructure industry's expectations internationally. With our steel being integral to varied projects across the Philippines, China, Australia, and Singapore, Masteel's global footprint and the trust placed in us by international clients underscore our position as a leader in the steel industry.

Alongside our core steel manufacturing operations, Masteel extends its capabilities through a wholly-owned subsidiary, MS Express Sdn Bhd ("MSX"). This division specialises in the critical logistics and transportation segment, ensuring the efficient and reliable delivery of Masteel's steel products. MSX plays a pivotal role in our supply chain, offering tailored logistics solutions that encompass the handling, transportation, and delivery of our steel, thus ensuring our products reach their destinations on time and in optimal condition. This integration allows us to maintain control over the quality of service throughout the product's journey from production to customer, reinforcing our commitment to excellence and customer satisfaction.

In conclusion, the steel industry serves as an essential pillar for the global economy, bolstering construction and infrastructure development across the globe. Masteel remains dedicated to fostering innovation, ensuring quality, and upholding environmental sustainability through advanced manufacturing processes and logistics operations, including our subsidiary MS Express Sdn Bhd.

MEMBERSHIP AND ASSOCIATIONS

Masteel is a member of numerous associations, organizations, and networks, with our Deputy Chairman/CEO, Dato' Sri Tai Hean Leng, actively participating in these groups as a committee member and contributing to their efforts. Dato' Sri is particularly focused on offering support and guidance to peers embarking on their sustainability journeys. In FY2023, Masteel reinforced our commitment to sustainability by joining The UN Global Compact. This membership signifies our pledge to uphold the ten principles of the United Nations Global Compact, integrate the UN Sustainable Development Goals into our business operations, and annually report our progress in these areas.

Malaysia Steel Association ("MSA")
Masteel CEO is the Vice President of MSA

Malaysia Steel Institute ("MSI")*
Masteel CEO is the Malaysian Goverment appointed Executive Director of MSI

Federation of Malaysian Manufacturers ("FMM")
Masteel CEO is the Vice Chairman of FMM Sustainable Development and Climate Change Committee

Malaysia Iron and Steel Industry Federation ("MISIF")

The United Nations Global Compact

ABOUT THIS REPORT

At Masteel, we are proud to unveil our Financial Year 2023 (“FY2023”) Sustainability Report. This year, we have continued to refine our management approach and enhance our business performance, with a dedicated focus on the three fundamental pillars of sustainability: Environment, Social, and Governance (“ESG”). Throughout FY2023, we have vigorously pursued initiatives to deepen the integration of sustainability practices across our entire organisation.

Masteel continues to be transparent by reporting on Scopes 1, 2, and 3 emissions, aligning with the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) and in reference to the standards set by the International Sustainability Standards Board (“ISSB”). This comprehensive approach to disclosing our environmental impact reflects our commitment to climate-related financial transparency and accountability.

The FY2023 Sustainability Report, along with the TCFD in reference to ISSB, encapsulates our accomplishments and ongoing efforts within the ESG framework. It not only showcases the strides we have made in reinforcing our sustainability credentials but also delineates our forward-looking strategies. Masteel is committed to charting a sustainable course for our business, ensuring that sustainability remains a core focus and driving force behind our strategic decisions. For a holistic understanding of our sustainability journey and commitments, this report is intended to be read alongside the 2023 TCFD Report.

ABOUT THIS REPORT

SCOPE OF REPORTING

This report covers the period from 1st January 2023, to 31st December 2023, referred to as “FY2023.” It includes disclosures specifically related to our steel production operations at two key facilities: Bukit Raja, Klang, and Petaling Jaya.

REPORT FRAMEWORK

The Masteel Sustainability and TCFD report for FY2023 has been developed in reference with the following reporting guidelines and frameworks.

1. Global Reporting Initiative (GRI) 2021
2. Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
3. Bursa Malaysia Illustrative Sustainability Reporting Guide
4. FTSE4GOOD Bursa Malaysia Index's Criteria
5. United Nations Sustainable Development Goals
6. Responsible Steel Standards
7. Task Force on Climate-Related Financial Disclosures
8. International Sustainability Standards Board

FEEDBACK

WE WANT YOUR FEEDBACK

We warmly invite and appreciate feedback or requests for further clarification from our esteemed stakeholders. Please do not hesitate to contact us.

Ms Julie Pong (Investor Relations)
Email: masteel@investor.net.my

AWARD

In 2023, Masteel was distinguished at The Edge Malaysia ESG Awards, securing the Gold Winner position for the "Most Improved Performance Over 3 Years (Below RM300M Market Capitalisation)" in the Equity Category. This accolade underscores Masteel's significant strides towards sustainability and underscores its commitment to being a responsible steel manufacturer.

The Edge Malaysia ESG Awards are divided into two main categories: the Equity Awards and the Fund Awards, both designed to celebrate Malaysian companies and funds that have shown outstanding performance in ESG criteria. To be eligible for an Equity Award, a company must not only be publicly listed on Bursa Malaysia but also be a part of the FTSE Bursa Malaysia EMAS index as of June 2023, ensuring that the awards recognise companies that are both significant in size and committed to sustainable practices. Masteel's award in this category underscores our operational enhancements and continuous commitment to sustainability, setting a benchmark for responsible industrial practices in Malaysia and beyond.

Congratulations

Masteel

MALAYSIA STEEL WORKS (KL) BHD

197101000213 (7878-V)

for being

Malaysia's most sustainable ultra low GHG emissions* Integrated Steel Mill

with the award by Bursa Malaysia the highest score of

Top 25% (4 Stars) in ESG Rating

amongst public listed companies in the

FTSE Bursa Malaysia EMAS Index

In the hard-to-abate GHG sector, Masteel is setting new standards as the country's first steel mill to achieve the highest grading in ESG Ratings amongst PLCs on the FBM Emas Index, assessed by FTSE Russell. Masteel achieved superior scores across all three ESG themes, surpassing both subsector and national averages. Masteel's ultra-low CO2 emissions technologies ensure environmental sustainability while advancing the greening of Malaysia's construction sector.

Masteel is a constituent of the FTSE4Good Bursa Malaysia Index, which identifies companies with recognized corporate responsibility practices, screened in accordance with transparent and defined ESG criteria. FTSE Russell, a member of the London Stock Exchange Group, is a leading global index provider used extensively by institutional and retail investors.

* Measured by Scope 1 CO2 emissions from Masteel's steel making and rolling processes at its plant in Bukit Raja, Klang, Malaysia.

With Compliments from

TENAGA NASIONAL BERHAD
199001009294
(200866-W)

UNITRADE INDUSTRIES BERHAD
202101013724
(1414022-X)

WCT CONSTRUCTION SDN. BHD.
198501007957
(140301-U)

MITSUI & CO. (MALAYSIA) SDN. BHD.
200601011637
(731407-U)

HANWA SINGAPORE (PTE) LTD
197200466Z

YINSON CORPORATION SDN. BHD.
197301000762
(15833-M)

YICK HOE FERROUS STEEL SDN. BHD.
[illegible]

ENGTEX GROUP BERHAD
[illegible]

GAS MALAYSIA ENERGY AND SERVICES SDN. BHD.
[illegible]

GREEN FORCE SUSTAINABILITY SDN. BHD.
[illegible]

INTERGREEN METALS SDN. BHD.
[illegible]

NBH MARKETING SDN. BHD.
[illegible]

2023 SUSTAINABILITY HIGHLIGHTS

ZERO
Incidence of corruption

100%
Compliance to Human Rights Policy, Prevention of Child Labour and Forced Labour Policies

9.42%
Reduction in paper consumption intensity

ZERO
Work related fatality

4.00%
Saving in water consumption,

The Edge ESG Awards 2023

9009 hrs
Total training hours

84.0%
Human Rights Awareness from stakeholder

HUMAN RIGHTS

87.5%
Customer Satisfaction Score

RM100,000
Donated to support various CSR projects

CSR

ZERO
Incidence of environmental issue

FTSE4Good

TOP 25%
PLCs assessed by FTSE Russell

"FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Malaysia Steel Works (KL) Bhd has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products."

MESSAGE FROM DEPUTY CHAIRMAN/CEO

Dato' Sri Tai Hean Leng @ Tek Hean Leng

In 2023, Masteel is continuing its steadfast vocation to imbue our steel business with ever more thorough disclosures to underscore our company's commitment to ESG and sustainability best practices and compliance.

We are hearten by our extensive corporate wide adaption of ESG framework such as Global Reporting Initiative, United Nations Sustainable Development Goals, Task Force on Climate-Related Financial Disclosures, International Sustainability Standards Board and Bursa Malaysia Sustainability Reporting Guide (3rd Edition) which has improved not only the calibre of our management but also the competitiveness of our company.

2023 has been a pivotal year where our efforts on corporate sustainability have been recognised by Bursa Malaysia and government ministries and agencies such as Ministry of Natural Resources, Environment and Climate Change (“NRECC”), Ministry of Finance (“MOF”), Malaysian Investment Development Authority (“MIDA”) and Malaysian Green Technology and Climate Change (“MGTC”) in addition to national level associations and platforms such as Federation of Malaysian Manufacturers (“FMM”), Malaysia Steel Association (“MSA”) and 28th Conference of the Parties to the UN Framework Convention on Climate Change (“COP28”) by our participation and policies inputs.

MESSAGE FROM DEPUTY CHAIRMAN/CEO

Dato' Sri Tai Hean Leng @ Tek Hean Leng

We are equally proud to announce our acceptance as a member of The United Nations Global Compact, reflecting our firm dedication to sustainability and tackling climate change. The drive for ESG implementation at Masteel originates from the top, with the Board of Directors holding primary oversight and accountability for our sustainability strategy, risks, opportunities, and initiatives. Additionally, the Board also holds ultimate accountability for managing and addressing climate-related risks and opportunities.

Our organisation's dedicated commitment to tackling climate change initiatives has been honoured with prestigious awards. Masteel has been distinguished with a 4-star rating, placing us in the top 25% for ESG performance by the FTSE Bursa Malaysia EMAS index. Moreover, our significant improvement over the past three years has been recognised with a Gold award in the Equity Category for companies with a market capitalisation below RM300M, by The Edge Malaysia ESG Awards.

This year marks a significant step forward in our sustainability journey, as we undertook an in-depth evaluation of our materiality assessment to further identify and validate the sustainability topics most pertinent to our business and stakeholders. Demonstrating our Board of Directors' commitment, the Safety and Health Committee is now overseen by Executive Director Ms Shirley Ng, while the Sustainability Committee is led by Chief Sustainability Officer, Mr Smith Yong. Additionally, we have proactively enhanced our reporting in line with the TCFD, adapting to the new ISSB guidelines. This proactive approach ensures we provide a thorough disclosure of climate-related risks and opportunities, positioning Masteel to thrive in the face of climate change challenges.

MESSAGE FROM DEPUTY CHAIRMAN/CEO

Dato' Sri Tai Hean Leng @ Tek Hean Leng

The significant difference / achievement between 2022 and 2023.

Masteel is dedicated to reinforcing our commitment to carbon management by having TÜV NORD (Malaysia) Sdn Bhd as our independent external verifier of our GHG emissions data. We are currently also on the path to securing the ISO14064 certification for GHG verification. In FY2023, our approach includes monitoring GHG emissions on carbon intensity basis and we reported our process carbon intensity across various operations, highlighting direct and indirect emissions: 0.497 tCO_2e/mt at our steelmaking plant and 0.147 tCO_2e/mt at our rolling mill plant using an induction heater. Furthermore, we have achieved significant reductions in key air emissions especially, with NO_2 emissions dropping by 3.05% and SO_2 emissions by 41.35%. Our green initiatives, like the implementation of rainwater harvesting systems at our own plants, have also prevented approximately 7.37 tCO_2e in GHG emissions. We remain steadfast in our efforts to reduce our carbon footprint, aiming for a 10% reduction by 2026 and an additional 15% by 2031.

Masteel's Corporate Green Awards 2023

The Masteel's Corporate Green Awards 2023 aims to acknowledge and inspire our suppliers and contractors, fostering their engagement in sustainability efforts. This initiative is key to collaboratively reducing our carbon footprint, steering us towards the ambitious objective of attaining net-zero carbon emissions by 2050. Thus, this award serves as a crucial incentive for them to adopt more sustainable practices within their operations, recognising their vital role in our supply chain's environmental impact.

MESSAGE FROM DEPUTY CHAIRMAN/CEO

Dato' Sri Tai Hean Leng @ Tek Hean Leng

Our Human Rights Policy

This year, we undertook an extensive evaluation of our Human Rights Policy with our stakeholders. It's gratifying to report that a remarkable 84% of respondents showed a definitive comprehension and recognition of the principles detailed in our Human Rights Policy. Our commitment to maintaining strict adherence to these standards remains unwavering, ensuring no tolerance for any human rights infringements, including those involving our affiliated third parties.

FY2023 has marked a thrilling chapter in Masteel's corporate saga, marked by the successful outcome of sustained dedication, hard work, and capital investment from both the Board and management. This approach has led to significant advancements in ESG practices. Masteel is committed to not only fulfilling but surpassing all regulatory standards for sustainability practices. Our goal is to emerge as an industry frontrunner in achieving net-zero carbon emissions, setting our sights on accomplishing this milestone well ahead of the 2050 target.

ASSURANCE STATEMENT

To enhance the trustworthiness and reliability of our Sustainability and TCFD reporting, we have undertaken rigorous reviews through two distinct but complementary processes:

- Our internal auditors conduct detailed reviews of our reports to ensure they are accurate, consistent, and aligned with our sustainability objectives. Furthermore, our adherence to ISO 14001:2015 and ISO 45001:2018 standards guarantees that our operations not only meet but aim to surpass global benchmarks in environmental management and workplace safety.
- An independent external assurance, TUV NORD (Malaysia) Sdn Bhd specifically adheres to the ISO14064-1:2018 and ISO14404-2:2013 standards and focuses on GHG Emissions.

Type of Assurance	Subject Matter	Scope	Conclusion
Independent external assurance	• Scope 1 GHG Emissions • Scope 2 GHG Emissions	• Bukit Raja plant (Steel making complex)	We provide reasonable assurance that Masteel's GHG emission sustainability report presents a true and fair view of their GHG emission performance for the reporting period, in accordance with the specified criteria and methodologies.
Internal review	All contents of this Sustainability Report except Scope 1 and Scope 2 GHG emissions	• Bukit Raja plant • Petaling Jaya plant	Not applicable

Our internal audits and external verification by a respected third party emphasise our dedication to transparent, accurate, and credible sustainability reporting. These comprehensive reviews ensure stakeholders can trust our environmental and corporate responsibility efforts, showcasing our unwavering commitment to environmental stewardship.

MASTEEL'S SUSTAINABILITY JOURNEY

2017
We included our inaugural Sustainability Statement in the 2017 Annual Report, marking our commitment to sustainable practices

2018
Phase I
Induction Furnace + Electric Arc Furnace

Identified our Materiality Matrix

2019
Phase II
Induction Furnace + Electric Arc Furnace

Adoption of United Nations Sustainable Development Goals

2020
Published our 1st comprehensive Sustainability Report

2021
Phase III
Induction Furnace

Established Environmental Policy

2022
Phase IV
Direct Billet Charging (None usage of LNG Reheating Furnace # 2 (35%)

- Achieved our 1st FTSE4Good Index
- Published our 1st TCFD report
- Established Printing Policy

2023
Phase V
Direct Billet Charging (None usage of LNG Reheating Furnace # 2 (100%)

- Published our TCFD report in reference to ISSB
- Achieved Top 25% (4 Stars) in ESG rating by FTSE Bursa Malaysia Emas Index
- Achieved Gold Winner position for the "Most Improved Performance Over 3 Years (Below RM300M Market Capitalisation)" in the Equity Category

2024
- Established Sustainability Policy
- Target to reduce our process GHG emissions by 3%.

2026
Achieved a mininum 10% overall GHG reduction

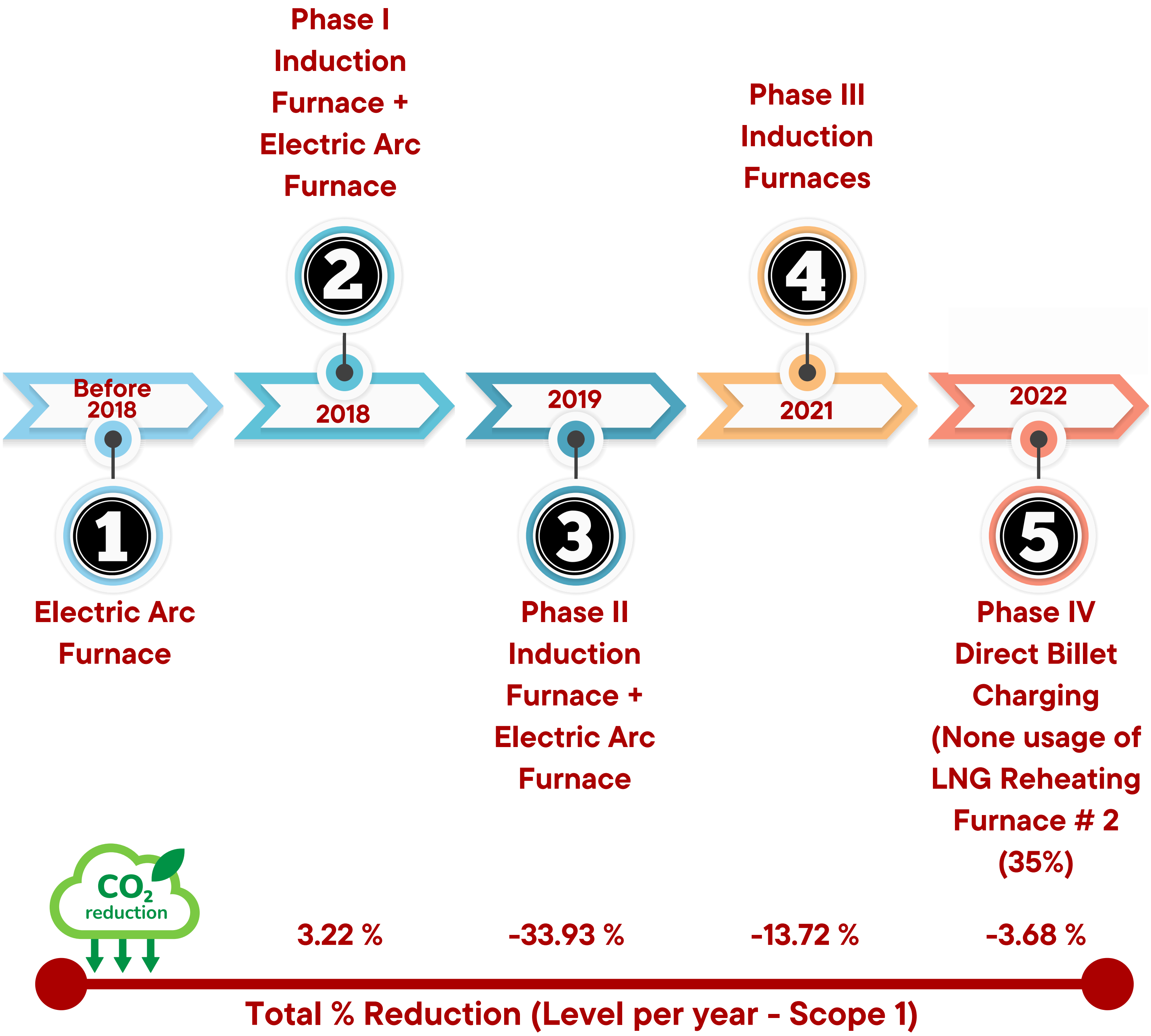
2031
Achieved additional 15% overall GHG reduction

2050
ZERO EMISSION

Masteel
MALAYSIA STEEL WORKS (KL) BHD
(7878-V)

DELIVERING THE MOST SUSTAINABLE STEEL FOR MALAYSIA AND BEYOND

MASTEEL'S GREEN TRANSFORMATION



An enhanced calculation methodology has been adopted in FY2023 as part of our progress in obtaining ISO14064 certification

DELIVERING THE MOST SUSTAINABLE STEEL FOR MALAYSIA AND BEYOND

MASTEEL APPROACH TO SUSTAINABILITY

Sustainability Governance

Masteel remains steadfast in its dedication to sustainable governance, bolstering the effectiveness of our two established committees—the Sustainability Committee and the Risk Management Committee. In 2023, Mr. Smith Yong Weng Yeu was appointed as the Chief Sustainability Officer, tasked with overseeing Masteel's sustainability frameworks, management systems, and processes, as outlined in our Sustainability Policy. For a thorough understanding of our strategy, please refer the detailed outline provided on pages 108-109 of our TCFD & ISSB.

Stakeholder Engagement

Masteel is actively driving the ESG agenda through transparent engagement with stakeholders, recognising that this approach is crucial to enhancing and preserving our reputation as a trusted and responsible entity. This commitment is instrumental in positioning us as a leading steel manufacturer in the region. We conscientiously identify key stakeholders who hold significant sway over our business and those directly affected by our operations. Consistent and diverse communication channels, including meetings, town hall sessions, and public forums, are employed to engage with stakeholders. This ongoing dialogue allows us to proactively address their concerns and incorporate their interests into our business strategy decisions.

Futhermore, Masteel remains dedicated to keeping stakeholders well-informed about our activities, progress, and future plans. We firmly believe that effective communication with stakeholders is indispensable in maintaining our status as a trusted and responsible corporate citizen.

Stakeholder	Engagement Channel	Area of Interest
Shareholders & Investors	• Future growth prospect • Return on investments • Corporate sustainability • Corporate exercises • Share performance • Dividends	• Annually during Annual General Meeting • As and when necessary through Bursa announcements, Investor Relations ("IR") and virtual briefing
Employees	• Safe and healthy work environment • Work-life balance • Equality and diversity at workplace • Career advancement and progression • Empowerment and learning opportunities	• Ad-hoc meeting through face to face discussion • Conducting regular training and development programmes and job enrichment and coaching • Weekly department meetings • Annually townhall sessions and annual performance review
Customers	• Timely product delivery • Product quality • Alignment to market needs	• Daily engagement session
Local Communities	• Pollution and waste • Supporting development of communities • Creation of employment opportunities	• Conducting Corporate Social Responsibility ("CSR") programme annually • As and when necessary through press release • Collaboration with local educational institution/government agencies regularly
Government & Regulators	• To date and comprehensive policies and legislation • Analysis of regulatory impact on the company • Engagement/representation for alternatives • Compliance	• Annually through direct meetings • As and when necessary through representatives from industry associations and stakeholders' engagements
Industry Associations	• Compliance with all applicable laws and regulations • Active membership to remain abreast of matters related to the industry • Collective consensus of opinion from Associations' members point of view	• Conducting regular meeting and consultation on a monthly basis or at least quarterly

Stakeholder	Engagement Channel	Area of Interest
Media	• Transparency • Easy access to top management and key personnel for up-to-date information • Speedy dissemination of information • Early engagement • Interview opportunities	• Press release throughout the year if necessary • Media queries and requests are responded to promptly as they are received through Public Relation Officer's contact and email address (via company website) • Regular updates on corporate develoment throguh the company website • As and when necessary through media interviews
Suppliers & Contractors	• Support for local suppliers • Fair procurement practices • Product compliance	• Ad-hoc face to face meetings and product quality feedback • Annual supplier performance assessments • Sustainability assessment and reporting

MASTEEL SUSTAINABILITY ACHIEVEMENTS

SDGs	SDG Targets We are Contributing Towards	Our Achievements
3 GOOD HEALTH AND WELL-BEING	Our operations are governed by a stringent health and safety management system designed to actively identify potential hazards and risks within the workplace, with a primary focus on minimizing injuries and preventing fatalities.	• Zero work related fatality . • Total loss time incident is 1.03 a significant reduction from 5.08 in FY2022.
4 QUALITY EDUCATION	We foster continuous learning and growth among our employees with diverse company-provided training programs and support community education via university partnerships, aiming to enhance employability and entrepreneurship skills among the youth.	• Signed MOU with local universities such as Xiamen University of Malaysia, Universiti Tunku Abdul Rahman and Universiti Kuala Lumpur to support and nurture talent development. • Donated RM100,000.00 to the Ti-Ratana Welfare Society to aid in child welfare and educational support.
6 CLEAN WATER AND SANITATION	We've adopted best practices for water recycling within our process systems, achieving zero wastewater discharge in our daily operations. This approach significantly enhances water-use efficiency across the board and promotes sustainable freshwater withdrawal and supply strategies to combat water scarcity, aiming to drastically reduce the prevalence of water scarcity issues among the population.	• Installing rainwater harvesting system at Petaling Jaya and Bukit Raja plant. • Enable the reduction of freshwater consumption by 4% in FY2023. • Established Water Conservation Policy
7 AFFORDABLE AND CLEAN ENERGY	We have invested in feasibility studies for new technologies aimed at reducing and enhancing energy consumption and efficiency, such as the installation of solar panels. This initiative is part of our effort to significantly boost the proportion of renewable energy within the global energy mix.	• Undertook a feasibility study to explore the potential of solar energy as a renewable source for daily operations. • Established an Energy Management Policy.
8 DECENT WORK AND ECONOMIC GROWTH	We are committed to good governance through enforcing human rights and labor policies, ensuring fair treatment for our employees. Our policies aim to enhance productivity, create quality jobs, encourage entrepreneurship, and support the growth of small to medium enterprises. Ultimately, our objective is to boost employment and reduce the number of youth not engaged in work or education.	• Established various policies such as Human Rights Policy, Prevention of Forced Labour Policy, Prevention of Child Labour Policy and Remuneration Policy. • Signed MOU with local universities such as Xiamen University of Malaysia, Universiti Tunku Abdul Rahman and Universiti Kuala Lumpur to support and nurture talent development.

MASTEEL SUSTAINABILITY ACHIEVEMENTS

SDGs	SDG Targets We are Contributing Towards	Our Achievements
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	We consistently incorporate cutting-edge technologies to boost our operational efficiency, aiming to upgrade infrastructure and industries sustainably. Our focus is on optimizing resource utilization and adopting clean, green technologies and methods, motivating nations to contribute according to their abilities.	• Complete the switch from Electric Arc Furnace to Induction Furnace in steel production.
11 SUSTAINABLE CITIES AND COMMUNITIES	Our commitment to community involvement includes engaging with local staff, contractors, and supporting charity events. We aim to reduce urban environmental impacts, focusing on better air quality and waste management.	• No instances of non-compliance with environmental regulations. • Donated RM100,000.00 to the Ti-Ratana Welfare Society to aid in child welfare and educational support.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We prioritize sustainable resource management by using scrap steel as our main raw material, aiming to significantly cut waste through prevention, reduction, recycling, and reuse.	• Complete the switch from Electric Arc Furnace to Induction Furnace in steel production.
13 CLIMATE ACTION	We're committed to disclosing our GHG emissions data for Scope 1, 2, and 3 and to investing in solutions that reduce our carbon footprint. We aim to integrate climate action into our strategies and enhance education on climate change mitigation, adaptation, and resilience.	• Established Sustainability Policy • Progressing to ISO14064 • Conducted training on sustainability reporting and climate change mitigation for both employees and suppliers.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We uphold strong governance by enforcing our Anti-Bribery and Anti-Corruption Policy across all employees and third-party affiliates of Masteel, aiming to diminish all forms of corruption and bribery significantly. Our goal is to cultivate effective, accountable, and transparent institutions at every level.	• Established Anti-Bribery and Anti-Corruption Policy. • No instances of corruption reported. • Foster workforce diversity.
17 PARTNERSHIPS FOR THE GOALS	We persist in partnering with organizations that prioritize ESG matters, aiming to improve policy alignment for sustainable development.	• Sharing at various initiatives such 2023 OECD-Asia Roundtable on Corporate Governance, MIDA ESG framework or ESG ruler, Policymakers and Regulations to Harmonise ESG Disclosure Format and Integration of Systems, Climate Change Forum "Road to COP28 and FMM Sustainability Conference 2023

MASTEEL RISK MANAGEMENT

At Masteel, we uphold a resilient risk management framework that comprehensively addresses potential risks across economic, environmental, social and operational domains within the Group. Our commitment to proactive risk mitigation is reflected in the regular convening of the Risk Management Committee ("RMC"), tasked with the ongoing monitoring and management of risks in accordance with the Masteel Risk Management Framework ("RMF"). By adhering to our Risk Management Policy, which follows an Enterprise Risk Management approach, we ensure a robust foundation for identifying and mitigating risks, thus safeguarding against financial losses, reputational harm, and other adverse outcomes.

Notably, starting from FY2022, Masteel has expanded its risk management scope to include ESG risks, incorporating corresponding mitigation measures, underscoring our dedication to sustainability and responsible corporate citizenship. The RMC assumes a pivotal role in systematically identifying, assessing, monitoring, and prioritising ESG and climate-related risks and opportunities, while implementing practical management strategies to address them effectively. Through this integrated approach, we align our strategic objectives with risk management practices, ensuring that risks are appropriately considered in critical business decisions. Quarterly, the RMC delivers comprehensive risk updates to the Board of Directors, fostering transparency and accountability in our risk management processes.

For more details on our risk management initiatives, please refer to the corresponding sections in both the TCFD & ISSB report on page 109 and our Annual Report.

MATERIAL SUSTAINABILITY MATTERS

Grasping the changing business landscape is crucial for Masteel to leverage both current and upcoming opportunities while also planning strategies to lessen potential risks that could impact our value creation. The process of materiality assessment is pivotal for recognising and ranking sustainability issues, offering clarity on subjects significant to all our stakeholders.

In FY2022, we conducted an online survey to assess materiality, identifying 15 key material sustainability matters ("MSM") significant to Masteel. For FY2023, we engaged in a comprehensive review process in reference to Bursa Malaysia's Sustainability Toolkit: Materiality Assessment (3rd Edition) and the GRI Standards. This review process aimed to capture and highlight the significance of each material matter through the lens of our stakeholders, focusing on its impact on our business growth. Such insights will enhance our ability to analyse and navigate sustainability-related risks and opportunities in future years. The review process confirmed that the 15 identified Material Sustainability Matters ("MSM") remain highly significant for Masteel in FY2023.

This report details the four crucial stages of our assessment and review procedure: identification, evaluation, prioritization, and validation. Additionally, it describes our structured method for comprehensively understanding and tackling sustainability issues.

MATERIAL SUSTAINABILITY MATTERS

1 IDENTIFICATION

In FY2023, we meticulously reviewed the 15 MSM pinpointed in FY2022, in partnership with the stakeholder groups we had identified. This comprehensive evaluation aimed to validate the continued importance and impact of these sustainability issues in alignment with our stakeholders' perspectives and interests.

2 ASSESSMENT

Survey forms were circulated among members of the Sustainability Committee and selected external stakeholders to evaluate the 15 MSM.

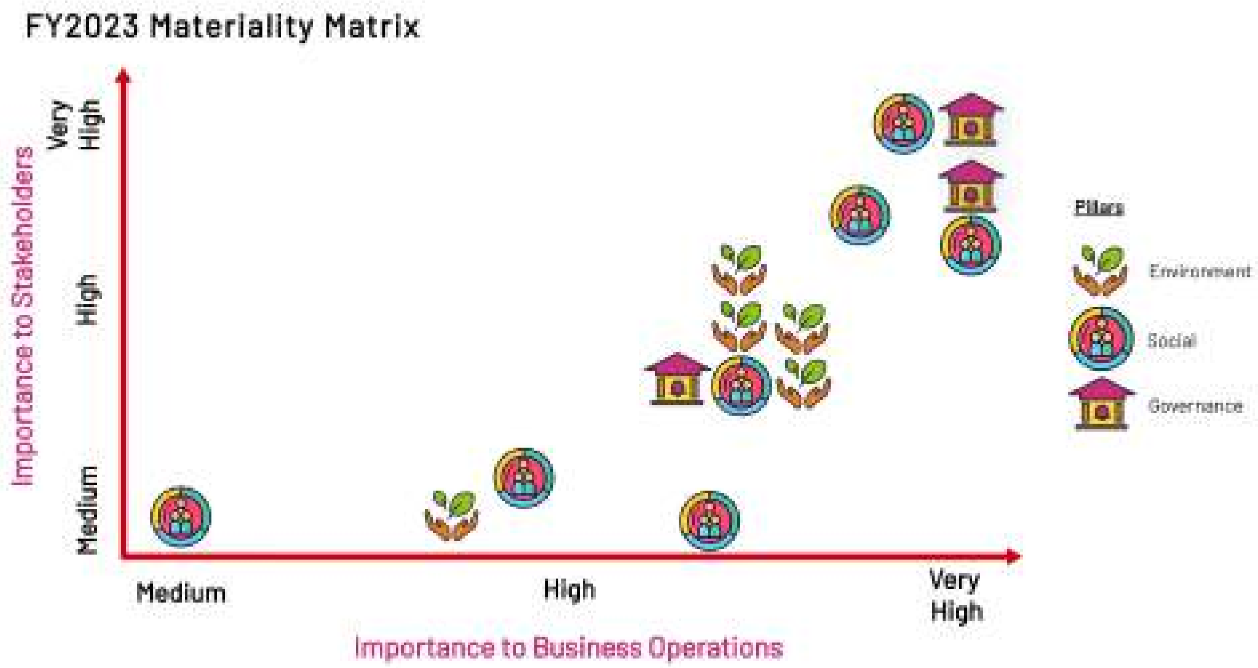
3 PRIORITISATION

Each matter positioned is reviewed according to its significance for the business operations and its impact on stakeholder decision-making processes for FY2023..

4 VALIDATION

Once the review of the MSM matrix is complete, the Sustainability Committee will present it to the Board of Directors for their approval.

MATERIALITY MATRIX



Environment

1. Waste and Effluents
2. Air and GHG Emissions
3. Energy Consumption
4. Water Consumption
5. Materials Used in Production and Packaging

Social

6. Occupational Health and Safety
7. Customer Satisfaction
8. Product Quality
9. Employment Practices
10. Training and Development
11. Responsible Supply Chain
12. Community Investments

Governance

13. Privacy and Data Protection
14. Legal Compliance
15. Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy

MAPPING OUR MATERIAL MATTERS

Environment

Material matters	GRI Indicators	Key stakeholders	UN SGDs
• Waste and Effluents • Air and GHG Emissions • Energy Consumption • Water Consumption • Materials Used in Production and Packaging	• 301-Materials • 302-Energy • 303-Water and Effluents • 305-Emissions • 306-Waste	• Government & Regulators • Industry Associations • Media	

Social

Material matters	GRI Indicators	Key stakeholders	UN SGDs
• Occupational Health and Safety • Customer Satisfaction • Product Quality • Employment Practices • Training and Development • Responsible Supply Chain • Community Investments	• 203-Indirect Economic Impacts • 204-Procurement Practices • 401-Employment • 403-Occupational Heath and Safety • 404-Training and Education • 405-Diversity and Equal Opportunity • 406-Non-Discrimination • 413-Local Communities	• Employees • Customers • Local Communities • Suppliers & Contractors	

MAPPING OUR MATERIAL MATTERS

Governance

Material matters	GRI Indicators	Key stakeholders	UN SGDs
• Privacy and Data Protection • Legal Compliance • Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy	• 205-Anti-Corruption • 418-Customer Privacy • 2-27-Compliance	• Shareholders & Investors • Government & Regulators	 

ENVIRONMENT

78.46%
Reduction of overall hazardous waste

9.42%
Reduction of paper consumption intensity

4.00%
Saving in water consumption

ZERO
Incidence of environmental issues

Masteel
MALAYSIA STEEL WORKS (KL) BHD
(7878-V)

WASTE AND EFFLUENTS

In FY2023, Masteel demonstrated exceptional dedication to environmental stewardship, successfully maintaining an impeccable record of compliance with environmental regulations with no fines or penalties. Central to our approach is a rigorous commitment to waste management. We prioritize reducing the volume of waste produced by our activities, as outlined in our Environmental Policy. Our ultimate aim is to completely eliminate landfill waste, achieved through broad recycling programs throughout our operations.

In our journey towards sustainability, we've woven the principles of Reduce, Reuse, and Recycle—the 3Rs—into the fabric of our waste management strategy. Key to this approach is the recycling of skull steel, demonstrating our commitment to not just managing but also repurposing industrial by-products. Beyond operational measures, we're cultivating a recycling-centric ethos among our Masteel community, aiming to instill recycling as a natural practice within our community. We strive to embed sustainable waste management and environmental stewardship into our workplace culture, emphasising our dedication to preserving natural resources for the future.

Since establishing the Printing Policy in 2022, it has aimed to reduce paper consumption annually. This policy provides clear directives for the usage of printer paper, toner, and envelopes as part of our sustainability efforts. By establishing this policy, we are looking to decrease the direct environmental impact of our paper use and foster a culture of mindfulness and efficiency regarding resource utilisation. This includes encouraging double-sided printing, digital document sharing, and the reuse of materials whenever possible. Through these measures, we aim to significantly reduce waste, conserve valuable resources, and set a precedent for environmentally responsible practices in our industry.

WASTE AND EFFLUENTS

Paper Consumption (ream)
FY2021-FY2023

In FY2023, our total paper usage reached 1,620 reams, marking a modest uptick of 40 reams, or 2.5%, compared to FY2022. This increase is primarily attributed to heightened production and sales activities, reflecting the growth and expansion of our operations. Our efforts to align with sustainability goals are vividly demonstrated through the metrics tracking our paper usage relative to the intensity of sales activities. Impressively, we've observed a significant reduction in paper consumption, registering at 9.42%. This achievement not only meets but also exceeds our annual objective, which was to reduce paper usage by at least 5%. This progress indicates a strong commitment to our environmental responsibilities and showcases the effectiveness of our strategies to minimize resource waste while maintaining or even enhancing our operational efficiencies. Despite this reduction, we remain vigilant in monitoring our paper consumption. We are actively engaged in talks about implementing immediate measures to reduce our reliance on paper further.

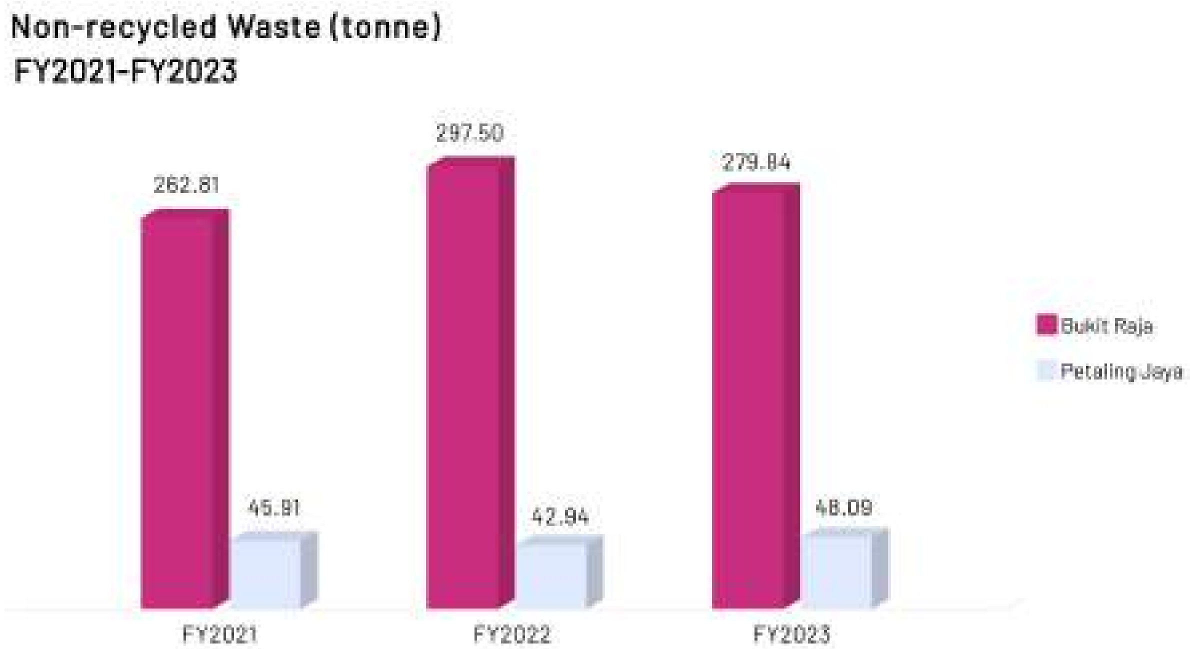
WASTE AND EFFLUENTS

As a diligent industry player, we are committed to environmental stewardship, reflected in our stringent approach to waste management. We partner exclusively with certified and licensed scheduled waste collectors who have received endorsement from the Department of Environment ("DOE"). This partnership ensures that waste collection and disposal are conducted safely and comply with regulatory standards. We comply with environmental regulations by disposing of all scheduled waste within six months and carefully ensuring the total volume does not exceed 25 metric tonnes at any time. By adopting best practices, Masteel has successfully reduced the annual volume of scheduled waste across three categories: spent hydraulic oil, engine oil, and fume dust. Beyond managing scheduled waste, we also work with certified contractors to responsibly collect and dispose of our non-scheduled waste at legal landfill sites, further extending our commitment to environmental stewardship. Our comprehensive waste management efforts underscore our dedication to minimising our environmental footprint and promoting sustainability in every facet of our operations.

Progress against previously set targets to reduce waste

Targets FY2023	Performance FY2023
• To reduce 1% of non-recycled waste	• Achieve 3.67% reduction of non-recycled waste
• To reduce 1% of spent hydraulic oil (SW306)	• Achieve 100.00% reduction of spent hydraulic oil
• To reduce 1% of lubricant oil waste (SW305)	• Achieve 37.48% reduction of lubricant oil waste
• To reduce 1% of fume dust (SW104)	• Achieve 78.55% reduction of fume dust
• To reduce 1% of contaminated rags (SW410)	• Achieve 87.23% reduction of contaminated rags
• To reduce 1% of mix waste (SW421)	• Achieve 60.71% reduction of mix waste
• To reduce 1% of overall hazardous waste	• Achieve 78.46% reduction of hazardous waste

WASTE AND EFFLUENTS



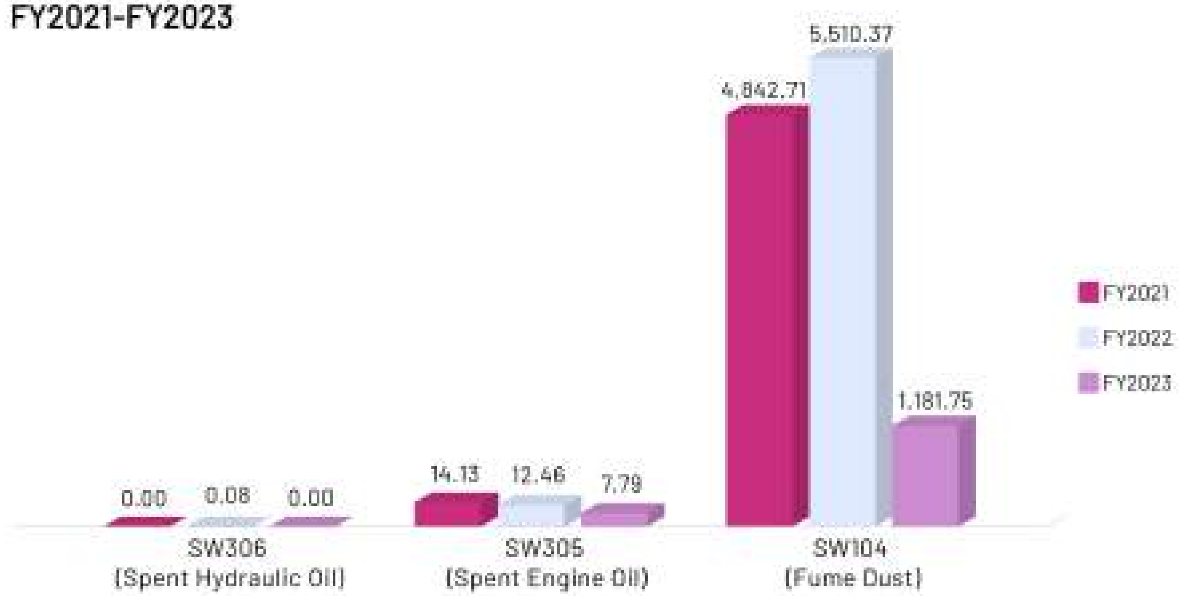
In FY2023, Masteel witnessed a commendable 3.67% decrease in the production of non-recycled waste. This achievement is a direct result of the Group's proactive and dedicated approach to waste management, illustrating the tangible benefits of implementing effective waste reduction strategies. Masteel's commitment to minimising our environmental footprint is a cornerstone of our operational philosophy, aligning closely with broader objectives of environmental sustainability and responsible resource use.

The reduction in waste generation, especially in non-recycled waste, is particularly noteworthy, considering the complexities and challenges inherent in industrial operations. It signifies Masteel's successful integration of waste management practices into our core business processes, emphasizing the effectiveness of our recycling and waste minimisation efforts. This strategic focus on waste reduction is part of Masteel's ongoing journey towards its ambitious zero-waste goal, highlighting a long-term vision for sustainability beyond immediate operational concerns.

WASTE AND EFFLUENTS

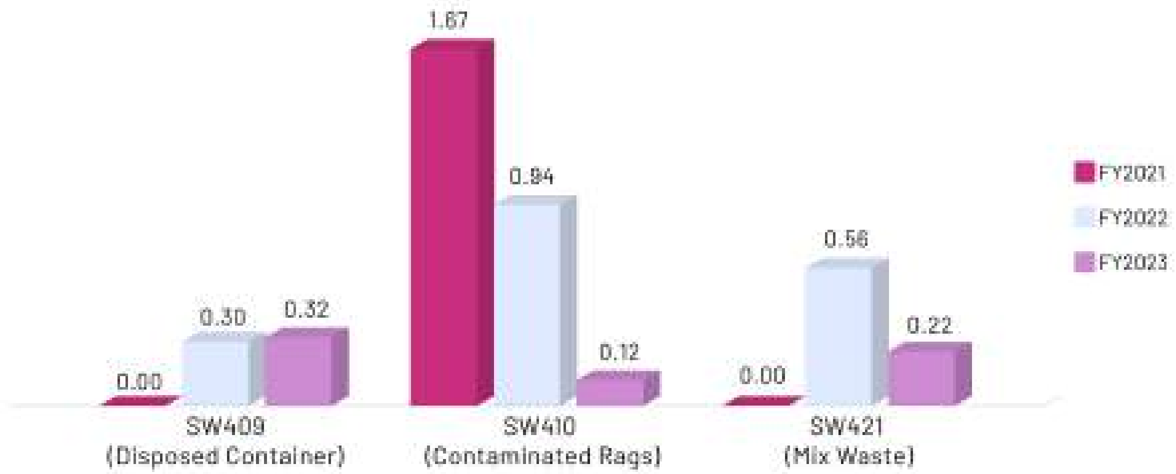
Recycled Waste- Skull Steel (tonne) FY2021-FY2023

Recycled Waste- Scheduled Waste (tonne) FY2021-FY2023



WASTE AND EFFLUENTS

Recycled Waste- Scheduled Waste (tonne)
FY2021-FY2023



Overall Hazardous Waste (tonne)
FY2021-FY2023

WASTE AND EFFLUENTS

Masteel has placed a significant emphasis on identifying and implementing innovative recycling opportunities, aiming to recover and repurpose materials that would otherwise contribute to non-recycled waste. This includes the recycling of industrial by-products such as skull steel and the responsible handling of scheduled waste, ensuring that these materials are processed and reused in an environmentally friendly manner. By adopting good practices that reduce the volume of waste produced during manufacturing and other operational activities, Masteel is not only improving its environmental performance but also enhancing operational efficiency and cost-effectiveness.

Masteel set a stringent internal benchmark aiming to restrict the number of regulatory penalties related to waste management to a maximum of two each financial year. We are proud to announce that, during the current reporting cycle, our strict and effective practices in waste management have resulted in zero penalties. This outstanding outcome highlights our Group's strong commitment to adhering to environmental laws and showcases our continuous efforts to uphold and enhance our waste management processes. It demonstrates our proactive approach to environmental stewardship and our dedication to maintaining the highest standards of operational excellence.

Masteel has been certified under ISO14001 for its Petaling Jaya plant since 2022 which accounts for 50% coverage under this certification.

AIR EMISSIONS

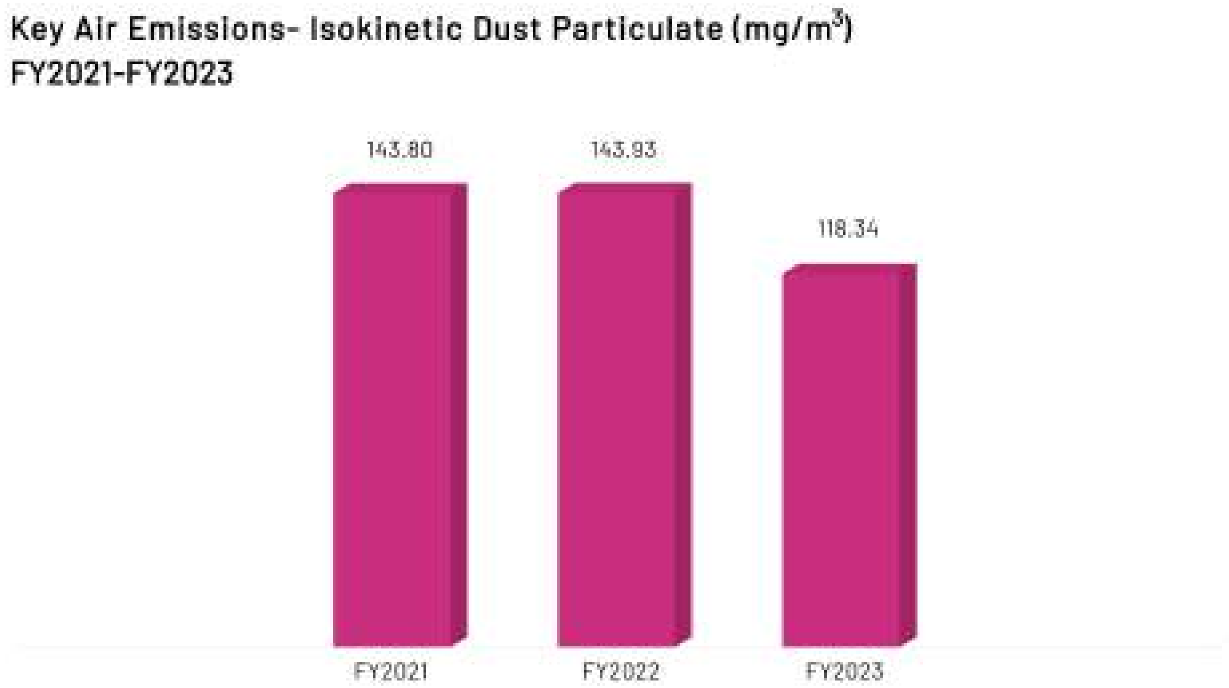
Masteel being a steel manufacturing entity, vigilant monitoring of air emissions is crucial due to their significant role as primary pollutants emerge from our operations. Recognising this critical need, since 2021, we have implemented a sophisticated Continuous Emissions Monitoring System ("CEMS") at our Bukit Raja plant. This initiative involves the strategic placement of analysers throughout the facility to meticulously track ambient air emissions. The deployment of CEMS underscores our commitment to environmental stewardship by ensuring that our emissions adhere to the permissible limits set forth by the DOE under the Malaysian Environmental Quality (Clean Air) Regulation 2014.

This state-of-the-art system enhances our capability to gather precise and reliable emission data, offering a solid foundation for our environmental assurance strategies. It not only facilitates accurate tracking but also the recording of our emissions, enabling us to maintain compliance with stringent regulatory standards. Furthermore, the CEMS is instrumental in providing real-time data, which is invaluable for the early detection of any discrepancies or technical failures that may arise. This proactive approach allows us to address potential issues promptly, minimising environmental impact and ensuring continuous compliance.

Progress against previously set targets to reduce pollution

Targets FY2023	Performance FY2023
• To reduce 1% of NOx emission	• Achieve 3.05% reduction of NOx emission
• To reduce 1% of SOx emission	• Achieve 41.35% reduction of SOx emission

AIR EMISSIONS



In the last three years, our diligent monitoring has confirmed that all types of air emissions from our operations have stayed within regulatory limits, resulting in zero penalties for air emissions. This success underscores our commitment to environmental management and our investment in advanced technologies such as the CEMS. By consistently meeting strict environmental standards, we protect the environment and strengthen our reputation as a responsible industry leader dedicated to sustainability.

AIR EMISSIONS

Key Air Emissions- Nitrogen Dioxide, NO_2 (tonne)
FY2021-FY2023

Key Air Emissions- Sulfur Dioxide, SO_2 (tonne)
FY2021-FY2023

AIR EMISSIONS

Nitrogen dioxide (NO_2) is a gaseous air pollutant composed of nitrogen and oxygen and is one of a group of related gases called nitrogen oxides (NOx)

Air Emission (Nitrogen Dioxide)	Q1	Q2	Q3 *Tonnes*	Q4	Total
2021	62.63	60.70	57.99	60.44	**241.76**
2022	64.99	67.36	82.69	88.91	**303.95**
2023	88.91	77.96	67.01	60.79	**294.67**

Sulfur dioxide (SO_2) is a gaseous air pollutant composed of nitrogen and oxygen and is one of a group of related gases called nitrogen oxides (SOx)

Air Emission (Sulfur Dioxide)	Q1	Q2	Q3 *Tonnes*	Q4	Total
2021	745.56	779.28	729.18	751.34	**3,005.36**
2022	557.31	553.71	581.75	579.56	**2,272.33**
2023	579.56	557.83	101.08	94.31	**1.332.78**

Air Emission (Volatile Organic Compounds, VOCs)	Q1	Q2	Q3 *Kilograms*	Q4	Total
2021	00.00	00.00	00.00	00.00	**00.00**
2022	00.00	00.00	00.00	00.00	**00.00**
2023	00.00	00.00	00.00	00.00	**00.00**

GHG EMISSIONS

In FY2023, Masteel has continued our practice of transparently reporting our GHG across Scope 1, Scope 2, and Scope 3, specifically addressing 5 of the 15 categories outlined under Scope 3. This commitment reflects our proactive approach to combating climate change, demonstrating alignment with global efforts such as the Paris Climate Agreement of 2015 and initiatives by the United Nations.

Scope 1 emissions at Masteel are direct emissions from our operational activities from the combustion of carbon-based fuel sources, including natural gas. These emissions are a direct result of our manufacturing processes and are meticulously monitored to ensure efficiency and minimal environmental impact. However, we are shifting to newer technology and minimising our natural gas consumption. In FY2023, there was a significant decrease in our scope 1 emissions, attributed to our adoption of a new calculation methodology. This development is part of our efforts to achieve ISO14064 certification.

Our Scope 2 emissions, on the other hand, represent the indirect GHG emissions associated with the electricity we purchase and consume from the grid. This category underscores the importance of sourcing cleaner, more sustainable energy options to reduce our overall carbon footprint.

Scope 3 emissions, often the most complex to quantify, include indirect emissions not directly controlled by Masteel but related to our broader value chain. Within this scope, we focus on categories such as Category 6: Business Travel, Category 7: Employee Commuting, Category 8: Upstream Leased Assets, Category 11: Use of Sold Products and Category 13: Downstream Leased Assets.

GHG EMISSIONS

The total GHG emissions from our Bukit Raja plant are detailed below, providing a comprehensive overview of our environmental impact. We recorded a process carbon intensity of 0.497 tCO_2e/mt for the steel making plant and 0.147 tCO_2e/mt for the rolling mill plant. For an in-depth breakdown and analysis of each category of GHG emissions, we direct stakeholders to pages 120-123 of our TCFD & ISSB report.

By maintaining transparency in our GHG emissions reporting and actively working to reduce our environmental footprint, Masteel reaffirms its dedication to sustainability and responsible corporate citizenship. Our efforts to measure, report, and mitigate GHG emissions across all scopes of our operation are integral to our environmental strategy and our contribution towards a more sustainable future.

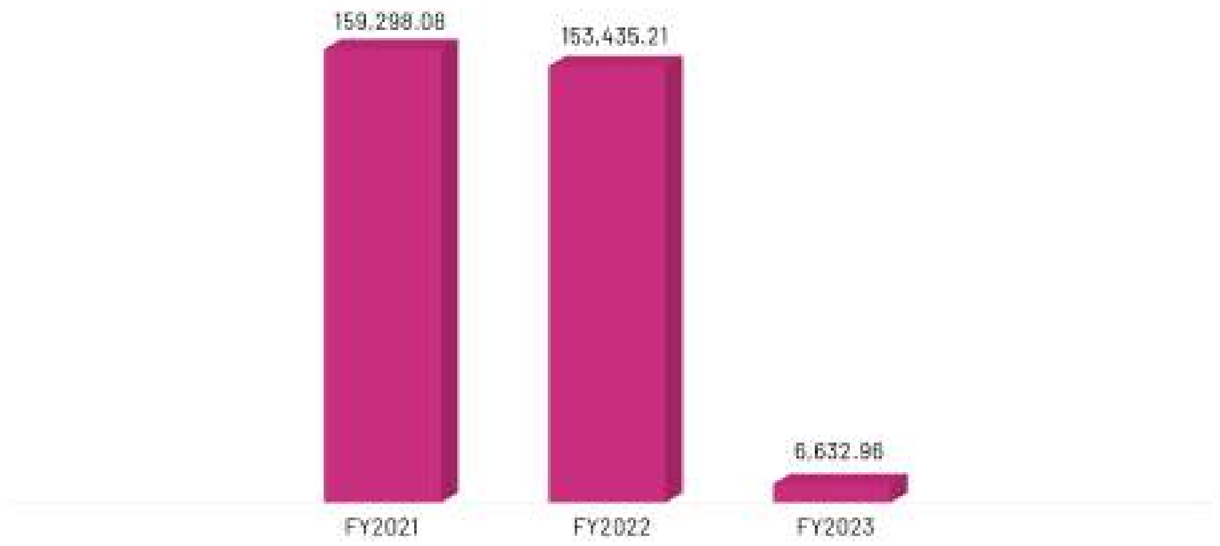
GHG Emissions (tCO_2e) - Scope 1, 2 & 3 FY2021-FY2023

- *Scope 1 GHG emissions are calculated according to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Stationary and Mobile Combustion (FY2021 & FY2022).*
- *Scope 1 GHG emissions are calculated according to the ISO14404-4:2020 and the United States Environmental Protection Agency Emission Factor 2023 (FY2023).*
- *Scope 2 GHG emission is calculated according to the Malaysia 2017 CDM Electrcity Baseline (FY2021 & FY2022).*
- *Scope 2 GHG emission is calculated according to the Malaysia Energy Commission Grid Emissions Factor 2021 (FY2023).*
- *Scope 3 GHG emissions are calculated according to the United States Environmental Protection Agency Emission Factor 2022, 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Mobile Combustion and Malaysia's 2017 CDM Electrcity Baseline (FY2021 & FY2022).*
- *Scope 3 GHG emissions are calculated according to the United States Environmental Protection Agency Emission Factor 2023 and the Malaysia Energy Commission Grid Emissions Factor 2021*

**An enhanced calculation methodology has been adopted in FY2023 as part of our progress in obtaining ISO14064 certification*

GHG EMISSIONS

GHG Emissions (tCO_2e) - Scope 1
FY2021-FY2023



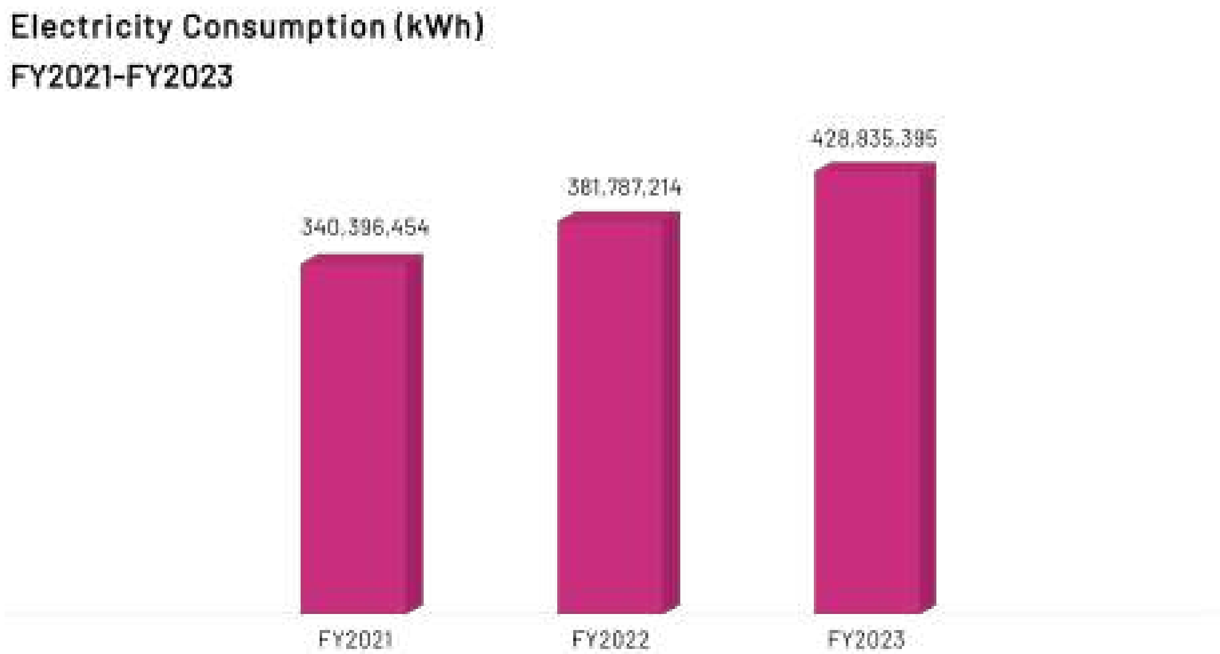
GHG Emissions (tCO_2e) - Scope 2
FY2021-FY2023

GHG EMISSIONS

GHG Emissions (tCO_2e) - Scope 3
FY2021-FY2023

FY2023 Process Carbon Intensity (tCO_2e/mt)

ENERGY CONSUMPTION



The steelmaking industry is renowned for its high energy demands, primarily reliant on substantial electricity consumption. At Masteel, we persistently enhance our technological capabilities and steadfastly uphold our commitment to efficiently manage energy consumption through the implementation of our Energy Management policy. This policy focuses on the following five key objectives and targets

1. Energy Efficiency
2. Solar Power
3. Conservation
4. Compliance
5. Continuous Improvement

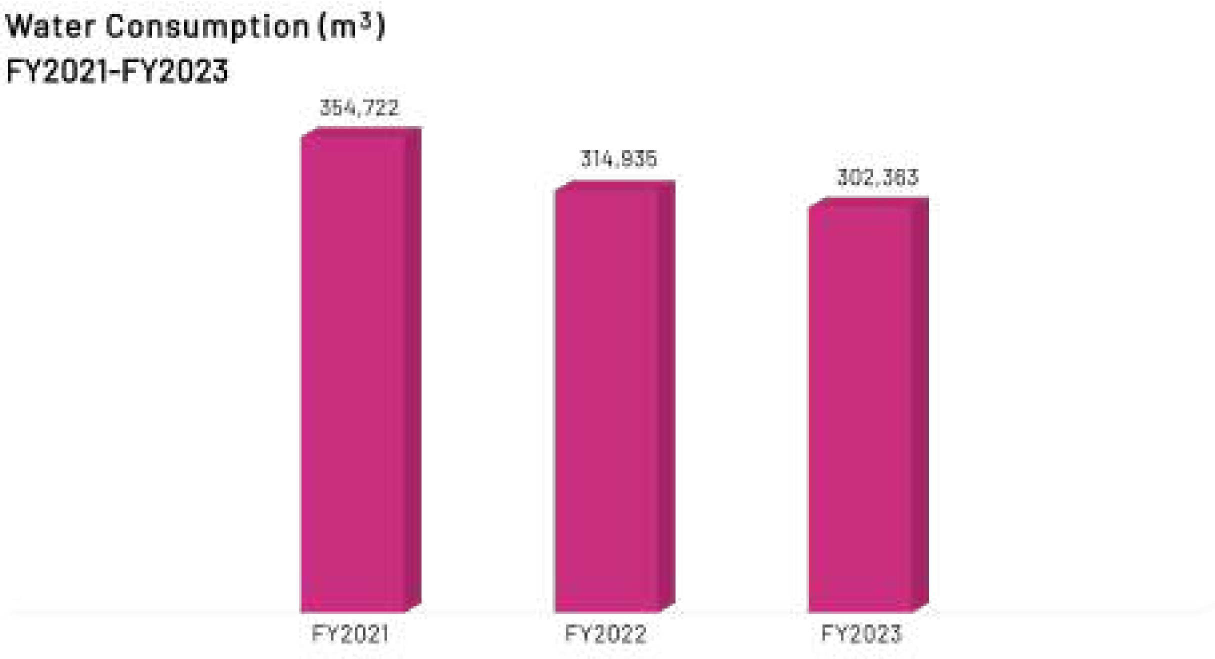
We are making progress towards achieving compliance with the ISO50001:2018 Energy Management Systems underscores our proactive approach to energy management, demonstrating our commitment to sustainable practices in the steelmaking process. Following these strict guidelines allows us to effectively identify and apply actions that enhance energy efficiency and lower our carbon footprint. This accreditation is crucial for achieving optimal energy use and minimising energy wastage.

ENERGY CONSUMPTION

Since the complete implementation of the Induction Furnace ("IF") in 2022, there has been a notable reduction in our raw material consumption, particularly in terms of natural gas and oxygen, which has effectively lowered our carbon footprint. For FY2023, we reported that our total energy consumption reached 428,835,395 kilowatt-hours (kWh). This translates to a carbon intensity of 0.383. This indicates a minor uptick from the previous year due to the recent installation of a new induction heater at the Rolling Mill 2 plant. This new equipment replaces the traditional reheating furnace that uses natural gas, a fuel more harmful to the environment.

In a sector known for its high energy intensity, our focus on continuous improvement and adherence to global standards positions Masteel as a responsible industry player. This commitment aligns with environmental goals and emphasises our dedication to responsible and sustainable business practices in the steel manufacturing domain. We remain steadfast in our commitment to implementing diverse environmentally conscious initiatives to optimise energy consumption. These efforts encompass maximising energy efficiency and fostering a culture of energy conservation among our workforce at Masteel. Additionally, the installation of solar panels to harness renewable energy sources is to be the integral part of our daily operations.

WATER CONSUMPTION



Water stands as an indispensable and renewable resource crucial for the well-being of the communities within which we operate. Recognising its communal significance, Masteel actively adopts a conscientious approach to water resource management throughout our operations. Our commitment to effective water resource stewardship is explicitly outlined in Masteel's Water Conservation Policy.

In our recent assessment, a total water consumption of 302,363 m^3 was recorded in FY2023. Notably, there was a significant reduction in overall water consumption from 314,935 m^3 to 302,363 m^3 compared to FY2022. This positive outcome is attributed to the successful installation of the rainwater harvesting system ("RHS") at both the Bukit Raja and Petaling Jaya plants. Based on the Air Selangor Sustainability Report for FY2022, the carbon intensity for 1 m^3 of billed water is 0.586 $kgCO_2$. Consequently, our RHS initiative is estimated to prevent a total of 7.37 tCO_2 emissions.

WATER CONSUMPTION

Implementing RHS throughout the company led to a significant decrease in water usage and helped achieve an overall reduction of 4% in water consumption for the fiscal year 2023, surpassing our set target of 2%. This technology holds particular significance as it helps alleviate the demand for freshwater, especially in regions facing water scarcity. To mitigate any impact on our daily operations due to potential water shortages, we consistently collaborate with our site workers to ensure effective water storage through the RHS. Furthermore, in alignment with the Masteel Water Conservation Policy, we are committed to educating our employees on water-saving practices. This initiative is part of our broader commitment to reducing raw water consumption and underscores the importance of our water management plan. By doing so, we actively participate in preserving this finite and precious resource.

Our primary water source is municipal water supplies, and we refrain from extracting water directly from natural bodies. The exception to this is our use of rainwater harvesting. The water we consume is primarily used for domestic purposes and to cool our operations. In addition, the wastewater we produce will undergo rigorous treatment and strict adherence to local regulations before being released into the environment.

Notably, Masteel has maintained an exemplary track record, recording zero incidents of non-compliance with water quality/quantity permits, standards and regulations over the years. This achievement is a testament to our rigorous monitoring systems and dedication to upholding environmental regulations, emphasising our commitment to sustainable and responsible water usage within our operations.

LIFE CYCLE PERSPECTIVE

1

Raw/ Secondary Material Acquisition

We influence our impact on suppliers by sourcing exclusively from approved vendors.

2

Production

- Machine Operation
- Water
- Gas
- Electricity
- Oil & Grease
- Billet
- Energy
- Air Emission
- Contaminated Clothes,Glove,Filters
- Product Scrap

3

Transport & Delivery

We optimise delivery efficiency and minimise environmental impact from our logistics by scheduling shipments carefully. However, our control over the delivery process to customers is limited, as they frequently specify the necessary quantity and timing.

4

Customer

Our ability to influence how customers utilize our finished products is limited. We advocate for responsible use and encourage the sale of these products as recyclable scrap at the end of their lifecycle.

5

End-User

CIRCULAR ECONOMY

Steel stands as the world's most recycled material, exemplifying the principles of the circular economy through its capability for endless recycling without loss of quality. Masteel actively embraces this by recycling a significant amount of steel scrap in our steelmaking process, aligning with our broader objective of promoting a global circular economy. This approach not only supports environmental sustainability by conserving natural resources but also reflects a commitment to reducing waste and enhancing resource efficiency.

Thus, Masteel is dedicated to recycling and reusing co-products arising from our manufacturing operations. This strategy is integral to our business model, underscoring the importance of circular economy practices in our operations. By doing so, Masteel contributes to minimising the environmental footprint of steel production, fostering a more sustainable and resource-efficient industry.

Through these initiatives, Masteel positions itself as a leader in environmental stewardship within the steel industry. Our practices exemplify how integrating circular economy principles—such as reducing material use, reusing products, and recycling materials—can lead to significant environmental benefits. This model not only ensures the preservation of valuable resources but also supports the transition towards a more sustainable, low-carbon economy.

CIRCULAR ECONOMY

At Masteel, our commitment to recycling scrap metal in our steel production process remains steadfast. We are dedicated to improving circularity by maximising the use of steel scrap in our IF, while also ensuring that our product quality consistently meets customer expectations. Our efforts to increase recycled and recovered steel scrap utilisation in our IF operations have been significant. In FY2023, we achieved a high rate of scrap metal utilisation rate of raw material input, which led to a 38.62% decrease in raw material consumption.

CIRCULAR ECONOMY

Raw Materials	FY2021 EAF	FY2021 IF	FY2022 EAF	FY2022 IF	FY2023 EAF	FY2023 IF
	Tonnes					
Fesi	172.03	15.98	116.23	16.39	7.36	35.85
SiMn	577.35	2,837.19	355.97	3,771.03	47.98	4,790.93
Coke	1,423.46	94.31	834.22	77.28	52.80	51.30
CaO	3,436.49	0.00	2,235.43	0.00	157.70	0.00
Total	8,556.81		7,406.55		5,143.92	

Targets FY2023	Performance FY2023
• To achieve 10% reduction in raw material consumption	• Achieve 38.62% reduction in raw material consumption.

SOCIAL

100%
Compliance to policies

87.5%
Customer satisfaction score

ZERO
Work related fatality

9009 hrs
Total training hours

84.0%
Human Rights awareness

Masteel
MALAYSIA STEEL WORKS (KL) BHD
(7878-V)

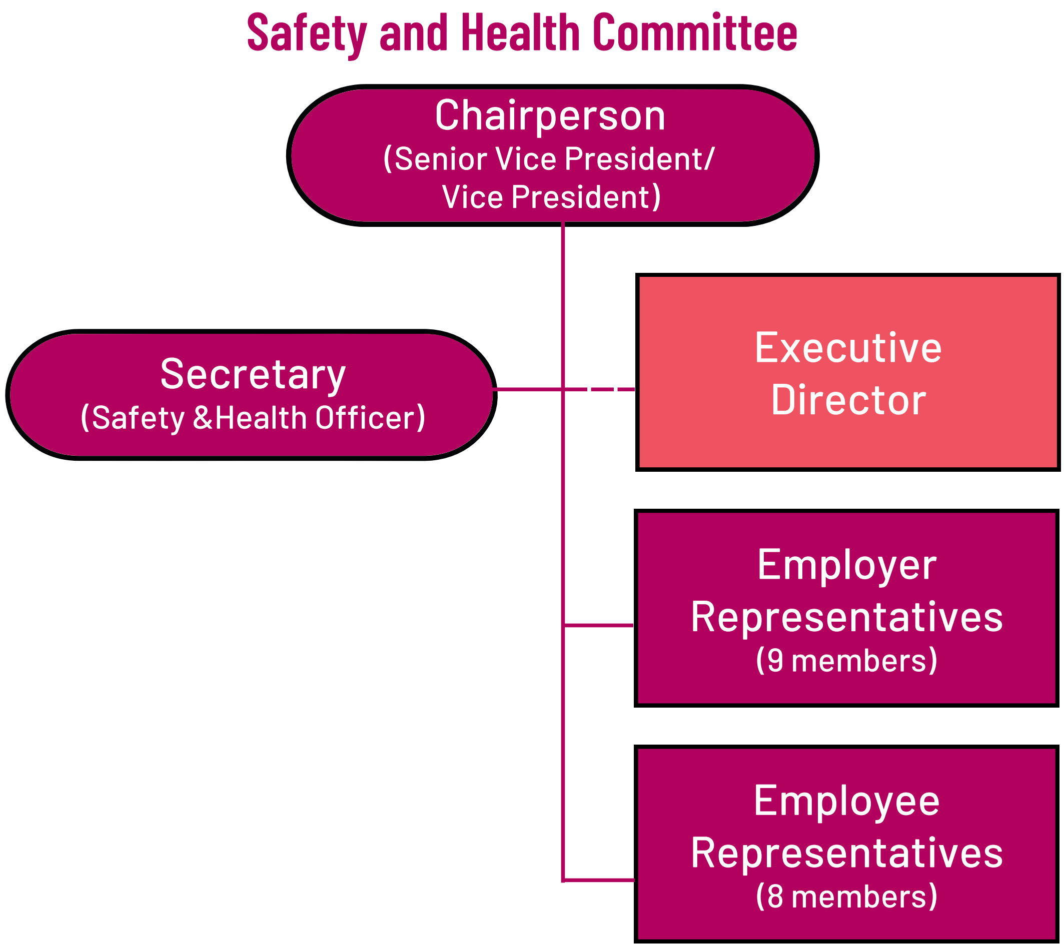
Occupational Health and Safety Training

At Masteel, the safety and well-being of our employees are paramount, guiding every decision we make and action we undertake. Recognising the critical importance of workplace safety, we have dedicated ourselves to maintaining rigorous occupational health and safety standards, ensuring that the protection of our workforce remains our foremost priority. In our relentless pursuit of excellence in safety, we have crafted a comprehensive Occupational Health and Safety (“OH&S”) Policy. This policy serves as a cornerstone of our Group's commitment, offering a structured approach for both management and employees to cultivate a consistently safe working environment. Furthermore, the OH&S Policy includes third-party contractors and service providers at Masteel, requiring them to undergo a safety briefing before beginning work at our facilities.

Thus, OH&S is a critical pillar within the sustainability framework that the Board and Senior Management at Masteel championed. This commitment is underscored by the regular review of performance metrics, incident reports, and pertinent information related to workplace safety. This data is diligently presented to management, who then review it to identify and implement necessary or corrective measures to our existing OH&S management strategies. Each of our operational sites boasts a dedicated Safety and Health Committee. These committees play a pivotal role in our safety governance structure and are led by individuals holding the position of Senior Vice President or Vice President. The committee convenes on a quarterly basis to evaluate and communicate updates on OH&S issues to the management. Under the vigilant oversight of Ms. Shirley Ng, who serves as the Executive Director on the Board, these committees exemplify our proactive stance on workplace safety and health.

Occupational Health and Safety Training

When issues remain unresolved at the Safety and Health Committee level, Ms. Shirley Ng takes the initiative to escalate these matters for discussion at the Board of Directors ("BOD") meetings. This escalation process ensures that all concerns receive the highest scrutiny and action, reflecting Masteel's unwavering commitment to workplace safety. The structure of the Masteel's Safety and Health Committee is as below:



Our OH&S Policy and management system, demonstrating our commitment to workplace safety, has secured OHSAS 18001/ISO 45001 certification for our Petaling Jaya and Bukit Raja facilities since 2022. Similarly, in 2023, this certificate has covered 100% of Masteel's steel making and manufacturing facilities. We conduct regular internal and external audits across all divisions to meet ISO 45001's rigorous standards, showcasing our commitment to exceeding industry norms in health and safety, and ensuring a safe workplace for our team.

Occupational Health and Safety Training

Our Safety and Health goals are specifically defined within the ISO 45001 targets, which are integral to our policies for the Bukit Raja and Petaling Jaya plants. The table below outlines the targets set for FY2023.

Petaling Jaya Plant	Bukit Raja Plant
• Zero fatality • Zero compounds from authorities • To ensure that 100% of new employees received safety induction training • To achieve at least 90% participation of Safety and Health Committee Meeting	• To achieve more than 8,000 operating hours without plant shut down due to injury and accident. • Zero fatality case • Not more than 2 cases of the compound from authorities per year • To ensure 100% conduct of safety, and health induction for all new employees within 1 week from the date of reporting to work • To ensure at least 80% attendance for the Safety and Health Committee Meeting

Aligned with our Safety and Health Objectives under ISO 45001 standards, Masteel aims to establish long-term goals for the period of 2024 to 2028. Our objective is to consistently enhance safety measures, control risks, and prevent workplace accidents. The set annual targets for this five-year span are as follows:

1. To achieve more than 8,000 operating hours without plant shut down due to injury and accident.
2. Zero fatality case.
3. Zero compound from authorities on safety-related issues.
4. To ensure 100% of new employees received safety and health induction training for all new employees within 2 days from the date of reporting to work.
5. To achieve at least 95% participation of the Safety and Health Committee Meeting.

Occupational Health and Safety Training

The safety and health team at Masteel has undertaken comprehensive risk assessments across all current operations and future or possible projects. These assessments were conducted using the Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process to evaluate physical hazards in the workplace. To date, the HIRARC methodology has been utilized in Masteel's operational settings, notably within production units such as the Electric Arc Furnace ("EAF") and Induction Furnace ("IF"), as well as in preparations for imminent or potential ventures, including the High-Speed Bar Project which will be commenced soon. We ensure comprehensive coverage for all our employees under our OH&S management system, including enrollment in the social security fund ("SOCSO") and group personal accident insurance ("GPA").

We've implemented a safety-focused key performance indicator ("KPI") to affirm our commitment and ensure accountability, targeting fewer than three accidents per year. This KPI underscores our dedication to risk reduction and employee safety, fostering a culture of collective responsibility and active participation in our safety initiatives.

Description	FY2021	FY2022	FY2023
Total Hours Worked	**1,709,432**	**2,046,912**	**2,729,872**
Number of lost time injuries	**1**	**4**	**1**
Work related fatalities (Employees)	**0**	**1**	**0**
Work related fatalities (Contractors)	**0**	**0**	**0**
Lost time incident rate (LTIR)	**0.12**	**0.39**	**0.07**

Occupational Health and Safety Training

In FY2023, Masteel tallied a total 2,729,872 of working hours. During this period, we observed a significant improvement in our safety record, registering only one injury. An injured employee hurt his index finger with a hammer while tightening a screw using a spanner. To address this injury, immediate steps were implemented, including (i) providing refresher training on the safe handling of hand tools to all individuals, (ii) informing all plant employees about the accident, and emphasise the importance of safety measures with hand tools and (iii) update and discuss the revised Hazard Identification, Risk Assessment, and Risk Control (HIRARC) with supervisors and plant workers. This represents a significant reduction from the previous year, which saw four injuries. This achievement highlights our commitment to improving workplace safety and demonstrates the effectiveness of our health and safety initiatives. Our focus on risk assessment, safety training, and preventive measures has been crucial in this progress, and we remain dedicated to further reducing workplace injuries. We actively collaborate with both internal and external stakeholders to provide tailored safety and health training for our employees. In FY2023, 627 employees received training in diverse health and safety practices and standards. These programs are carefully crafted to cover a broad spectrum of topics, equipping employees with the skills to identify, prevent, and manage workplace safety and health risks. Here's a summary of the training sessions offered at our Bukit Raja and Petaling Jaya locations.

External	Petaling Jaya Plant	Bukit Raja Plant
	Certified Environmental Professional In Scheduled Waste Management	Certified Environmental Professional in Bag Filter Operation
	ESG and Sustainability Reporting	Conference on Occupational Safety And Health 2023
		Radiation Protection for Officer
		Seminar Organisasi Keselamatan Kebakaran Jabatan Bomba dan Penyelamat Malaysia 2023

OCCUPATIONAL HEALTH AND SAFETY

Internal	Petaling Jaya Plant	Bukit Raja Plant
	Briefing on Safety & Environment Procedure	Briefing on Safety Procedure
	Chemical Handling Training	Briefing on Water Treatment Plant Procedure
	Chemical Pollution Awareness	Fire Fighting
	Dust and Fume Hazards Training	First Aid Training
	Electrical Hazards Awareness	Forklift Training
	Emergency Response Plan & Preparedness	ISO 45001:2018 Occupational Heath & Safety Requirement And Internal Auditing Training
	Environmental Awareness Training	Orientation By Safety
	Ergonomic Training	Overhead Crane Training
	Eyes Safety Hazards Training	Working At Height
	Fire Fighting	
	First Aid Training	
	Forklift Training	
	Gas Cylinder (Oxygen & Acetylene) Hazards Training	
	Hand Tools & Proper Use Of Ladder Training	
	Hazards Assessment Training	
	Hearing Protection Noise Safety Training	
	Hirarc & Osha Training	
	Lock-Out Tag-Out Training	
	Noise Hazards Training	
	Noise Pollution Awareness	
	Orientation By Safety	
	Overhead Crane Training	
	Oxy Cutting Tool Safety Training	
	Respiratory Protection Training	
	Spillage Awareness Training	
	Toolbox Talk	
	Training By Bomba	

Occupational Health and Safety Training

Additionally, Masteel has taken proactive steps by establishing a dedicated emergency response team, complemented by the creation of multiple comprehensive emergency plans. These measures are designed to ensure rapid and effective responses to potential crises, thereby safeguarding employees, assets, and operations. The development of these three emergency plans involves meticulous planning and scenario analysis to cover a broad spectrum of possible emergencies within our operations.

Emergency Plan

Fire Emergency Plan

Chemical spillage Emergency Plan

Our approach to safety is holistic, understanding that a safe working environment is the sum of many parts. It encompasses not only the physical safety measures in place but also the psychological well-being of our staff, ensuring that everyone feels secure, valued, and supported at all times. Through our comprehensive OH&S Policy, ongoing safety initiatives, and the establishment of clear, measurable goals, we at Masteel are forging a path toward a safer, healthier, and more productive workplace for all our employees.

Occupational Health and Safety Training

CUSTOMER SATISFACTION

At Masteel, we value our customers' feedback, conducting yearly satisfaction surveys in line with ISO 9001:2015 to ensure we meet high-quality standards. For FY2023, we're proud to report an 87.5% customer satisfaction score, exceeding our goal of 85.0%. Our commitment to continuous improvement drives us to refine our operations and services, ensuring we consistently deliver superior products to our customers.

We provide a feedback and complaint channel for our customers, aligning with our commitment to quality improvement. Customers can submit complaints through email or messaging apps to our sales team, with a promise to respond within one working day. Notably, we received no complaints this reporting period, highlighting our success in achieving high customer satisfaction standards.

Description	FY2021	FY2022	FY2023
Customer Satisfaction Score	89.90%	92.50%	87.50%

PRODUCT QUALITY

Masteel consistently guarantees the production of high-quality goods that align with our customers' standards. Our rigorous internal Quality Management System ("QMS"), as outlined in our Quality Manual and Standard Operating Procedure, ensures strict adherence to quality standards. Moreover, our manufacturing operations hold certifications from ISO 9001:2015 and SIRIM, specifically under MS 146:2014, affirming compliance with local industrial standards for high-tensile steel bars. This certification reinforces our commitment to providing reliable steel bars for the infrastructure and construction industry, instilling confidence in our customers.

EMPLOYMENT PRACTICES AND LABOUR STANDARDS

At Masteel, we prioritise cultivating a thriving workplace rooted in our core principles and ensuring equitable treatment and well-being for all employees through consistent implementation of our top five best practices.

MASTEEL'S LABOUR FIVE BEST PRACTICES

1. Employee grievance mechanisms to report cases of discrimination or harassment
2. Effective communication of any changes to terms of employment
3. Compliance to legal minimum wage, overtime pay, and other remuneration
4. Priority given to employment of under-privileged groups, and unemployed youths
5. Equal opportunity to all in our hiring procedures

Furthermore, we maintain unwavering commitment to upholding the Prevention of Child Labour Policy, Prevention of Forced Labour Policy, and Human Rights Policy, initially introduced in 2021. These policies are thoroughly communicated to our workforce and are accessible in various languages, including English, Nepali, Thai, Bengali, Burmese, Filipino, and Chinese. In FY2023, a total of 53 employees were introduced to the Human Rights Policy during their induction training session. All other employees received information on the policy through monthly meetings and brochure distribution. Our dedication to full compliance underscores our proactive approach to fostering a workplace environment that respects and safeguards the rights and well-being of every individual within our organisation.

Masteel remains steadfast in its commitment to fostering a workplace free from any form of discrimination during the hiring process. We adhere to the labour standards that promote inclusivity, ensuring that factors such as race, religion, gender, age, sexual orientation, disabilities, and nationality are not considered as barriers to employment. Our emphasis lies in recognising and valuing the unique contributions each individual brings to the table, emphasising merit and capabilities. This approach not only cultivates a diverse and vibrant workforce but also reflects our dedication to creating an environment where everyone has the opportunity to contribute to the ongoing development and success of Masteel.

We are pleased to announce that for FY2023, there have been no instances of discrimination or breaches of child labor and forced labour within our operations. Similarly, we received zero human rights-related grievances in 2023.

Prevention of Child Labour Policy

Ensuring strict adherence to local labour laws, Masteel prioritises the prevention of child labour as a top priority. This policy delineates fundamental practices aimed at preventing all forms of child labor. These practices are explicitly outlined alongside our employment terms and conditions detailed in the Employee Handbook. Our commitment to zero employment of children and young persons is maintained through rigorous procedures in our hiring process. The Human Resources department will consistently conduct verification and inspections to uphold strict compliance with this policy, ensuring zero violations. Any instances of child labor violations can be reported directly to our Chief Sustainability Officer, Group Human Resource Manager, or Head of Internal Audit using the whistleblowing platform outlined in our Whistleblowing Policy. The practices include the following:

We do not provide employment to children and young persons' before they are of legally employable age

We expect our business partners and associates to have and hold similar standards regarding the prevention of child labour

We will take serious action, such as discontinuation of business if any of our business partners and associates have violated these principles and have not rectified their actions

We are responsible for implementing and ensuring compliance with the policy at all of our operations and facilities

Prevention of Forced Labour Policy

Similarly, at Masteel, we uphold a zero-tolerance policy towards forced or compulsory labour as part of our commitment to safeguarding our employees and associated workers. Consequently, our prevention of forced labour policy explicitly articulates the following four guiding principles to mitigate any instances of forced labour.

01

PREVENTION

- To respect, promote and realise the fundamental principles and rights at work.
- To promote freedom of association and collective bargaining for at-risk workers to join worker organisations.
- To address discrimination and reduce the risk of forced labor, we will conduct programs such as an induction program for new hires and town hall meetings with employees. Additionally, we will provide an online grievance reporting platform, designed according to the indicators specified by the International Labour Organization (ILO).
- To conduct training programmes for at-risk groups to increase employability.

PROTECTION

- To increase the efforts to identify and release victims of forced or compulsory labour.
- To ensure unconditional protective measures are provided to victims of forced labour
- To eliminate abuses and fraudulent practices by labour recruiters and employment agencies.
- To meet the need for immediate assistance, long-term recovery, and rehabilitation for all victims.

02

03

REMEDIES

- To ensure victims can access the court, tribunals, and other mechanisms to pursue remedies.
- To provide victims access to pursue compensations and damages from perpetrators.
- To provide legal information, advice, and assistance to victims.
- To allow victims to pursue appropriate administrative, civil, and criminal remedies.

ENFORCEMENT

04

Respecting Human Rights

Masteel remains steadfast in its commitment to upholding human rights by adhering to globally recognised standards like the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights. Our adherence to this policy is grounded in the principles outlined in the International Bill of Human Rights, which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. Furthermore, we find guidance in the fundamental rights principles outlined in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Ms. Zueraini Ahmad Basri, the Independent Non-Executive Director and a member of the Board of Directors, has the oversight responsibility and resources to ensure that human rights are upheld across the Group.

We consistently conduct comprehensive assessments of risks inherent in our operations, with a focus on social and human rights risks, to address both positive and negative impacts from our business activities and those of our suppliers and contractors. Our assessment framework is constructed in alignment with the principles and standards outlined in the UN Guiding Principles on Business and Human Rights. Moreover, these evaluations are fully aligned with Masteel's Human Rights Policy, which is centered on upholding local labor laws, ensuring conducive working conditions, prioritising employee health and safety, promoting community welfare, and effectively managing our supply chain.

Masteel has instituted formal reporting channels as outlined in the Human Rights Policy and the Grievance Procedures within the Employee Handbook. Additionally, we places significant emphasis on transparency by openly communicating action plans aimed at addressing human rights issues and the subsequent progress achieved.

Respecting Human Rights

These initiatives encompass the establishment of robust protocols for identifying and managing potential human rights risks and their impacts across our value chain. Masteel's Human Rights Policy prioritises the implementation of an anonymous grievance mechanism, guaranteeing that any reports or complaints filed through such channels are handled confidentially and with the highest level of sensitivity. In the "Safeguard" section of our Human Rights Policy, Masteel is deeply committed to addressing any instances where we are found to be accountable for or have played a role in human rights impacts. The grievance management process comprises four main steps as outline below.

1 REVIEW

The grievance will be forwarded to the relevant Head of Department to assess and determine the eligibility for the grievance procedures. If the grievance is supported by reasonable evidence, the Head of the Department shall arrange for investigation within 7 days from the grievance received.

2 INVESTIGATION

A meeting will take place and the Head of Department may, at this stage, request additional evidence to be provided. Written statements together with oral representations will be considered as appropriate. The party who is the subject of a grievance has the right to see the allegations against them in full and have the opportunity to respond.

3 RESOLUTION

The Head of Department shall take settlement action as soon as possible and the grievances should be resolved by prioritising the principle of deliberation to reach a consensus (win-win resolution).

4 APPEAL

If any party remains dissatisfied with the outcome and wishes to pursue the matter further, they may raise the grievance with the next level of management. An appeal can only be made on the basis that, the application of the procedure was flawed or, that new evidence has come to light.

Key actions to mitigate salient human right issues

- Introduce a confidential online grievance reporting platform in different preferred languages for employees to raise any grievances related to discrimination, harassment in the workplace or hostels, safety and health issues, community well-being, and other employment-related issues
- Developed explicit policies and standards regarding human rights
- Conduct regular training and awareness programs

Respecting Human Rights

We have delineated four primary guiding principles on human rights to ensure adherence to the policy and respect for international human rights standards.

Workplace Diversity and Equal Opportunity

- To ensure zero tolerance towards any form of discrimination.
- To ensure a safe and inclusive workplace.
- To embrace the diversity of our employees.

Upholding Workers' Welfare and Well Being

- To uphold employees' rights to sick, annual, and parental leave.
- To work with contractors to ensure worker's living and working conditions are safe, clean, healthy, dignified and equipped with basic amenities.

Prohibiting Child Labour

- To ensure no young children are employed directly by Masteel or our contractors.

Employee Rights

- To prohibit forced or bonded labour, sleve labour, and human trafficking.
- To provide a safe and healthy workplace.
- To ensure all employees are fairly compensated relative to industrial and labour markets.
- To discourage excessive working hours.
- To protect workers from any form of harassment, bullying or abuse in the workplace.
- To respect employees' right to freedom of association and collective bargaining.

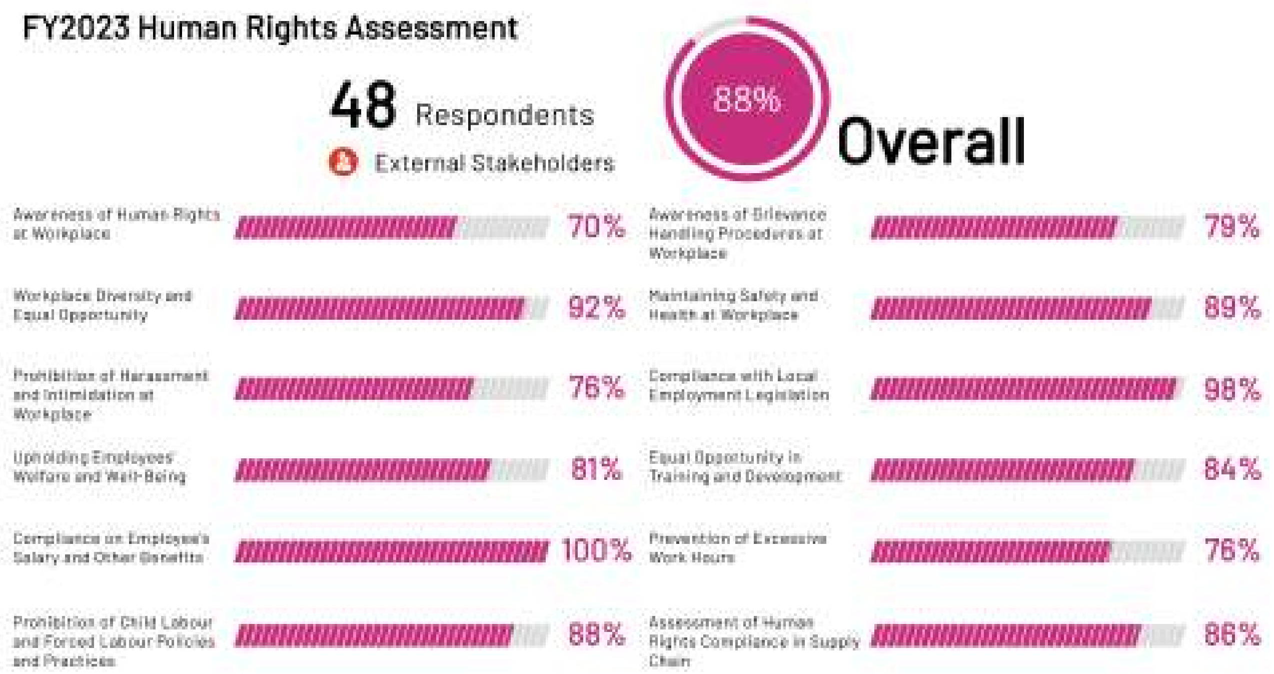
Respecting Human Rights

In FY2023, Masteel continued its commitment to fostering meaningful engagement with both internal and external stakeholders regarding our Human Rights Policy. A comprehensive assessment was conducted, involving a total of 132 respondents, consisting of 84 internal stakeholders and 48 external parties. Specifically, assessment rates for prohibiting child and forced labour policies stood at 84% for internal stakeholders and 88% for external stakeholders. Compliance with local employment legislation was similarly high, at 93% internally and 98% externally.

FY2023 Human Rights Assessment

FY2023 Human Rights Assessment

Respecting Human Rights

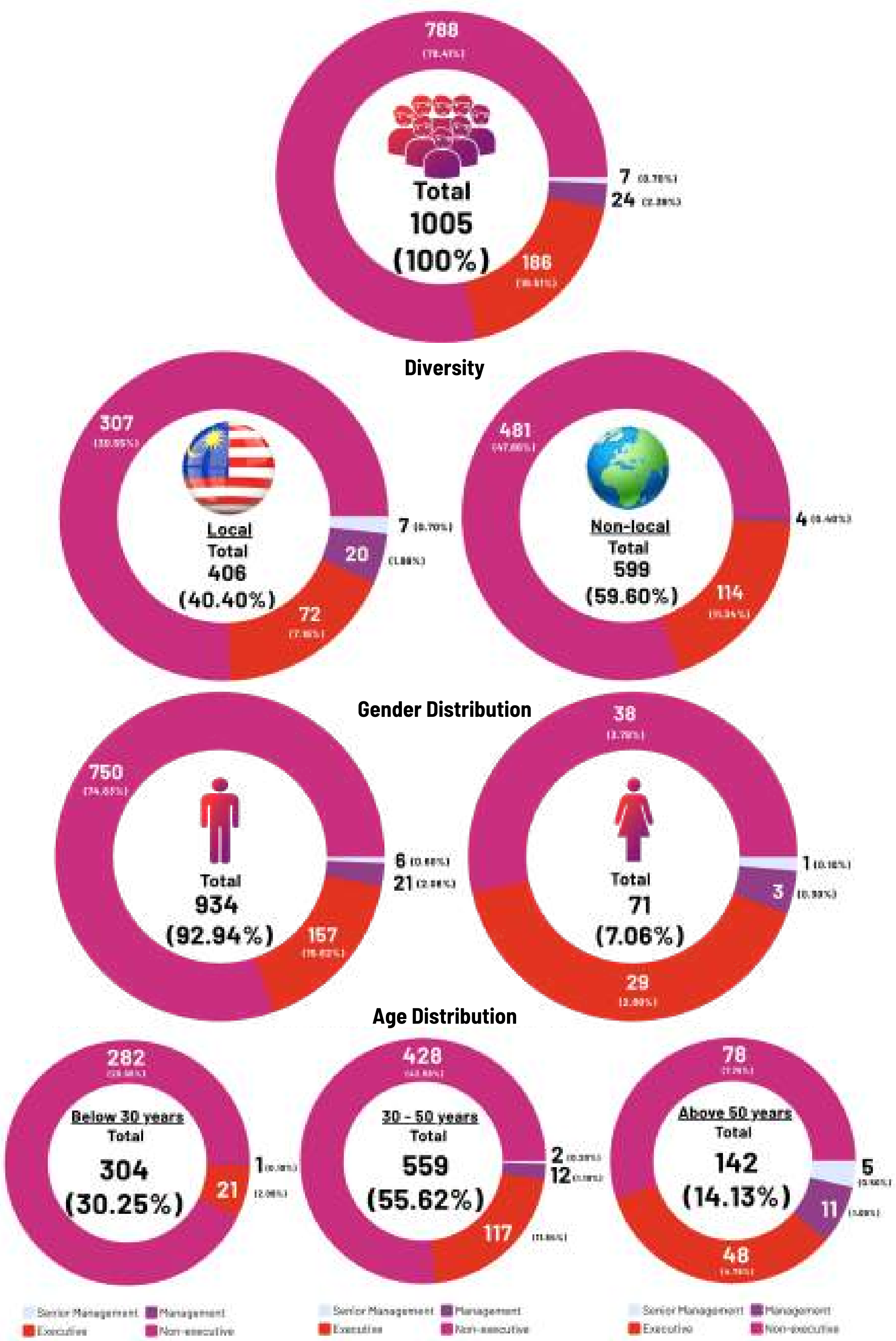


The results of this assessment were illuminating. They revealed that an impressive 84% of respondents demonstrated a clear understanding and awareness of the content outlined in our Human Rights Policy. This outcome is a testament to the efficacy of our ongoing engagement efforts with stakeholders. It underscores the value of the sessions and initiatives we have implemented to communicate and reinforce our commitment to upholding human rights standards within our operations.

These findings not only validate the effectiveness of our current engagement strategies but also serve as a catalyst for further enhancements. Encouraged by positive stakeholder response, we are committed to refining our approach to uphold understanding and respect for our Human Rights Policy among all involved with Masteel.

EMPLOYEE DIVERSITY

FY2023 Employment Category Distribution



EMPLOYEE DIVERSITY

In FY2023, Masteel experienced a growth in total workforce, increasing from 821 employees in FY2022 to 1005 employees. This expansion was attributed to improvements in our operational scale. The workforce composition comprised 406 local employees, constituting 40.39%, and 599 non-local employees, accounting for 59.61%. Out of the total workforce, 62.79% or 631 employees are on contract, while the remaining 37.21%, amounting to 374 employees, hold permanent positions. We currently have no employees (0.00%) with disabilities in 2023, but we maintain a strict non-discrimination policy in hiring individuals with disabilities. Our commitment to supporting local talent remains steadfast, with a focus on hiring underprivileged groups and unemployed youths to stimulate the local economy and foster stronger communities. We are committed to inclusive employee development, prioritising professional growth across all backgrounds regardless of nationality, gender, religion, or race to ensure peak team performance and maintain the highest quality standards.

The workforce composition within the Group is predominantly male, with 934 male employees, constituting 92.94%, and 71 female employees, accounting for 7.06%. This distribution is primarily a result of the nature of Masteel's business, which involves steel manufacturing and necessitates intense physical labor within a factory setting. Our recruitment policies strictly follow our Human Rights policy, which prohibits any form of gender discrimination, ensuring a welcoming and inclusive environment for individuals of all genders.

At Masteel, the majority of employees, 55.62%, are aged between 30 and 50 years old, while those under 30 make up 30.25%. Approximately 14.13% are over 50 years old. Non-executive roles, reflecting the labor-intensive nature of our operations, comprise 78.41% of the workforce.

EMPLOYEE DIVERSITY

New Employee Hires FY2021-FY2023

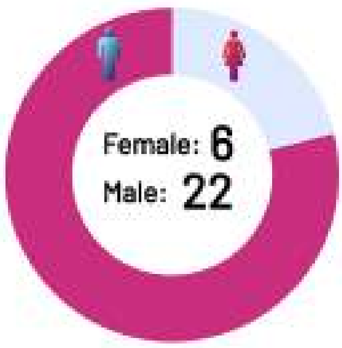
Full Time Employee Voluntary Turnover FY2021-FY2023

	FY2021	FY2022	FY2023
Full time employee voluntary turnover rates	21.04%	16.69%	13.53%

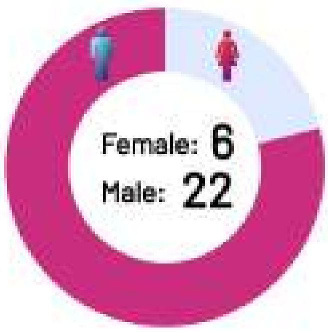
EMPLOYEE DIVERSITY

In FY2023, Masteel hired 320 new employees (302 males, 18 females) and saw 136 employees turnover (13.53%) comprising of 3 management, 34 executives and 99 non-executives, indicating a rise in new hires and a decline in turnover from the previous years. This trend underscores Masteel's commitment to a healthy work environment, equal opportunities, and employee rights protection as per company policies.

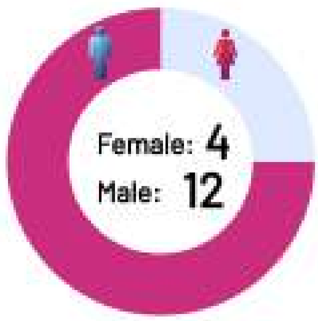
FY2023 Parental Leave



Number of employees that took parental leave in FY2023.



Number of employees that returned to work after parental leave ended.



Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work.

During FY2023, a total of 28 employees availed parental leave, and notably, all 28 successfully returned to work upon the completion of their leave. Similarly, in FY2022, 16 employees took parental leave, and all of them not only returned to work but also retained their employment with Masteel for the subsequent 12 months. This consistent trend underscores the robust support and benefits offered by Masteel to its employees. The company's commitment to facilitating a healthy work-life balance and providing comprehensive support during significant life events contributes to a positive environment. This positive outlook not only reflects Masteel's dedication to the well-being of its workforce but also plays a pivotal role in talent retention. By nurturing a supportive and inclusive workplace, Masteel positions itself to sustain growth by retaining its valuable talents.

TRAINING AND DEVELOPMENT

To ensure the retention of our talented employees, we prioritise fostering their personal development and skills by consistently offering a diverse range of technical, non-technical, and compliance training workshops. Below is a summary of the training and workshops held during FY2023:

Internal	Petaling Jaya Plant	Bukit Raja Plant
	Charting The Path: Navigating The Masteel Esg Journey	Billet Quantity Requirement
	Environmental Social Governance (ESG) The Ways Forward	Briefing On Certification Requirements
	Orientation By HR	Briefing On Quality Control Procedure
	Team Building	Charting The Path: Navigating The Masteel Esg Journey
	Understanding And Implementation Of Energy Management System Based On Iso 50001	Environmental Social Governance (ESG) The Ways Forward
		Equipment (Part 1)
		Equipment (Part 2)
		Iso 9001:2015 Internal Audit Training
		Orientation By HR
		Process Parameter Control
		Quality Control Of The Final Product
		Roll Pass Design
		Rolling Process (Part 1)
		Rolling Process (Part 2)
		Rtmt : Thermo Mechanically Treated
		Spectrolab (Las01) Basic Maintenance & Operating
		Team Building
		Understanding And Implementation Of Energy Management System Based On Iso 50001
		Utilities Requirement

TRAINING AND DEVELOPMENT

External	Petaling Jaya Plant	Bukit Raja Plant
	Certified Energy Manager Training Course Minutes Writing - How To Write Effectively Program Pendidikan Perburuhan 2023 Resolving Boardroom And Shareholders Disputes	-

**This list excludes Occupational Health and Safety Training*

On 9th - 10th September 2023, we organised a Group Teambuilding event at Thistle Port Dickson, attended by 31 participants, including senior management and managerial staff. The program aimed to enhance camaraderie, ignite a spirit of achievement, improve communication, foster trust, and boost employee morale and engagement levels. It focused on creating a collaborative work environment, emphasizing teamwork and shared goals within the organisation.

TRAINING AND DEVELOPMENT

TRAINING AND DEVELOPMENT

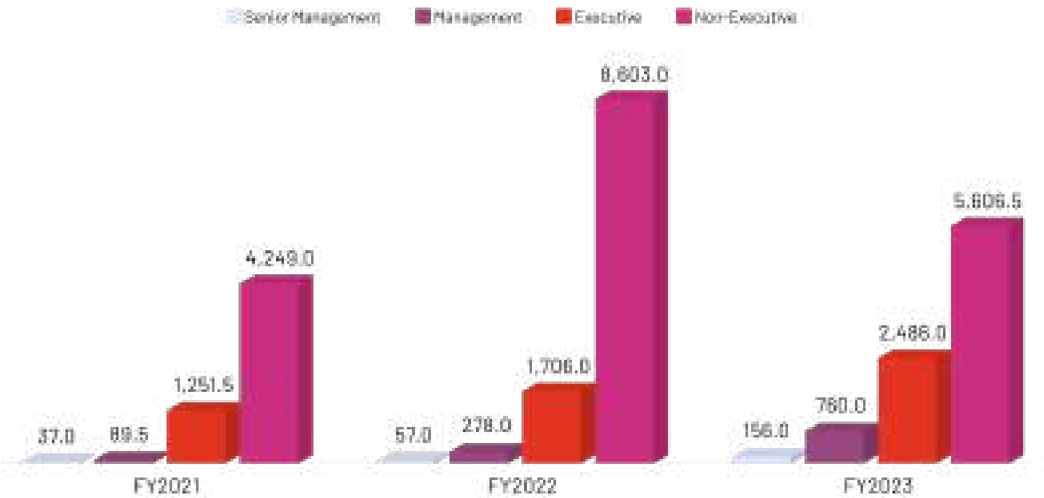
In FY 2023, our average training hours per employee decreased to 8.96 hours, which is attributed to company expansion and increased hiring. In addition, we are actively improving the quality of our training programs by streamlining sessions through a comprehensive curriculum review and identifying redundancies and inefficiencies. This has led to the development of targeted modules addressing specific learning objectives and skill needs. Focusing on high-impact training ensures maximum value for both employees and the organisation, optimising resources and adapting quickly to evolving business needs and industry trends. Despite a reduction in the average training hours per employee, the Group increased its investment in training to approximately RM105,321.50 in FY2023, up from RM83,107.50 in FY2022, marking a 26.7% rise. By placing a premium on quality over quantity, we remain unwavering in our commitment to support continuous workforce growth, thereby contributing to the long-term sustainability and success of our organisation.

Average Training Hours per Employee
FY2021-FY2023

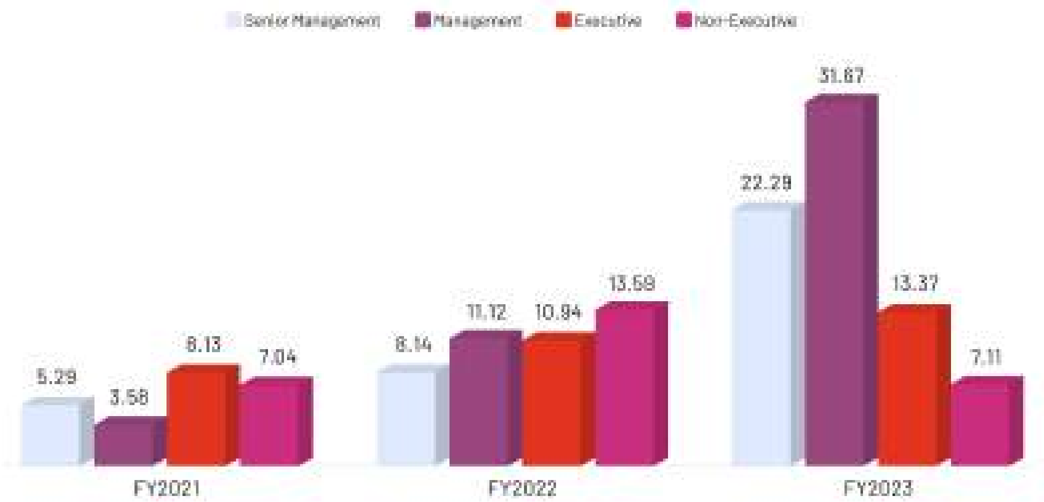
TRAINING AND DEVELOPMENT

Average Training Hours by Gender FY2021-FY2023

Total Training Hours by Employment Category FY2021-FY2023



Average Training Hours by Employment Category FY2021-FY2023



TRAINING AND DEVELOPMENT

ESG Training and Engagement Session with Employees

In alignment with our sustainability commitment, we have taken a proactive step by organising ESG training as part of our engagement session with our internal employees. This initiative aims to ensure that our workforce is well-versed in sustainability concepts and understands their crucial role in contributing to our ongoing sustainability journey.

Conducted on 14th December 2023, at Petaling Jaya Plant, the training, titled "Charting the Path: Navigating the Masteel ESG Journey," drew the participation of 23 employees, including senior and middle management staff.

The primary objective of this training is to empower all Head of Departments (HODs) and Managers with a profound understanding of the significance of ESG practices and their direct impact on the sustainability of the company's business and future growth. Participants are expected to actively integrate ESG principles into their daily departmental operations, contributing to the company's overall sustainability goals. This training is a crucial step in building a sustainable culture within our organisation.

TRAINING AND DEVELOPMENT

Talent Recruitment Initiatives

In our dedication to nurturing talent and bolstering organisational capabilities, Masteel has made a significant stride in recruiting young talents by forging partnerships with local universities. In FY2023, Masteel solidified two pivotal Memorandum of Understanding ("MOU") agreements with prominent academic institutions. These MOUs serve as foundational pillars for fostering robust collaboration between the industry and academia.

The essence of these agreements lies in the mutual commitment to talent development and knowledge exchange. Masteel recognises the invaluable potential within the academic community, particularly among young, emerging talents. Through these strategic partnerships, Masteel aims to harness this potential by providing avenues for students to gain practical insights, industry exposure, and hands-on experience within the organisation.

TRAINING AND DEVELOPMENT

Talent Recruitment Initiatives

XIAMEN UNIVERSITY MALAYSIA
厦門大學馬來西亞分校

On 16th February 2023, Masteel entered into a strategic Memorandum of Understanding (MOU) with Xiamen University Malaysia, solidifying a collaborative commitment to advancing educational programs and training initiatives. This partnership aims to mutually develop and enrich specific fields, benefitting both entities. Additionally, the collaboration facilitates the identification of potential internship or industrial training projects. Masteel is committed to actively engaging in career and employment activities organised by Xiamen University. As part of this commitment, Masteel participated in Xiamen University's career fair on 29th November 2023, where our talent acquisition team successfully connected with the university's talent pool and fresh graduates.

TRAINING AND DEVELOPMENT

Talent Recruitment Initiatives

UNIVERSITI TUNKU ABDUL RAHMAN
Wholly owned by UTAR Education Foundation
(Co. No. 578227-M)

The MOU was signed on 7th November 2023, at the Sungai Long Campus. This agreement outlines the collaboration between Masteel and UTAR, aiming to:

- Foster the exchange of ideas and concepts.
- Establish the framework for mutual visits to improve curriculum development.
- Cultivate long-term collaboration to promote student internships.
- Provide employment opportunities for UTAR graduates.

Together, Masteel and UTAR are committed to enhancing educational experiences and facilitating career pathways for students.

TRAINING AND DEVELOPMENT

Talent Recruitment Initiatives

On 7th December 2023, a meeting was convened to discuss the potential for establishing a long-term collaboration. Masteel expressed its intention to investigate the feasibility of forming a synergistic partnership with UniKL. The goal is to create internships and career advancement opportunities for graduates who have completed Higher Technical and Vocational Education and Training (HTVET) programs. This initiative aims to leverage the strengths of both organisations to provide valuable learning experiences and employment prospects for HTVET graduates, contributing to their professional development and the growth of industries requiring technical expertise.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

ESG Training and Town Hall with External Stakeholder

Masteel hosted an ESG training and town hall meeting for our Suppliers/Contractors on 27th September 2023, at Hilton Hotel, Petaling Jaya. The training, titled "Environmental, Social, and Governance (ESG): The Ways Forward," aimed to raise awareness and provide practical insights into ESG concepts and their potential implementation in the industry. The training was designed to equip participants from our Suppliers/Contractors with the knowledge and skills necessary to understand and integrate ESG principles into their operations, thereby contributing to global sustainable development efforts.

A total of 23 representatives from our Suppliers/Contractors, along with members of Masteel's sustainability team, participated in this training program and town hall session. In addition to the training, the town hall platform facilitated discussions between Masteel and its Suppliers/Contractors on the challenges associated with implementing ESG programs and strategies for overcoming them within their respective organisations. This collaborative effort aimed to cultivate partnerships and promote sustainable business practices throughout the supply chain.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Masteel's Corporate Green Awards 2023

Following our recent ESG training and townhall session, Masteel is excited to announce the launch of the Masteel Green Award 2023. This initiative is designed to encourage and recognize our Suppliers/Contractors for their commitment to sustainable business practices, particularly in reducing carbon footprints and enhancing environmental protection.

The award aims to highlight the importance of environmental stewardship and promote strong social engagement and governance within participating organisations. It's an incentive for our partners to integrate sustainability deeply into their operations, aligning with Masteel's broader ESG objectives.

A panel of experts will evaluate the Masteel Green Award, focusing exclusively on the applicants' annual sustainability statements or reports. This rigorous assessment ensures that the award reflects genuine sustainability and corporate responsibility achievements.

In recognition of exceptional achievements in sustainability, Masteel is set to award five Suppliers/Contractors with a grand prize totaling RM100,000.00. This award underscores our commitment to sustainability and recognises our partners' dedication to environmental and societal goals. The Masteel Green Award aims to foster sustainability excellence and encourage our network to embrace sustainable practices, reflecting our leadership in promoting environmental stewardship.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As a key figure in the local steel industry, we are committed to fostering a sustainable and ethical supply chain. This commitment aims to guarantee an uninterrupted flow of goods while maintaining high standards in ESG criteria. We actively advocate for our suppliers to adopt sustainable and responsible business practices. Furthermore, we prioritise supporting the local economy, with 93.54% of our suppliers based locally and only 6.46% from international sources.

Since 2022, we have sustained the implementation of ESG assessments for all our suppliers and contractors, integrating this evaluation into our supplier due diligence procedures. Committed to minimising the environmental impact of our steel manufacturing processes, we mandate a screening assessment for all suppliers and contractors prior to formalising contracts with Masteel. This prerequisite ensures that every supplier and contractor aligns with Masteel's environmental and ethical standards. The screening process encompasses five specific criteria, underscoring our comprehensive approach to upholding sustainability throughout our supply chain.

CORPORATE SOCIAL RESPONSIBILITY

At Masteel, we remain steadfast in our commitment to actively engage with and contribute to society through our robust Corporate Social Responsibility (CSR) program. In FY2023, our dedicated efforts translated into a substantial contribution of RM100,000.00 to Ti-Ratana Welfare Society.

Ti-Ratana Welfare Society is an organisation dedicated to the welfare of children, women, senior citizens, and healthcare programs. Through our collaboration with them, we aim to make a positive and lasting impact on the lives of more than 500 individuals across these critical sectors. By addressing the unique needs of these demographics, we contribute to the well-being and development of the communities we serve.

Our commitment extends beyond financial contributions, encompassing a holistic approach that actively involves our team members. In FY2023, we ramped up our efforts by engaging our employees in roughly 900 hours of CSR programs. We believe that sustainable change is achieved through collective efforts, and as such, our employees actively participate in various volunteer and outreach programs organized in conjunction with our CSR initiatives. This engagement not only strengthens our bond with the communities but also allows us to gain a deeper understanding of their needs, thereby enabling us to tailor our CSR efforts more effectively.

As Masteel moves forward, we uphold the belief that responsible business and community development are interconnected. Through investments in social programs and collaborations with partners like the Ti-Ratana Foundation, we aim to spark lasting social change and enhance society as a whole.

MASTEEL GREEN INITIATIVES

In 2023, Masteel began an exciting journey towards sustainability, embracing impactful green initiatives to minimise our environmental footprint and inspire positive change for a healthier future.

VOLUNTARY CARBON MARKET

We actively participated in the Voluntary Carbon Market exchange facilitated by Bursa Carbon Exchange, where our efforts culminated in a successful engagement and the securing of a prosperous auction outcome. By actively engaging in this market, we contribute to environmental sustainability and underscore our commitment to carbon reduction initiatives. This achievement reinforces our dedication to responsible business practices and aligns with our broader commitment to mitigating climate change.

MEMORANDUM OF COLLABORATION ("MOC")

Masteel has entered into an MOC with Bursa Malaysia Information Sdn Bhd, marking the initiation of a strategic partnership. The collaboration is centered around conducting a Proof of Concept ("POC") for both the Sustainability Reporting Platform and the Sustainability Financing Platform. This joint effort signifies a significant step towards enhancing sustainability practices within our operations and underscores our commitment to advancing responsible business practices and furthering our contributions to the realm of sustainability.

MASTEEL GREEN INITIATIVES

RAINWATER HARVESTING PROJECT

Masteel has taken proactive measures to reduce water consumption by implementing a rainwater harvesting system at both our Bukit Raja and Petaling Jaya plant. This initiative underscores our commitment to sustainable practices and environmental stewardship. By harnessing rainwater, we not only decrease our reliance on traditional water sources but also minimize our environmental footprint. This investment in water conservation aligns with our broader mission to operate responsibly and mitigate our impact on the environment.

HYDROPONIC VERTICAL FARMING

Masteel implements hydroponic vertical farming at the Bukit Raja plant since 2022. This sustainable practice promotes eco-friendly vegetable growth, reduces greenhouse gases, and enhances biodiversity without disturbing land surfaces. It aligns with Masteel's commitment to ESG principles and promotes healthy eating habits among staff. Vegetables harvested are distributed to staff for free as part of corporate social responsibility initiatives.

GOVERNANCE

Masteel
MALAYSIA STEEL WORKS (KL) BHD
(7878-V)

GOVERNANCE

Masteel’s leadership and workforce recognise their pivotal role in cultivating a sustainable and esteemed business, underscored by robust corporate governance. Upholding the company’s reputation hinges on all employees adhering to our Code of Conduct and Code of Ethics. These codes delineate the principles, standards, and behavioral norms expected from every individual, encompassing both the Board of Directors and Management. In FY2023, we are proud to report that there were no instances of non-compliance with the Code of Conduct and Code of Ethics.

We place emphasis on transparency and accountability as fundamental pillars for building stakeholder trust and fostering a culture of integrity within the Masteel community. Comprehensive information regarding these codes is provided to all new hires during onboarding and is readily accessible to the public via our corporate website.

Throughout FY2023, our Deputy Chairman/CEO actively engaged in the sustainability community through various discussions and forums. They shared detailed insights into Masteel's efforts and progress in enhancing our Environmental, Social, and Governance (ESG) initiatives. This participation not only shed light on our strategic actions and achievements in sustainability but also aimed to contribute to the wider conversation on sustainable practices. This effort underscores our dedication to ESG leadership and transparency, highlighting sustainable development as a key element of our corporate agenda.

GOVERNANCE

This summarises the events and discussions we were involved in as panelist, moderator and industry expert.

Date	Event / Discussion
17th June	Hong Leong Bank's Discussion
4th September	Climate Change Forum "Road to COP28"
19th September	Policymakers and Regulations to Harmonise ESG Disclosure Format and Integration of Systems organised by Ministry of Investment, Trade and Industry
27th September	FMM Sustainability Conference 2023 "Equipping Business with Sustainability Transition
11th-12th October	2023 OECD-Asia Roundtable on Corporate Governance
24th October	Malaysian Investment Development Authority (MIDA) ESG framework or ESG ruler

Privacy and Data Protection

For FY2023, we are pleased to announce that Masteel received no complaints or reports regarding the leakage of employees and customer data. Our steadfast commitment remains to safeguard and uphold the privacy of both employee and customer personal data. Within our Personal Data Protection Policy, we meticulously outline the scope of personal data collected from staff and its permissible uses within the Group and provide clear channels for addressing any employee concerns regarding personal data handling. This policy is integrated into our Employee Handbook, presented in both English and Malay languages, to ensure comprehensive understanding and accessibility.

Furthermore, the Information Technology Policy is explicitly detailed within the Employee Handbook, encompassing the management of the Group's IT systems aimed at safeguarding the personal data of our employees, customers, and partners. This policy delineates procedures to ensure the security of computer workstations and portable devices, including measures such as implementing lock screens, utilising strong passwords, and installing antivirus software. Employees are consistently reminded to adhere to the guidelines specified in the Policy to fortify the cybersecurity of the Group's systems.

Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy

Masteel remains steadfast in our dedication to ethical behavior, exemplified by the formalisation of our Anti-Bribery & Anti-Corruption Policy ("ABAC Policy") and the strengthening of our Whistleblowing Policy. Our ABAC Policy underscores the value of honesty and establishes a robust framework for accountability. Simultaneously, the updated Whistleblowing Policy ensures employees have a secure avenue to report concerns anonymously. Furthermore, the ABAC Policy mandates risk management protocols, comprehensive training initiatives, and effective reporting mechanisms to mitigate potential bribery and corruption risks. The ABAC Policy outlines various forms of bribery and corruption, encompassing areas such as gift-giving, entertainment, travel, hospitality, donations, and sponsorships, which pose potential risks. Additionally, the policy provides guidelines on preventing and addressing potential or perceived conflicts of interest.

Our commitment to good governance and accountability encompasses all employees, including the Board of Directors, as well as third-party partners throughout the Group. Periodic reviews and updates of the ABAC Policy by the Board of Directors ensure alignment with regulatory requirements, as outlined in the Malaysia Anti-Corruption Commission (Amendment) Act 2018.

At Masteel, we prioritise transparent communication of our ABAC Policy to all stakeholders, including directors, employees, and suppliers. Through channels like our corporate website, internal memoranda, induction briefings, and thorough training sessions, we ensure that every Masteel employee is equipped to recognise and report instances of bribery or corruption.

Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy

As part of our best practices, we require all new employees and suppliers to sign an anti-bribery and anti-corruption declaration acknowledging their understanding of and commitment to comply with our ABAC Policy. Furthermore, during their orientation program, all new employees will be introduced to the ABAC policy. This statement is key to Masteel's endeavors to minimise bribery risks across the entire Group, encompassing 100% of our operations, particularly concerning third parties identified in our thorough risk assessment. Based on our risk assessment findings, the division handling import and export activities, as well as engagements with outsourced activities or third-party associations, were identified as having a high risk of bribery. Masteel takes further precautions to enhance risk mitigation. Before engaging with any third party, we conduct thorough due diligence, including checking the Corruption Offenders Database on the Malaysia Anti-Corruption Commission’s website. The Whistleblowing Policy precisely delineates the established procedure for whistleblowers to file a report, specifying the roles and responsibilities assigned to personnel tasked with investigating the claims. Masteel ensures whistleblower anonymity and protects them against retaliation for reports made in good faith.

As of 2023, Masteel conducted a total of 20 training sessions focused on the ABAC Policy, with participation from 207 employees comprising of 30 management (2.99%), 79 executives (7.86%) and 98 non-executives (9.75%). Additionally, these policies are accessible to the public on our corporate website. We take pride in reporting that there were no recorded cases or fines related to corruption in FY2023, marking our fourth consecutive year of maintaining a corruption-free record. As a publicly listed entity, Masteel maintains neutrality, does not support or endorse political parties or organisations, and refrains from making political donations.

LEGAL COMPLIANCE

At Masteel, strict adherence to all pertinent laws and regulations established by regulatory bodies is a non-negotiable priority. We implement ongoing, effective monitoring and mitigation measures to proactively identify and address any potential compliance risks, as outlined in our risk register. Additionally, we remain vigilant regarding any new or updated compliance regulations pertinent to our operations. Through routine checks utilising a comprehensive risk reporting checklist, we ensure ongoing compliance with the latest legal requirements. Our stringent monitoring efforts have resulted in zero instances of non-compliance recorded for FY2023.

Legislation	Relevant Compliance Obligation	Affected Activities	Compliance Evaluation Method
Waste and Chemical Related			
Solid Waste and Public Cleansing Management Act 2007	• Disposal via licensed contractor	• Disposal of domestic wastes	• Contractor's Service Report/Invoice
Occupational Safety and Health Act 1994 Section 20, 21, 22, 23, 27; Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000	• 5-Chemical register • 9 & 10-Chemical health risk assessment • 16-PPE • 20 & 21-Labelling & re-labelling • 25-Safety Data Sheet	• All chemicals used	• CHRA Reports • Chemical Registry • Stock Cards

LEGAL COMPLIANCE

Legislation	Relevant Compliance Obligation	Affected Activities	Compliance Evaluation Method
Noise and Statutory Nuisance			
Occupational Safety and Health Act 1994 Section 15, 17, 18, 24, 28; Occupational Safety and Health (Noise Exposure) Regulations 2019	• 3 & 6-Noise exposure monitoring & limits • 4-Noise risk assessment by certified assessor • 5-Training & supervision • 7 & 8-Hearing protection • 9 & 10-Audiometric testing • 11-Record keeping	• Noise from all process areas	• Yearly Noise Monitoring Report • Audiometric test report for employees with high noise exposure • Hearing conservation training records
Health and Safety Related			
Occupational Health and Safety Act, 1994	• Section 15(1) & 17-OHS risk assessment • Section 16-Establishment of Safety Policy	• All activities	• HIRARC & Review of Environmental, Occupational Health & Safety Policy during yearly management review or when required
Occupational Safety and Health Act 1994 Section 29 OSH (Safety & Health Officer) Regulation 1997	• 4,5,6,7,8,9,10,11,12,13-Registration of Safety & Health Officer • 14-Notification of Safety & Health Officer • 18,19,20-Duties of Safety & Health Officer	• All activities	• Safety Officer's green book

LEGAL COMPLIANCE

Legislation	Relevant Compliance Obligation	Affected Activities	Compliance Evaluation Method
Health and Safety Related			
Occupational Safety and Health Act 1994 Section 30, 31 OSH (Safety & Health Committee) Regulation 1996	• 4, 28-Duties of employers • 5,6,7,8,9,10-Membership & appointment of committee • 11,12,13,14,15,16,17, 18,19,20-Functions & responsibilities • 21,22,23,24,25,26, 27-Committee Meeting • 29-Duties to provide training • 30-Documentation & Information	• All activities	• Safety & Health Committee Chart • Quarterly meeting minutes
Occupational Health and Safety Act, 1994 Section 32 OSH (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004	• 4,5,6,7,8-Notification and reporting of accident and dangerous occurrence • 9-No interference at accident scene or dangerous occurrence scene • 10 & 11-Record submission & record keeping	• All activities	• MyKKP portal's data & report

LEGAL COMPLIANCE

Legislation	Relevant Compliance Obligation	Affected Activities	Compliance Evaluation Method
Factory and Machinery Related			
FMA (Safety & Health Welfare) Regulations 1970 amended 1983	• 6-Maintenance of floor • 7-Access of place of work • 9-Stairway • 12-Working at height • 13-Confined spaces • 16-Precaution against ignition • 20-Stacking of material • 21 & 22-Fire precaution & firefighting • 32-Working cloths, PPE & appliance • 38-First Aid	• All activities	• SHE Monitoring & Measurement Table in procedure MSW-8-P05
FMA (Notification, Certificate of Fitness & Inspection) Regulation, 1970 amended 2009	• 3-Operation of factory and use of machinery • 5-Factory general register • 10,12,28-Machinery requiring certificate of fitness to have current & valid certificate for operation • 14 & 22-Regular inspection	• Use of Lifthing Hoist (Overhead Crane) Compressors	• JKKP Logbook • License Register
Others			
Fire Service Act 1988	• 2-Storage of water & fire hydrant for fire-fighting in premise • 23-Notice of work affecting fire hydrants • 28,29,30,32,33-Fire certificate	• All activities	• Fire Certificate renewal record

LEGAL COMPLIANCE

Legislation	Relevant Compliance Obligation	Affected Activities	Compliance Evaluation Method
Others			
Companies Act 2016	• To comply all sections of Companies Act, 2016 and submit necessary returns to Companies Commission of Malaysia	• Corporate Compliance	• Risk reporting checklist
Bursa Malaysia Listing Requirements	• To comply all Chapters, Practice Notes, and Directives of Main Market Listing Requirement as well as amendments on Listing Requirements from time to time	• Listing status on Bursa Malaysia	• Risk reporting checklist

OUR FUTURE PLANS

Masteel remains steadfast in our dedication to embedding ESG values at the heart of our business practices. Bolstered by the encouragement of our stakeholders, we are motivated to further our commitment to sustainability. This marks a pivotal advancement in our ongoing journey. As we look to the future, we have identified a series of targeted initiatives designed to enhance our contribution to ESG principles. This signify our ambition not only to meet the current expectations of our stakeholders but also to lead by example in our industry.

To secure the ISO 14064 certification, which pertains to the calculation method for carbon dioxide emission intensity in iron and steel production.

Masteel is dedicated to realising a minimum reduction of 10% in overall greenhouse gas (GHG) emissions by 2026, followed by an additional 15% decrease by 2031.

To attain ISO 50001:2018 Energy Management certification, showcasing dedication to improving energy efficiency and reducing environmental impact through systematic energy practices.

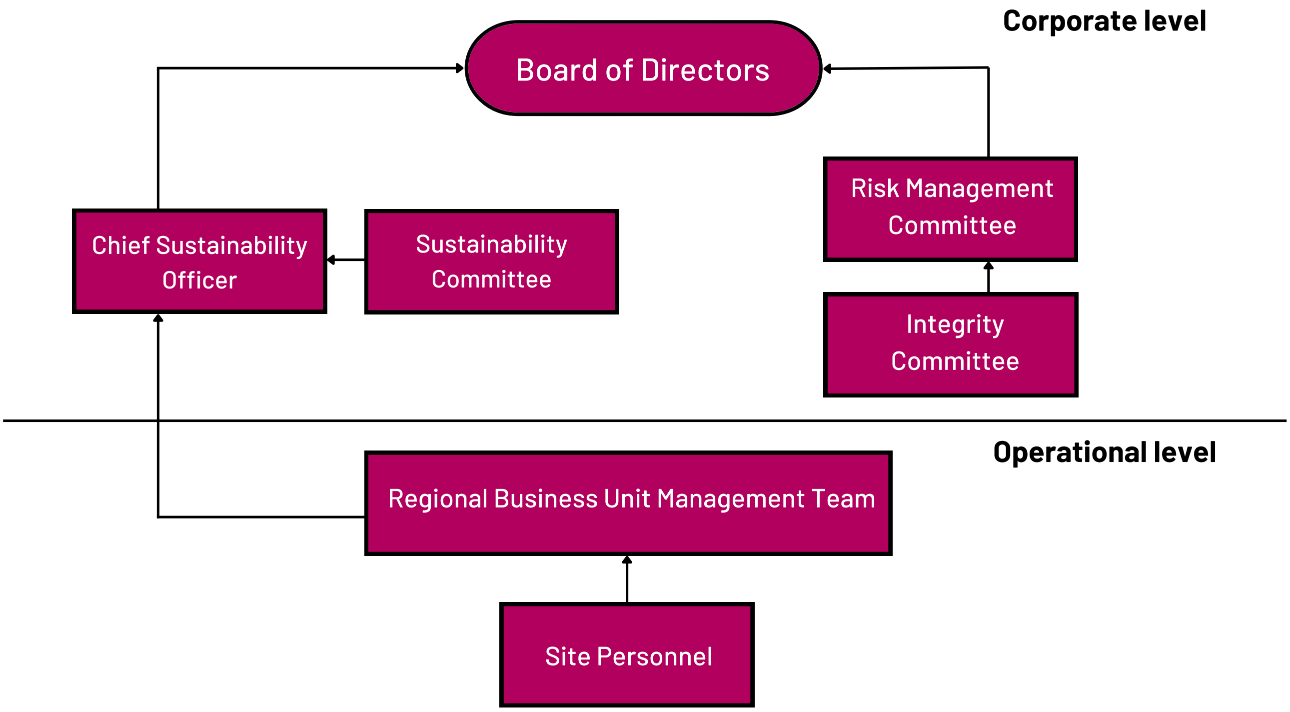
Masteel
MALAYSIA STEEL WORKS (KL) BHD
(7878-V)

2023

TCFD & ISSB REPORT

GOVERNANCE

Disclose the Masteel's governance in assessing and managing climate - related risks and opportunities



At Masteel, we recognise the significance of sustainability in our pledge to preserve the planet and shape a brighter future for future generations. Acknowledging the substantial environmental footprint associated with our operations in the manufacturing industry, the Board of Directors is fully committed to embedding sustainable practices throughout all facets of our business. This resolute commitment is aimed at advancing our sustainability agenda.

In the December 2023 Board meeting, the Board decided to appoint Mr Smith Yong Weng Yeu as the Chief Sustainability Officer starting in 2024. He will be entrusted with supervising Masteel's sustainability frameworks, management systems, and processes in accordance with our comprehensive Sustainability Policy.

Ms. Zueraini Ahmad Basri, the Independent Non-Executive Director and member of the Board of Directors, oversees both the Sustainability Committee and Risk Management Committee and is ultimately responsible for overseeing climate change issues at Masteel. This agenda encompasses the approval of Masteel's sustainability objectives, strategy, targets, and policies. All issues pertaining to sustainability undergo thorough discussion in Board meetings and receive endorsement from the Board before publication.

Empowered by the Board, the sustainability committee takes charge of advancing the Masteel's sustainability-related goals while also navigating diverse climate-related risks and opportunities. The committee formulates strategies concerning sustainability and climate, oversees the collection and reporting of greenhouse gas emissions data, and manages the development of climate-related disclosures. This responsibility extends to safeguarding the well-being of our employees and contractors. Furthermore, the committee meticulously oversees critical environmental risks and actively fosters Masteel's involvement in promoting the sustainable development of our organisation. Similary, the Risk Management Committee assumes a crucial role in overseeing Masteel's approach to addressing the challenges and opportunities presented by climate change. The risk management framework has been expanded to include ESG-related risks and their mitigation strategies more effectively. The Integrity Committee in supporting Risk Management Committee plays a crucial role within organisations by overseeing and ensuring adherence to ethical standards, compliance with laws and regulations, and promoting a culture of integrity. Both committees meet at least thrice a year to review Masteel's sustainability, climate risks, and opportunities. Updates from these meetings, underscoring Masteel's support for Malaysia's commitment to the Paris Climate Agreement, are presented to the Board for discussion and approval.

STRATEGY

Disclose the actual and potential consequence of climate-related risks and opportunities for the Masteel's business, strategy and financial planning.

Masteel takes a comprehensive approach to integrating climate-related considerations into its financial planning, acknowledging both short-term (1-5 years) and long-term (5-10 years) horizons. This forward-looking perspective is crucial in navigating the evolving landscape shaped by the Paris Climate Agreement 2015. The agreement's emphasis on transitioning towards a low-carbon economy by reducing greenhouse gas emissions has opened new markets and opportunities for growth, which Masteel is keenly exploring.

In response to the global commitment to combat climate change, Masteel has proactively aligned our strategies with regulatory developments to enhance our resilience and capability in addressing climate change challenges. Recognising the significance of mitigating climate impact, Masteel has made substantial investments in strategic initiatives aimed at reducing GHG emissions across our operations. This commitment is underscored by establishing a specialised team dedicated to advancing these strategic priorities, signifying Masteel's earnest pursuit of environmental sustainability.

Masteel's thorough assessments have pinpointed various climate-related risks and opportunities, shaping our strategic and decision-making frameworks. These insights guide our efforts to mitigate risks and leverage opportunities amid the shift to a sustainable, low-carbon economy. This section highlights our strategic actions to protect our business from climate vulnerabilities and harness new opportunities in this evolving landscape.

CLIMATE-RELATED RISKS

Physical: Acute and Chronic

Risk type	Potential Financial Impact	Time Horizon	Description of Risk	Mitigation Strategy
Weather: Heavy precipitation and flooding	Company revenue will be impacted due to delays in the production and delivery of steel products	Short-term and Long-term	Masteel operates two manufacturing facilities in Malaysia, situated in areas frequently affected by heavy rainfall and flooding. Such extreme weather events disrupt logistics and distribution networks, adversely affecting the supply chain. Increased worker absenteeism as employees are unable to report to work due to heavy rainfall. However, the elevated positioning of Masteel's plants in Bukit Raja, Klang, protects the machinery from flood damage.	As a short-term mitigation measure, Masteel maintains ample liquidity in a sinking fund to cover operational costs and fixed financial obligations for repairing plants and machinery. Furthermore, Masteel secures comprehensive insurance for our facilities and equipment. We are also in the process of scouting for a more appropriate location for plant relocation and arranging suitable financing, whether through debt or equity, to support the expenses associated with the move.

CLIMATE-RELATED OPPORTUNITIES

Transition: Technology

Opportunities type	Potential Financial Impact	Time Horizon	Description of Opportunities	Strategy to Realise Opportunities
Invest in low emission technology - Induction Furnace (IF)	It enables us to save on the billet production cost approximately 10.6% per metric tonne.	Short-term and Long-term	Transitioning from an Electric Arc Furnace ("EAF") to an Induction Furnace ("IF") enhances our ability to withstand market fluctuations, thanks to the significant cost reductions associated with this technology. Adopting IF allows us to cut CO_2 emissions by 42.87% per metric ton, enabling us to attract new customers and investors who highly value ESG standards. This shift paves the way for profitable returns on our investment in sustainable, low-emission technology through the deployment of IF.	Our approach to seizing this opportunity involves securing the necessary funding and deploying suitable IF technology. It lowered the likelihood of penalties and non-compliance with evolving environmental regulations. The dedicated operational team tasked with overseeing this transition will guarantee the smooth and efficient functioning of the IF equipment. .

CLIMATE-RELATED OPPORTUNITIES

Transition: Technology

Opportunities type	Potential Financial Impact	Time Horizon	Description of Opportunities	Strategy to Realise Opportunities
Invest in Hi-Speed Bar Project	We plan to allocate an estimated CAPEX budget of RM64 million towards this Hi-Speed Bar Project. This investment is projected to reduce the cost of bar production by approximately 4.0% per metric tonne. As a result, our steel bar production capacity is expected to rise by exceeding more than double annually.	Short-term and Long-term	Capitalising on this opportunity will enhance our profit margins through potential savings in bar production, overhead and logistic costs. Adopting this advanced technology will also lead to a reduction in CO_2 emissions, attracting customers and investors who prioritise ESG practices.	Our strategy to capitalise on this opportunity involves securing the necessary funding and deploying the right technology for the Hi-Speed Bar Project.

CLIMATE-RELATED OPPORTUNITIES

Transition: Technology

Opportunities type	Potential Financial Impact	Time Horizon	Description of Opportunities	Strategy to Realise Opportunities
Increased in water usage saving - Rainwater harvesting system	We invested RM200,000 for the installation of a rainwater harvesting system at our Petaling Jaya plant. This positive initiative has allowed us to cut our annual water usage and reducing our total water bill.	Short-term	This opportunity aligns with our company's commitment to incorporating ESG principles into our overall business strategy. This beneficial initiative will help the company conserve water and lower operational expenses.	Our approach to leveraging this opportunity involves recycling collected rainwater for use within the plant. The mechanism involves capturing rainwater via the factory's roof gutters. This collected rainwater is then directed to holding tanks with a capacity of 20,000 gallons, before being distributed to various operational areas within the factory.

Transition: Market

Opportunities type	Potential Financial Impact	Time Horizon	Description of Opportunities	Strategy to Realise Opportunities
Access to new and emerging markets	Our commitment to ESG practices is projected to increase sales by at least 15% in the near term, significantly enhancing our performance and revenue.	Long-term	Capitalising on this opportunity will position Masteel as a global leader in ESG commitment, opening doors to new customers and investors who prioritize high ESG standards in their suppliers, including markets like Singapore.	Our strategy to seize this opportunity involves ongoing investment and commitment to ESG practices, aiming to maintain our listing on the FTSE4Good Bursa Malaysia Index.

CLIMATE-RELATED OPPORTUNITIES

Transition: Reputation

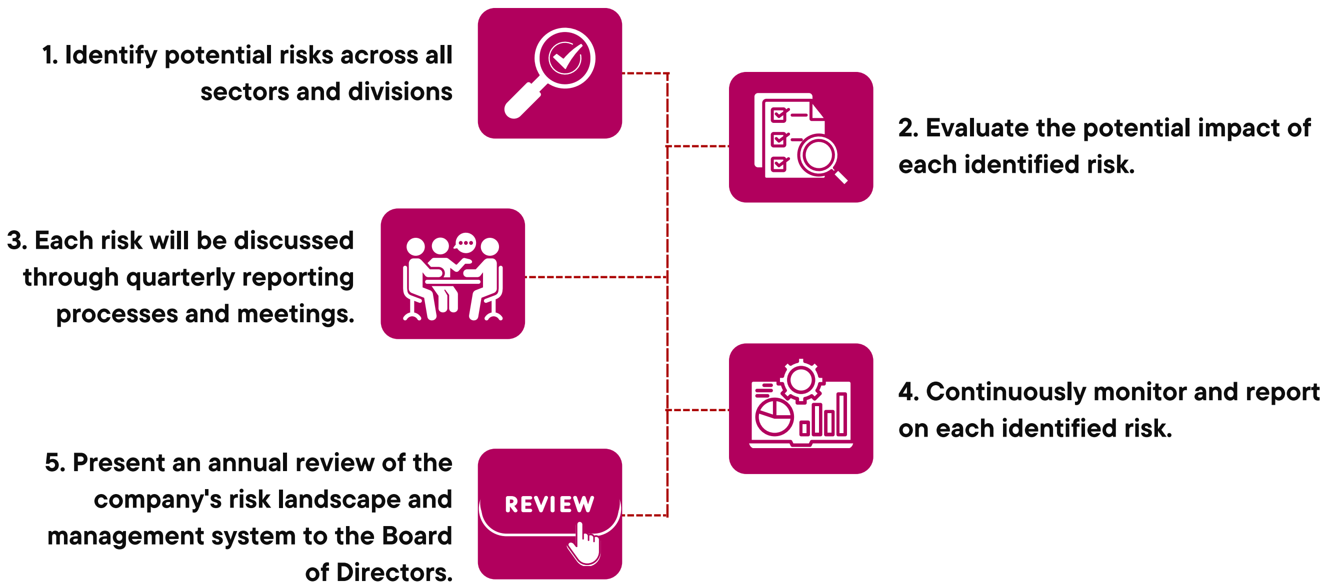
Opportunities type	Potential Financial Impact	Time Horizon	Description of Opportunities	Strategy to Realise Opportunities
Achieving a net-zero strategy by 2050	The company is expected to see a positive financial impact, with projected annual financial improvements of RM6.5 million.	Long-term	Committing to lower GHG emissions will boost Masteel's global reputation by adopting strong ESG practices, leading to the attraction of new customers and investors over the long term.	Our approach to capitalising on this opportunity involves a commitment to reducing GHG emissions by 10% over the next four years (2023-2026) and aiming for an additional 15% reduction by 2031. This will be achieved through a series of ESG initiatives and investments in innovative technologies.

RISK MANAGEMENT

Disclose how Masteel's identifies, assesses and manages climate-related risks.

Masteel has enacted rigorous policies and procedures to reinforce our commitment to mitigating risks across our diverse operations. Leading this initiative is the TCFD task force committee, composed of Executive Directors, and Independent Non-Executive Director, Senior Vice-President, Vice President, and Chief Sustainability Officer.

Underpinning these efforts is the integration of the Enterprise Risk Management ("ERM") Model. Additionally, the external COSO standard is referenced in the development of Masteel's risk management system and for purposes of transparent reporting. Masteel has implemented the following risk management processes to enhance our risk management practices.



RISK TYPES

Transition: Risk types in Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Emerging and current regulations	Relevant, always included	We consistently incorporate emerging and existing regulations as a vital component in our risk assessment process. This is crucial due to the potential financial implications and the urgent need for immediate compliance. • Masteel has installed a computerised emission monitoring system to verify that furnace air emissions adhere to the regulations set forth by the Department of Environmental ("DOE"). • Masteel has designated appropriate storage areas for all scheduled wastes and follows safe disposal practices in accordance with the standards and regulations established by the authorities. • Masteel has implemented a strategic plan that establishes time-specific targets exceeding regulatory requirements to minimise or eliminate pollution, effectively manage waste, and optimise resource utilisation.
Legal	Relevant, always included	Masteel diligently navigates daily operations at its Petaling Jaya and Bukit Raja plants, adhering to environmental permits and staying attuned to evolving legislation. Legal risks are consistently factored into our climate risk assessments. We remain vigilant regarding potential increases in permit enforcement or policy adjustments, necessitating swift mitigation strategies. Operating strictly within permit parameters is paramount to preserving our operational license and minimising any potential financial repercussions stemming from production constraints.
Market	Relevant, always included	Masteel acknowledges that climate change will usher in new markets, opportunities, and consumer preferences. Thus, thorough market risk assessments are integral to our overall risk evaluation process. We recognise that evolving consumer preferences, particularly towards environmentally sustainable and socially responsible production materials (ESG-friendly), may influence the demand for Masteel's products.

RISK TYPES

Transition: Risk types in Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Technology	Relevant, always included	The progression of technology serves as a critical enabler for Masteel to realise our net-zero strategy by mitigating carbon emissions and lessening the environmental footprint of its production methods. Given the rapid pace of technological advancement, ongoing monitoring of associated risks is imperative. Masteel is committed to spearheading the adoption of cutting-edge technology to diminish greenhouse gas emissions. Consequently, evaluating technology risks holds significant relevance within the strategic planning framework, particularly concerning the modernisation of production plant technologies.
Reputation	Relevant, always included	Masteel meticulously evaluates the reputational risks associated with every business decision, aligning with the prevailing market trend characterised by an increased societal emphasis on environmentally friendly and climate-conscious production, Examples of reputational risks include: • Frequency and necessity of air travel • Management and disposal practices of waste materials • Well-being and treatment of employees • Adverse effects on local communities attributed to production plant operations.
Geographical	Relevant, always included	Masteel thoroughly evaluates geographical risks for each business move, aligning with market trends toward sustainable and climate-conscious production. Examples of these risks include: • Changes in demand for steel products based on their carbon footprint, with potential geographical variations in consumer preferences and regulatory environments. • The pace and nature of technological advancements may differ by region, affecting companies differently based on their geographical location.

RISK TYPES

Physical: Risk types in Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Acute	Relevant, sometimes included	The potential threat of severe weather poses a risk to both individuals and assets, with tangible effects. For instance, extreme weather conditions could disrupt the logistics of transporting both raw materials and finished products, affecting the timely delivery of steel to customers.
Chronic	Relevant, sometimes included	Presently, Masteel's production and operations remain unaffected by persistent climate change phenomena like sea level rise, temperature fluctuations, or increased wind intensity. Nonetheless, these factors could pose future risks. For instance, they may impact access to water resources, potentially disrupting production processes.

METRICS AND TARGETS

Disclose Masteel's metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

In our dedication to securing the ISO14064 certification, Masteel has implemented improved calculation methods for FY2023. As part of our commitment to enhanced transparency, we have expanded our Scope 1 emissions disclosure to include an additional category for fugitive gases. This action underscores our pledge to reach net-zero carbon emissions by 2050, demonstrating Masteel's steadfast path toward this objective.

For FY2023, Scope 1 emissions are measured following the ISO14404-4: 2020, Calculation method of carbon dioxide emission intensity from iron and steel production standards and United States Environmental Protection Agency Emission Factor 2023 and in line with the IPCC Forth Assessment Report ("AR4") based on a 100-year time horizon, while Scope 2 calculations adhere to the emission factors set by the Malaysian Energy Commission Grid Emission Factor 2021. Continuing from FY2022, we disclose the same five categories within Scope 3, including Category 6 - Business Travel, Category 7 - Employee Commuting, Category 8 - Upstream Leased Assets, Category 11 - Use of Sold Products, and Category 13 - Downstream Leased Assets. The calculation for Scope 3 emissions takes into account the Malaysian Energy Commission Grid Emission Factor 2021, and the United States Environmental Protection Agency Emission Factor 2023. The enhanced calculation methods for FY2023 are designed to comply with the ISO14404-4: 2020 standard.

GHG Emissions (tCO_2e)

Metric	2021	2022	2023*
Scope 1 (Process)	158,264.89	152,306.57	4,588.56
Scope 1 (Diesel)	1,033.19	1,128.64	1,758.89
Scope 1 (Fugitive Gases)	-	-	285.51
Scope 2 (Energy Consumption)	208,783.49	223,345.52	325,057.23
Process Carbon Intensity (tCO_2e/mt)			
Steel Making Plant	0.528	0.531	0.497
Rolling Mill Plant (Induction Heater)	0.138	0.141	0.147
Scope 3 (C6-Business Travel)	-	0.47	4.86
Scope 3 (C7-Employee Commuting)	-	580.29	467.70
Scope 3 (C8-Upstream leased assets)	-	142.07	358.16
Scope 3 (C11-Use of sold products)	-	2,178.48	2,161.99
Scope 3 (C13-Downstream leased assets)	-	747.71	1,398.29
Total	368,081.57	380,429.75	336,081.19
Overal Carbon Intensity (tCO_2e/mt)	0.535	0.519	0.396

- *Scope 1 GHG emissions are calculated according to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Stationary and Mobile Combustion (FY2021 & FY2022).*
- *Scope 1 GHG emissions are calculated according to the ISO14404-4:2020 and the United States Environmental Protection Agency Emission Factor 2023 (FY2023).*
- *Scope 2 GHG emission is calculated according to the Malaysia 2017 CDM Electrcity Baseline (FY2021 & FY2022).*
- *Scope 2 GHG emission is calculated according to the Malaysia Energy Commission Grid Emissions Factor 2021 (FY2023).*
- *Scope 3 GHG emissions are calculated according to the United States Environmental Protection Agency Emission Factor 2022, 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Mobile Combustion and Malaysia's 2017 CDM Electrcity Baseline (FY2021 & FY2022).*
- *Scope 3 GHG emissions are calculated according to the United States Environmental Protection Agency Emission Factor 2023 and the Malaysia Energy Commission Grid Emissions Factor 2021*

**An enhanced calculation methodology has been adopted in FY2023 as part of our progress in obtaining ISO14064 certification*

In FY2023, our total GHG emissions, encompassing Scope 1 and 2, reached 331,690.19 metric tonnes, while Scope 3 recorded a total of 4,391.00 metric tonnes. In total, we registered 336,081.19 metric tonnes of GHG emissions. Additionally, we disclose our total GHG emissions concerning our production, reflecting our carbon intensity. This measurement is divided into two distinct categories: for the steelmaking plant, the carbon intensity is recorded at 0.497 tCO_2e/mt, while for the rolling mill plant, it corresponds to 0.147 tCO_2e/mt.

Masteel remains dedicated to reducing its GHG emissions through numerous eco-friendly efforts aimed at lessening our impact on the climate. This commitment is in harmony with the worldwide efforts of organizations such as the United Nations, the World Health Organization ("WHO"), and the Organization for Economic Co-operation and Development ("OECD"). Additionally, as a prominent player in Malaysia's steel sector, our dedication to these environmental initiatives contributes to the goals of the Twelfth Malaysia Plan.

We have established a goal to lower our GHG emissions across Scope 1, 2, and 3 by 10% by 2026, with an additional reduction of 15% by 2031. We rigorously track our progress toward these targets, including performing climate scenario analyses for three potential future temperature increases (1.5°C, 2.0°C, and 4.5°C) by the year 2100. This analysis leverages two Representative Concentration Pathways ("RCPs") acknowledged by the Intergovernmental Panel on Climate Change ("IPCC"). The specific RCP climate models we utilise are detailed in the following table.

RCP Scenario	
RCP 2.6	RCP 2.6 requires that CO_2 emissions begin declining in 2020 and are reduced to zero by 2100. It also requires a reduction in CH_4 and SO_2 emissions. This scenario also relies on the overall absorption of CO_2 by the environment (such as trees), amounting to 2 gigatons per year. Under this scenario, the global temperature rise will likely remain below 2°C by 2100.
RCP 4.5	RCP 4.5 is described by the IPCC as an intermediate scenario. Under RCP 4.5, CO_2 emissions peak in 2040 before beginning to decline. CH_4 and SO_2 emissions also decline, but not as rapidly as under RCP 2.6. RCP 4.5 is likely to result in global temperature rise between 2°C and 3°C by 2100, with mean sea level rise 35% higher than that of RCP 2.6. Additionally, it is predicted that many plant and animal species will be unable to adapt to the effects of RCP 4.5.

CONCLUSION

Masteel remains steadfast in our dedication to comprehensively understand, transparently disclose, and effectively manage climate-related risks and opportunities. This commitment is strongly supported by both the Board of Directors and our dedicated teams across the organisation. With an active approach to stakeholder engagement including our vendors and suppliers, Masteel is focused on ensuring the achievement of our ambitious environmental targets, including reaching net-zero carbon emissions by the year 2050. To further underscore our commitment to environmental sustainability, Masteel is involved in a variety of initiatives aimed at reducing our greenhouse gas (GHG) emissions. We have set a significant goal to lower GHG emissions by 10% by the year 2026, followed by an additional reduction of 15% by 2031. These targets are part of our strategic efforts to contribute to global climate action and demonstrate our responsibility towards creating a sustainable future.

As a conscientious participant in the steel industry, Masteel is dedicated to playing a pivotal role in combating climate change. We firmly stand against any business activities within our operations that could detrimentally impact the climate. This resolve is backed by the strong commitment of the entire Masteel community. Masteel aims to set the standard for the steel industry by fully embracing and implementing ESG principles. We seek to mitigate environmental risks, foster social responsibility, and uphold exemplary governance practices through this dedicated approach. The end goal is to enhance our sustainability and encourage a broader industry shift towards more responsible and climate-aware operations.

CONCLUSION

By prioritising ESG integration, Masteel is laying the foundation for a future where the steel industry operates in harmony with the planet. Our efforts to reduce our environmental footprint, engage with stakeholders transparently, and govern ethically are steps toward realising a sustainable future. With the collective effort of the Masteel community, we are poised to lead by example, showcasing how integrating ESG practices can drive not just corporate success but also contribute significantly to global sustainability efforts.

Therefore, the effective implementation and unwavering commitment from all stakeholders are expected to bolster Masteel's financial health significantly, continuing to project an annual enhancement in financial performance in the year ahead.

PERFORMANCE DATA TABLE
from BURSA ESG Reporting Platform

Indicator	Measurement Unit	2023
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	2,605.04
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	2,277.11
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	327.93
Disclosure of three years of Nitrous Oxides (NOx) emissions (tonnes)	Metric tonnes	640.58
Disclosure of three years of Sulphur Oxide (SOx) emissions (tonnes)	Metric tonnes	4,610.47
Disclosure of three years of Volatile Organic Compounds (VOCs) emissions (kilograms)	Kilograms	0.00
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	11,573.40
Disclosure of three years of non-recycled waste generation (tonnes)	Metric tonnes	977.08
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	18,602.00
Total costs of environmental fines and penalties during financial year	MYR	0.00
Percentage of sites covered by recognized environmental management systems such as ISO14001 or EMAS	Percentage	20.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	60,322.98
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	328,087.23
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	4,281.08
Three years of total GHG emissions data on properties disclosed	Metric tonnes	1,066,582.31
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	428,835.43
Three years of total energy usage data on properties disclosed	Megawatt	1,151,610.06
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	302.393000
Three years of total water usage data from property portfolio disclosed	Cubic meters	973,020.00
Company discloses the number and/or proportion of sites with a water management plan	Number	100
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.07
Bursa C5(c) Number of employees trained on health and safety standards	Number	927
Percentage of sites with OHSAS 18001 certification	Percentage	100.00
Number of work-related employee fatalities, over last 3 years	Number	1
Number of work-related contractor fatalities, over last 3 years	Number	0
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	916
Executive	Hours	2,496
Non-executive/Technical Staff	Hours	5,907
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	82.79
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	7
Executive	Number	34
Non-executive/Technical Staff	Number	69
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.10
Management Between 30-50	Percentage	1.38
Management Above 50	Percentage	1.59
Executive Under 30	Percentage	2.09
Executive Between 30-50	Percentage	11.96
Executive Above 50	Percentage	4.78
Non-executive/Technical Staff Under 30	Percentage	38.56
Non-executive/Technical Staff Between 30-50	Percentage	42.09
Non-executive/Technical Staff Above 50	Percentage	7.78
Gender Group by Employee Category		
Management Male	Percentage	2.88
Management Female	Percentage	0.40
Executive Male	Percentage	15.62
Executive Female	Percentage	2.09
Non-executive/Technical Staff Male	Percentage	74.83
Non-executive/Technical Staff Female	Percentage	3.18
Bursa C3(b) Percentage of directors by gender and age group		

Internal assurance | External assurance | No assurance | (*)Restated

PERFORMANCE DATA TABLE
from BURSA ESG Reporting Platform

Indicator	Measurement Unit	2023
Male	Percentage	62.50
Female	Percentage	37.50
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00
Percentage of global staff with a disability	Percentage	0.00
Percentage of women in the global workforce	Percentage	7.06
Number of Board Directors	Number	8
Number of independent Directors on the board	Number	4
Number of women on the board	Number	3
Percentage of women on the Executive committee or equivalent	Percentage	37.50
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.54
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	100,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	900
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	2.59
Executive	Percentage	7.48
Non-executive/Technical Staff	Percentage	9.75
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Disclosure of total amount of political contributions made	MYR	0.00
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	0.00
Bursa (Corporate Governance)		
Annual General Meeting: Number of days between the date of notice and date of meeting	Number	28
Number of fines/settlements over the previous 3 years where each is valued > US $100 million	Number	0
Combined total value of fines/settlements over the previous 3 years where each is valued > US $100 million	MYR	0.00

Internal assurance | External assurance | No assurance | (*)Restated

GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Page Number
GRI 2 - General Disclosures 2021		
2-1	Organizational details	05
2-2	Entities included in the organisation's sustainability reporting	08
2-3	Reporting period, frequency and contact point	08
2-4	Restatements of information	Disclosed at the relevant sections, where applicable
2-5	External assurance	17
2-6	Activities, value chain and other business relationships	05,89
2-7	Employees	75-78
2-8	Workers who are not employees	75-78,85-88
2-9	Governance structure and composition	20, 96, 108-109
2-14	Role of the highest governance body in sustainability reporting	108
2-22	Statement on sustainable development strategy	13
2-23	Policy commitments	18,98-100
2-24	Embedding policy commitments	18,98-100
2-25	Processes to remediate negative impacts	25, 109-111,116-119
2-26	Mechanisms for seeking advice and raising concerns	99-100
2-27	Compliance with laws and regulations	101-105
2-28	Membership associations	07
2-29	Approach to stakeholder engagement	20
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GRI 3 - Material Topics 2021		
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3-2	List of material topics	26-29
3-3	Management of material topics	Throughout
GRI 201 - Economic Performance 2016		
201-1	Direct economic value generated and distributed	92
201-2	Financial implications and other risks and opportunities due to climate change	108-123
GRI 202- Market Presence 2016		
202-2	Proportion of senior management hired from the local community	75-76
GRI 203 - Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	92,110-115
203-2	Significant indirect economic impacts	92,110-115

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GRI Indicator	Content of Disclosure	Page Number
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204-1	Proportion of spending on local suppliers	91
GRI 205 - Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	99-100
205-2	Communication and training about anti-corruption policies and procedures	99-100
205-3	Confirmed incidents of corruption and actions taken	99-100
GRI 301 - Materials 2016		
301-1	Materials used by weight or volume	53
301-2	Recycled input materials used	53-54
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302-3	Energy intensity	47-48
302-4	Reduction of energy consumption	47-48
302-5	Reduction in energy requirements of products and services	47-48
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303-1	Interactions with water as a shared resource	49-50
303-5	Water consumption	49-50
GRI 305 - Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	44-45,120-122
305-2	Energy indirect (Scope 2) GHG emissions	44-45,120-122
305-3	Other indirect (Scope 3) GHG emissions	44-45,120-122
305-4	GHG emissions intensity	44-45,120-122
305-5	Reduction of GHG emissions	44-45,120-122
305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	41-42

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GRI Indicator	Content of Disclosure	Page Number
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306-2	Management of significant waste-related impacts	32-38,52-55
306-3	Waste generated	32-38
306-4	Waste diverted from disposal	32-38
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GRI 308 - Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	91
GRI 401 - Employment 2016		
401-1	New employee hires and employee turnover	75-78
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	75-78
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GRI 403 - Occupational Health and Safety 2018		
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403-4	Worker participation, consultation, and communication on occupational health and safety	56-63
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GRI 405 - Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	75-78

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GRI Indicator	Content of Disclosure	Page Number
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408-1	Operations and suppliers at significant risk for incidents of child labor	68
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	69
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GRI 413 - Local Communities 2016		
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GRI 415 -Public Policy 2016		
415-1	Political contributions	99-100
GRI 418 - Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	98

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