

Masteel

MALAYSIA STEEL WORKS (KL) BHD
197101000213 (7878-V)

SUSTAINABILITY POLICY

At Masteel, we acknowledge the importance of sustainability as part of our commitment to safeguarding the planet and securing a better future for generations to come. We are mindful of the substantial environmental impact stemming from our operations within the manufacturing industry. Therefore, we are wholeheartedly dedicated to integrating sustainable practices across every aspect of our business operations. Thus, our Sustainable Policy clearly outlines our commitment to reduce our environmental footprint, champion social responsibility, uphold transparent governance, and ensure long-term economic viability within the Masteel Group.

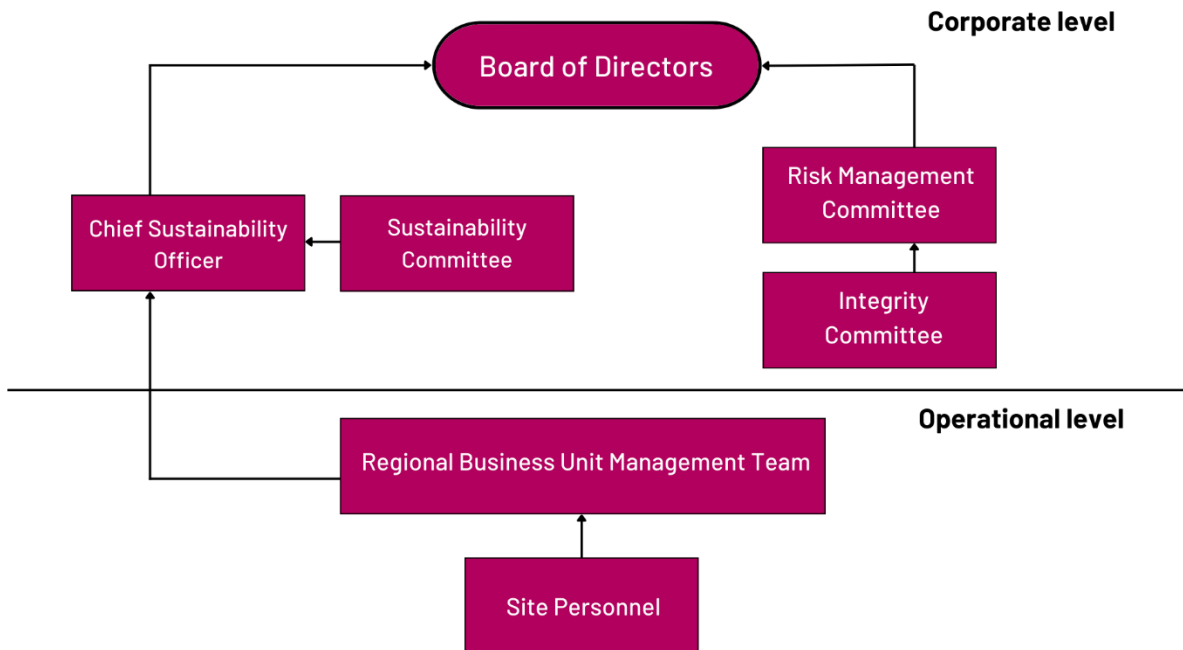
1. Objectives

The main aim of the Sustainability Policy is to outline guidelines for the Group's sustainability initiatives, implementation and integration into our overall business operations. Central to this approach is fostering participation and engagement at all levels of the organisation.

- a) To develop strategies aimed at minimising the organisation's carbon footprint, including reducing energy consumption, waste generation, and air pollution while promoting resource efficiency and conservation.
- b) To implement initiatives focuses on ensuring the health, safety, and well-being of stakeholders while fostering diversity, inclusion, and fair labour practices across the supply chain.
- c) To strengthen strong governance structures and practices to uphold ethical standards, transparency and accountability in decision-making processes while complying with relevant laws, regulations, and industry standards.
- d) To establish mechanisms for setting, monitoring, and reviewing sustainability goals and targets while promoting innovation, collaboration and stakeholder engagement to drive continuous sustainability improvement.

2. Sustainability Committee

The Sustainability Committee chaired by the Chief Sustainability Officer (CSO), Mr Teo Chee Koon assumes responsibility for supervising Masteel's sustainability frameworks, management systems and processes. This oversight extends to ensuring the health and safety of both our employees and contractors. Additionally, the committee diligently monitors our key environmental risks and facilitates the Group's contribution to the sustainable development of our organisation.



The terms of reference for the committee are as below:-

a) Environment

- i. Energy Consumption and Management
- ii. Water Consumption and Management
- iii. Waste Management
- iv. Air Pollution Management
- v. Greenhouse Gases Emissions Management
- vi. Regulation and legal compliance

b) Social

- i. Health and Safety at workplace
- ii. Upholding Human Rights
- iii. Promote Diversity in Workforce
- iv. Corporate Social Responsibility

c) Governance

- i. Upholding the Highest Standard of Integrity, Honesty, and Fairness
- ii. Maintaining Transparency and Accountability in Corporate Governance
- iii. ESG Risk Management

3. Environmental Sustainability

The Group remains steadfast in our commitment to sustainable operations, focusing on responsible management of raw material consumption, improving energy efficiency, and reducing our environmental footprint.

- a) We are committed to reducing our overall greenhouse gas emissions and air pollutants by investing in new manufacturing technologies, transitioning to renewable energy sources, and continuously improving our manufacturing processes.
- b) We are committed to optimising our resource utilisation across our operation, especially in raw material, energy, and water consumption.
- c) We are committed to improving energy efficiency and transitioning to renewable energy sources.
- d) We are committed to minimising waste through reduction, recycling, and responsible disposal methods, aiming to mitigate environmental impact and strive towards zero waste in the near future.
- e) We are committed to complying with all environmental regulatory and legal requirements.

4. Social Sustainability

The Group strives to enhance the foundation of a sustainable society, prioritising the well-being of all stakeholders. This is accomplished by understanding the needs of stakeholders and proactively advocating for healthy and liveable work environments.

- a) We are committed to prioritising the health and safety of our employees, contractors, and communities above all else. This entails upholding safe working conditions, providing essential training, and implementing rigorous safety protocols to prevent accidents and occupational hazards.
- b) We are committed to practicing fair labour practices and upholding human rights throughout our supply chain. This commitment entails equal opportunities, prohibiting forced and child labour, and consistently promoting diversity and inclusion in our workforce.
- c) We are committed to ensuring safe working conditions for all, with a particular emphasis on preventing sexual harassment and other forms of violence within our workplace.
- d) We are committed to prioritising the safety, quality, and sustainability of our manufactured and distributed products. This includes considering the entire lifecycle of the product and minimising both environmental and social impacts.
- e) We are committed to ongoing engagement with local communities, actively seeking to understand their needs and concerns. We consistently contribute to community development initiatives that generate shared value.

5. Governance Sustainability

The Group endeavours to enhance stakeholder trust and establish a foundation for continuous operations and development by integrating transparent and effective governance practices within the organisation.

- a) We are committed to maintaining a diverse and independent board of directors, comprising individuals with varied backgrounds, expertise, and experiences. This commitment is aimed at enhancing governance effectiveness and decision-making within the organisation.
- b) We are committed to upholding the highest standard of integrity, honesty, and fairness in all our operations and ensuring compliance with legal and regulatory requirements. We consistently promote ethical behaviour at all levels of the organisation.

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- c) We are committed to maintaining high standards of transparency and accountability in our governance practices, ensuring the accurate and timely disclosure of relevant ESG information to stakeholders.
 - d) We are committed to consistently monitoring, identifying, assessing, and managing our ESG risks and opportunities across our organisations. This commitment involves the integration of sustainability considerations into our risk management processes and strategic decision-making.

6. Continuous Improvement

- a) We are committed to consistently setting and reviewing our ESG goals, metrics and targets to monitor our sustainability progress over time while actively seeking opportunities for improvement.
- b) We are committed to encouraging new innovations and collaborations to advance sustainable solutions in our operations and leveraging new partnerships, technology, and research to drive continuous improvement.
- c) We are committed to consistently engaging with our stakeholders to seek feedback, address concerns, and collaborate on sustainability initiatives.

7. Conclusion

At Masteel, we continuously place sustainability as the fundamental principle that guides us in our strategic planning and implementation. By incorporating ESG principles into our business operations, we are steadfast in our commitment to fostering long-term value creation and risk mitigation. Our sustainability policy underscores our unwavering dedication to environmental, social, and governance responsibility.

This Sustainability Policy was reviewed and approved by the Board of Directors on 28 November 2024.