SUSTAINABILITY REPORT 2025

Masteel

MALAYSIA STEEL WORKS (KL) BHD

(7878-V)

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About Malaysia Steel Works (KL) Bhd

Malaysia Steel Works (KL) Bhd ("Masteel") is a leading integrated steel manufacturer listed on the Main Market of Bursa Malaysia Securities Berhad. As one of the top five steel producers in Malaysia, we manufactures high-tensile deformed bars, mild steel round bars and steel billets primarily serving the construction and infrastructure sectors. Its production facilities are strategically located in Petaling Jaya and Bukit Raja, Klang, Selangor. The Bukit Raja plant forms the core Masteel upstream capability, producing billets that supply the rolling mills at both locations. These facilities operate using modern fully computerised production systems to ensure precision, operational efficiency and compliance with recognised quality and sustainability standards.

Masteel's products comply with a wide range of internationally recognised certifications, reflecting its commitment to quality, safety and environmental stewardship. These include SIRIM (MS 144:2014 & MS 146:2014), ISO 50001:2018 Energy Management System, ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, Australasian Certification Authority for Reinforcing Steels Ltd (ACRS), as well as certifications from TÜV NORD (Malaysia) Sdn Bhd and the British Standards Institution ("BSI"). Together, these accreditations demonstrate Masteel's consistent delivery of high-quality steel products while upholding responsible operational practices.

Masteel maintains a well-established domestic distribution network and exports our products to international markets including Australia, Papua New Guinea, Indonesia, Singapore, Vietnam, the Philippines, Turkey and China. Our supply chain capability is strengthened through our wholly-owned subsidiary, MS Express Sdn Bhd ("MSX"), which provides integrated logistics and transportation services to ensure timely, secure and efficient delivery while maintaining product integrity and customer satisfaction.

About Malaysia Steel Works (KL) Bhd

Masteel has received significant sustainability recognition. It is the first steel mill included in the FTSE4Good Bursa Malaysia Index and ranks within the top 25% of public listed companies assessed by FTSE Russell, achieving a 4-Star ESG Rating among Main Market issuers. The Group is also the first steel manufacturer to obtain the RAM Sustainability Platinum Rating, supported by its ultra-low carbon emissions technology that contributes to greener construction practices. In addition, Masteel has secured two third-party verified Environmental Product Declarations ("EPDs") for Reinforcing Steel Bars and Continuous Billets under the EPD Hub programme.

Through continuous innovation, strict quality assurance and integrated logistics capabilities, Masteel remains committed to advancing sustainable steel manufacturing in Malaysia while supporting infrastructure development domestically and internationally with reliable, high-quality steel solutions. Masteel is also embarking on a structured decarbonisation pathway, including exploration of Carbon Capture, Utilisation and Storage ("CCUS") technologies to further reduce process-related emissions and support Malaysia's transition towards a low-carbon industrial economy.

Membership and Associations

Masteel is an active member of various industry associations, professional bodies, and collaborative networks. Our Executive Vice Chairman, Dato' Sri Tai Hean Leng, plays an active role as a committee member across several of these platforms, contributing strategic insights and supporting initiatives that advance industry development and sustainability. This active participation reflects our strong commitment to collaboration, knowledge sharing, and the collective advancement of responsible and sustainable industry practices. Through these engagements, Masteel reinforces our dedication to transparency and accountability by committing to annual reporting on our sustainability progress and performance.

By aligning with recognised industry bodies and global sustainability frameworks, we continue to strengthen our leadership role in promoting ethical business conduct, responsible growth, and long-term value creation, while supporting Malaysia's national sustainability agenda. Outlined below are the associations and organisations in which Masteel maintains membership and actively participates:

Membership and Associations

Malaysia Steel Association ("MSA")

Masteel Executive Vice Chairman is the Vice President of MSA

MSA is an industry association established to represent and safeguard the interests of upstream steel companies in Malaysia. It provides a collaborative platform for members to consolidate collective strengths, exchange knowledge and best practices, and foster goodwill, cooperation, and unity. Through these efforts, MSA supports the sustainable growth and long-term advancement of the Malaysian steel industry for the benefit of all its members.

Malaysia Steel Institute ("MSI")

Masteel Executive Vice Chairman is the Malaysian Goverment appointed Executive Director of MSI

MSI is an industry-driven enterprise supported and co-funded by the Ministry of International Trade and Industry (MITI) under a shared-responsibility framework with the industry. MSI is committed to supporting the Government in policy formulation, particularly in areas related to sustainability and climate change, by providing industry insights, technical input, and collaborative engagement.

Federation of Malaysian Manufacturers ("FMM")

Masteel Executive Vice Chairman is the Vice Chairman of FMM Sustainable Development and Climate Change Committee

FMM is Malaysia's leading economic organisation, representing the manufacturing sector and playing a key role in driving the nation's industrial growth and modernisation. Masteel is committed to supporting FMM's initiatives to raise awareness on sustainability and climate change through active participation in conferences, seminars, and town hall sessions, contributing to industry-wide knowledge sharing and capacity building.

Climate Governance Malaysia ("CGM")

Climate Governance Malaysia (CGM) is the Malaysian chapter of the World Economic Forum's Climate Governance Initiative (CGI), which supports companies in strengthening climate governance and developing effective climate transition strategies. As a member of CGM, Masteel is committed to aligning its climate-related strategies and governance practices with the principles and objectives of the CGI, reinforcing responsible leadership in addressing climate risks and opportunities.

Malaysia Iron and Steel Industry Federation ("MISIF")

MISIF is the national industry association representing manufacturers of iron and steel products in Malaysia. In line with the Government's emphasis on decarbonising the iron and steel sector under the New Industrial Master Plan (NIMP) 2030, MISIF actively engages in dialogue with policymakers to support Malaysia's target of achieving net-zero emissions by 2050. These efforts aim to develop balanced, practical, and industry-ready solutions that align with national ESG aspirations while preserving the long-term competitiveness of the domestic iron and steel industry. Masteel is committed to supporting MISIF in advancing this agenda through active engagement and collaboration.

Association of Malaysian-Owned Steel Enterprises ("AMOSE")

Masteel Executive Vice Chairman is the President of AMOSE

AMOSE is an industry association representing Malaysian-owned and locally based steel companies across the steel manufacturing value chain, from upstream production to downstream products and related engineering and trading services. Its main function is to advocate for the sustainability and competitiveness of Malaysian-owned steel enterprises, promote the development of the local steel supply chain, support Malaysia's self-sufficiency in steel production, encourage exports of locally made steel, and align the sector with ESG and decarbonisation goals.

The United Nations Global Compact ("UNGC")

UNGC is a voluntary United Nations initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies and to transparently report on their implementation, providing a globally recognised framework aligned with ten principles covering human rights, labour standards, environmental protection, and anti-corruption practices. By joining the UNGC, Masteel commits to integrating these principles into its business operations, submitting an annual Communication on Progress to demonstrate accountability, and supporting climate action initiatives, including endorsement of the UNGC Climate Action Pledge, in line with our commitment to responsible and sustainable business practices.

About this Report

Masteel is pleased to present our Financial Year 2025 ("FY2025") Sustainability Report, reaffirming our continous strong commitment to Environmental, Social, and Governance ("ESG") excellence. During FY2025, we continued to strengthen our sustainability governance and management framework by embedding responsible business practices across our operations to enhance operational efficiency, environmental performance, and corporate governance standards. A key focus during the year was the optimisation of energy efficiency across our manufacturing processes, alongside the advancement of our Carbon Capture, Utilisation and Storage ("CCUS") initiatives, which form a strategic pillar of Masteel's decarbonisation roadmap and support Malaysia's national aspiration to achieve net-zero greenhouse gas emissions by 2050.

We continue to comprehensively disclose our Scope 1, Scope 2, and Scope 3 greenhouse gas ("GHG") emissions, aligned with the recommendations of IFRS Sustainability Disclosure Standards S1 and S2 issued by the International Sustainability Standards Board ("ISSB"). Adherence to these globally recognised standards reinforces our commitment to high-quality, decision-useful disclosures, strengthening financial transparency, environmental accountability, and sound corporate governance that align with Masteel's sustainability agenda. The FY2025 Sustainability Report, together with our IFRS S1 & S2 disclosures, provides stakeholders with a holistic view of Masteel's ESG performance, key achievements, challenges, and forward-looking strategies. These reports demonstrate our continued progress in integrating sustainability considerations into business strategy, risk management, and operational decision-making.

Sustainability is always a strategic imperative that underpins long-term value creation and organisational resilience in Masteel. As we respond to an evolving regulatory and industrial landscape, we remain committed to driving innovation, advancing responsible business practices, and delivering sustainable outcomes for our stakeholders. Stakeholders are encouraged to read this report in conjunction with the 2025 IFRS S1 & S2 Report, which further details our approach to sustainable value creation and long-term resilience.

About this Report

SCOPE OF REPORTING

This report covers the period from 1st January 2025, to 31st December 2025, referred to as “FY2025.” 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 ISSB report for FY2025 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. IFRS Sustainability Disclosure Standards

FEEDBACK

We sincerely welcome and appreciate feedback or requests for further clarification from our valued stakeholders. Please feel free to reach out to us at any time.

Mr Tay Tze Yi (Investor Relations)
Email: masteel@investor.net.my

Awards

The Prime Minister's Hibiscus Award (PMHA) 2024/2025 Notable Achievement in Environmental Performance

In 2025, Masteel was honoured with the Notable Achievement in Environmental Performance at the Prime Minister's Hibiscus Award 2024/2025, Malaysia's most prestigious environmental recognition for businesses and industries. The award acknowledges organisations that demonstrate outstanding environmental stewardship, leadership, and commitment to sustainable practices while contributing to national environmental awareness and continuous improvement in environmental management.

This recognition reflects Masteel's sustained efforts in reducing environmental impact through responsible resource management, emissions reduction initiatives, and adoption of sustainable manufacturing practices. It affirms our proactive approach in strengthening environmental governance, enhancing operational efficiency, and aligning with evolving regulatory expectations and global sustainability challenges. Receiving this honour reinforces Masteel's position as a responsible steel manufacturer and underscores our long-term commitment to protecting the environment while supporting Malaysia's transition towards a low-carbon and sustainable industrial ecosystem.

Awards

The Asia ESG Positive Impact Awards 2025 - Gold Award in Energy Efficiency and Silver Award in Innovative Partnership (Large Companies)

Masteel was further recognised at the 1st Asia ESG Positive Impact Awards 2025, receiving the Gold Award in Energy Efficiency and Silver Award in Innovative Partnership. The regional awards honour organisations across Asia for their outstanding ESG initiatives, highlighting efforts that promote climate resilience, responsible resource management and collaborative sustainability solutions. This recognition reflects Masteel's continued progress in improving operational energy performance and building strategic partnerships that accelerate sustainable transformation within the steel industry. By advancing efficiency initiatives and collaborating with stakeholders across the value chain, Masteel demonstrates our commitment to supporting the region's transition towards a low-carbon and resilient economy. The achievement not only strengthens Masteel's ESG credentials but also showcases Malaysia's capability to contribute meaningfully to Asia's broader sustainability agenda.

Awards

The Star ESG Positive Impact Awards - Gold Winner in Energy Efficiency and Innovative Partnership (Large Companies)

In FY2025, Malaysia Steel Works (KL) Bhd ("Masteel") was honoured with two Gold Awards under the Energy Efficiency and Innovative Partnership categories at The Star ESG Positive Impact Awards 2024. The awards recognise organisations that demonstrate exceptional environmental, social and governance ("ESG") practices and integrate sustainability values into business operations beyond profit considerations. This recognition highlights Masteel's continued commitment to operational excellence and responsible manufacturing. The Energy Efficiency award acknowledges our ongoing initiatives to optimise resource consumption and improve production efficiency, supporting Malaysia's transition towards a low-carbon industrial sector. Meanwhile, the Innovative Partnership award reflects Masteel's collaborative approach with agencies, and institutions in promoting sustainable practices and strengthening ESG adoption across the steel value chain. The ESG Positive Impact Awards serve as a national benchmark celebrating organisations that contribute to a more inclusive and sustainable future. Receiving these awards reinforces Masteel's position as a sustainability-driven steel manufacturer and affirms our dedication to creating long-term environmental and socio-economic value while supporting the nation's broader sustainability agenda.

Awards

3-Star Lister by the UN Global Compact Network Malaysia & Brunei

Masteel is proud to be recognised as a 3-Star Lister by the UN Global Compact Network Malaysia & Brunei ("UNGCMYB"), the local chapter of the United Nations Global Compact, the world's largest corporate sustainability initiative. Having been a member for the past two years, this recognition reflects Masteel's strong alignment with universal principles on human rights, labour, environment and anti-corruption, as well as our commitment to advancing sustainable development goals.

The 3-Star Lister distinction is awarded only to organisations demonstrating outstanding ESG performance and measurable impact. Masteel was recognised across three key categories: ESG Trailblazer, Future-Fit & Responsible Workforce, and ESG Breakthrough Innovation, underscoring our holistic approach to sustainability. The award, marking a significant milestone in our sustainability journey and reinforcing our commitment to embedding ESG principles into our operations, culture and long-term growth strategy.

Sustainability Highlights 2025

GOLD AWARD WINNER — ASIA ESG POSITIVE IMPACT AWARDS — Energy Efficiency — ENVIRONMENT

SILVER AWARD WINNER — ASIA ESG POSITIVE IMPACT AWARDS — Innovative Partnership — OTHERS

ENERGY EFFICIENCY — ESG 2024 POSITIVE IMPACT AWARDS — WINNER — GOLD AWARD — ENVIRONMENT

2 EPD Hub

Reinforcing Steel Bars and Continuous Billets

ZERO

Incidence of environmental issue

INNOVATIVE PARTNERSHIP — ESG 2024 POSITIVE IMPACT AWARDS — WINNER — GOLD AWARD — OTHERS

100%

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

85.0%

Human Rights Awareness from stakeholder

HUMAN RIGHTS

ZERO

Incidence of corruption

7754 hrs

Total training hours

92.03%

Customer Satisfaction Score

RM 180,000

Donated to support various CSR projects

RM 5 million

Masteel Sustainability Grant on CCUS

FTSE4Good

Score

(4.6/5.0)

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 Executive Vice Chairman

Masteel remains firmly committed to strengthening our corporate governance, sustainability, and transparency across all stakeholder groups. In an increasingly complex and sustainability-driven business environment, we recognise that long-term value creation is closely linked to our ability to effectively manage sustainability-related risks and opportunities. We continue to embed ESG considerations into our core business strategy, decision-making processes, and operational practices and aligns our sustainability approach with internationally recognised frameworks, including the Global Reporting Initiative ("GRI"), the United Nations Sustainable Development Goals ("UN SDGs"), and the International Sustainability Standards Board ("ISSB") standards, namely IFRS S1 & S2, as well as the Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

These frameworks provide a structured basis for identifying material sustainability-related risks and opportunities, ensuring transparent, consistent, and decision-useful disclosures while strengthening resilience and long-term strategic positioning.

Masteel achieved significant milestones in FY2025 with multiple prestigious recognitions, including the Prime Minister's Hibiscus Award ("PMHA") 2024/2025 – Notable Achievement in Environmental Performance, the Asia ESG Positive Impact Awards 2025 (Gold Award in Energy Efficiency and Silver Award in Innovative Partnership for Large Companies), and The Star ESG Positive Impact Awards (Gold Winner in Energy Efficiency and Innovative Partnership for Large Companies). In addition, Masteel was recognised as a 3-Star Lister by the UN Global Compact Network Malaysia & Brunei ("UNGCMYB"). We also maintained our 4-star FTSE Bursa Malaysia EMAS ESG Rating, placing us among the top 25% of listed companies. These recognitions reflect the effectiveness of our ESG strategy and reinforce stakeholder confidence in our sustainability performance.

Message from Executive Vice Chairman

In 2025, we reassessed our materiality matrix to ensure that our sustainability priorities remain aligned with evolving stakeholder expectations, regulatory developments, and business risks. We further strengthened our reporting by adopting IFRS S1 and IFRS S2 in alignment with Malaysia's National Sustainability Reporting Framework ("NSRF"). This enhances our capability to systematically identify, assess, and manage climate-related risks and opportunities, including both transition and physical risks, and to integrate these considerations into our financial and strategic planning processes.

The significant progress between FY2024 and FY2025 reflects Masteel's continued advancement in sustainability integration and operational performance. One of our most notable achievements in FY2025 is the completion of comprehensive Life Cycle Assessments ("LCA") and the successful development of Environmental Product Declarations ("EPDs") for our products. Masteel obtained two third-party verified EPDs for Reinforcing Steel Bars and Continuous Billets under the EPD Hub programme. These disclosures, developed in accordance with EN 15804+A2 and ISO 14025 standards, provide transparent and comparable information on product-level environmental impacts, including carbon footprint, energy consumption, and resource utilisation, supporting sustainable procurement and market positioning.

In parallel, Masteel continued to advance our decarbonisation initiatives through the installation of solar panels at our Petaling Jaya plant and the implementation of Direct Casting and Direct Rolling technology, which eliminates fossil fuel usage in billet reheating. These process improvements enhance energy efficiency and reduce operational emissions. As a result, Masteel achieved improved carbon intensity performance (Scope 1 & 2), recording 0.456 tCO_2e/mt for the steelmaking plant and 0.085 tCO_2e/mt for the rolling mill plant in FY2025.

Masteel is also progressing towards our long-term ambition of surpassing Malaysia's commitment of achieving net-zero emissions by 2050, supported by a RM5 million investment in a Carbon Capture, Utilisation and Storage ("CCUS") project in collaboration with ACE Gases Sdn Bhd and Universiti Tunku Abdul Rahman ("UTAR") through the evolution of the Masteel Sustainability Grant. Beyond research, the programme facilitates knowledge transfer, supports industry-relevant innovation, and enhances talent development by providing students and researchers with exposure to real-world industrial sustainability challenges. These initiatives form part of our structured decarbonisation pathway,

Message from Executive Vice Chairman

targeting a 10% reduction in GHG emissions by 2026 and achieving net zero by 2030, consistent with our climate transition strategy.

As part of our broader sustainability strategy, Masteel recognises the importance of contributing to public discourse and policy development on climate change. In 2025, we continued our support for the Institute for Democracy and Economic Affairs ("IDEAS") in the development of the research paper titled "Carbon Pricing for the Malaysian Steel Industry: Incentivising Sustainable Growth." This initiative contributes to national policy dialogue and supports the transition towards a low-carbon economy.

Masteel remains committed to upholding internationally recognised human rights principles across our operations and value chain. As part of our human rights due diligence process, we conduct annual stakeholder assessments to evaluate awareness and understanding of our Human Rights Policy. In FY2025, 85% of stakeholders acknowledged and understood the principles outlined in the policy, reflecting strong awareness and engagement. We maintain zero tolerance for human rights violations and ensure compliance with ethical business practices across all operations, including third-party engagements. Our approach is guided by our Code of Conduct and supported by governance structures that ensure accountability, transparency, and continuous improvement.

By embedding sustainability considerations across all levels of the organisation, Masteel strengthens stakeholder trust, enhances innovation, and improves resilience against evolving regulatory and market expectations. Our commitment to ESG extends beyond compliance; it is integral to our corporate strategy and value creation model. Masteel will continue to balance economic performance with environmental stewardship and social responsibility, ensuring sustainable growth and long-term value for our stakeholders, employees, and the communities we serve.

We thank all stakeholders for their continued trust and support as we work together towards a more sustainable and resilient future.

Thank You
Dato' Sri Tai Hean Leng @ Tek Hean Leng

External Assurance Statement

TÜVNORD

Independent Assurance Statement

Assurance standard: ISAE 3000 (Revised) and ISAE 3410 (GHG emissions)

Subject Matter: Verification of GHG Emissions Inventory and Water Consumption Data

TÜV NORD Malaysia Sdn Bhd was commissioned by Malaysia Steel Works (KL) Berhad to conduct a verification and assurance engagement in accordance with the ISAE 3000 (Revised). The scope of this engagement was to evaluate the organization's disclosures related to GHG Inventory emission and water withdrawal and consumption for the reporting period 01 January 2025 – 31 December 2025, specifically in alignment with the ISAE 3000 (Revised) and ISAE 3410 (GHG emissions) as applied to the subject matter.

Scope and Boundaries

The assurance covered water withdrawal and consumption data at two operational sites:

- Site A (Petaling Jaya Rolling Mill): Uses municipal piped water and rainwater harvesting.
- Site B (Bukit Raja Steel Mill and Rolling Mill): Uses municipal piped water, tube well extraction, and rainwater harvesting.

The scope included a review of water accounting records, internal methodologies for recording or estimating water usage, and consistency of reported data. Stakeholder engagement and responses (Inclusivity and Responsiveness) were not included in the scope of this Type 1 assurance. Additionally, no third-party calibration or independent verification of flow meters or rainfall data sources was performed.

Verification Methodology

The verification was conducted using a risk-based approach in accordance with ISAE 3000 (Revised) and ISAE 3410, and included the following procedures:

i. Review of GHG emissions inventory, including Scope 1 and Scope 2 emissions, and
ii. associated calculation methodologies
iii. Review of water monitoring records, logs, and calculation sheets to assess data
iv. completeness and consistency
v. Evaluation of the organizational and operational boundaries applied in the preparation
vi. of the GHG emissions inventory
vii. Assessment of emission factors, activity data, and assumptions used in GHG
viii. calculations, including alignment with GHG Protocol
ix. Interviews with site personnel responsible for GHG and water data collection,
x. management, and reporting to understand processes, controls, and assumptions
xi. applied
xii. Cross-verification of reported GHG emissions and water data against supporting
xiii. internal records, eg, fuel consumption, electricity bills, water bills, and operational logs
xiv. Evaluation of estimation methodologies applied, including assumptions used for
xv. rainwater harvesting and any data gaps in GHG calculations
xvi. Analytical procedures, including trend analysis and variance checks, to identify
xvii. anomalies or inconsistencies in reported data
xviii. Assessment of data management systems, internal controls, and documentation
xix. supporting both GHG and water reporting
xx. Site-level assessment of data reliability, including review of data collection processes and audit trails

Subject Matter, Scope, and Data Sources Verified

i. Disclosures concerning GHG emissions inventory and water withdrawal and consumption in Malaysia Steel Works (KL) Berhad's Sustainability Report FY2025.

ii. GHG Emissions Inventory

Scope 1: Direct GHG Emissions

Stationary Combustion	• Natural Gas Invoices from Gas Malaysia • Diesel Material Requisition Notes (MRNs), internal stock records
Mobile Combustion	• Diesel MRNs, internal stock records
Process Emissions	• Coking Coal MRNs, internal stock records • Electrodes MRNs, internal stock records
Fugitive Emissions	• Air conditioning refrigerant MRNs, internal stock records • Fire protection MRNs, internal stock records

Scope 2: Indirect GHG Emissions

Imported Energy	• Electricity Invoices from Tenaga Nasional Berhad

Scope 3: Other Indirect GHG Emissions

Business Travel	Internal travel records
Employees Commuting	Employee questionnaire

iii. Water Management

Municipal Potable Water	Invoices from Pengurusan Air Selangor Sdn Bhd
Harvested Rainwater	Rainfall data Jabatan Meteorologi Malaysia, rainwater collection calculation methodology, rainwater release records
Tubewell	Invoices from Lembaga Urus Air Selangor (LUAS)

TÜVNORD

Limitations

No independent calibration or physical inspection of metering equipment was performed, and no external validation of third-party data sources (including emission factors and rainfall data) was undertaken. The verification relied on data and information provided by the Client and was not designed to detect all errors or omissions.

Non-financial data, including GHG emissions and water data, is subject to inherent uncertainty due to factors such as estimation methodologies, data availability, and measurement limitations. As such, different but acceptable measurement techniques may result in materially different outcomes.

Assurance Level – Reasonable

Based on the procedures performed and evidence obtained, in our opinion:

i. The GHG emissions inventory for the Bukit Raja Steel Mill and Rolling Mill has been prepared, in all material respects, in accordance with the defined reporting criteria and in line with the requirements of ISAE 3410; and
ii. The water withdrawal and consumption data for both Bukit Raja Steel Mill and Rolling Mill, and Petaling Jaya Rolling Mill, have been prepared, in all material respects, in accordance with the defined reporting criteria and in line with ISAE 3000 (Revised).

No material misstatements were identified during the verification. Minor improvements relating to to data documentation and estimation methodologies were noted and communicated to management.

Recommendations

To enhance data credibility and support higher assurance levels in future reporting, the following improvements are recommended:

a. Install on-site rainwater measurement systems at both locations to reduce reliance on estimations and improve data accuracy.
b. Standardize water data recording, estimation, and documentation protocols across all sites to ensure consistency, comparability, and auditability.
c. Strengthen internal controls over data collection and reporting, including defined roles, responsibilities, and review processes for both GHG and water data.
d. Periodically review and update emission factors and calculation methodologies to ensure alignment with recognized standards and latest available data relevant for GHG emissions inventory.
e. Consider implementing automated or digital data management systems to reduce manual handling errors and improve data integrity across sites.

TÜVNORD

Statement of Independence and Competence

This assurance was conducted by Steven Lee as an ACSAP certified verifier, who confirms his independence, impartiality, and competence in accordance with the requirements of ISAE 3000 (Revised) and ISAE 3410 (GHG emissions). No conflicts of interest were identified in the execution of this assurance engagement

Conclusion

Based on the procedures performed and evidence obtained, in our opinion, Malaysia Steel Works (KL) Berhad's GHG emissions inventory and water withdrawal and consumption data for the financial year 2025 have been prepared, in all material respects, in accordance with the defined reporting criteria and in line with the requirements of ISAE 3000 (Revised) and ISAE 3410. Accordingly, a reasonable level of assurance has been obtained.

Attestation:

Associate Certified Sustainability Assurance Practitioner (ACSAP) and ISO 14064 GHG Lead Verifier

Ir. Bill Kong,
Managing Director
TUV NORD Malaysia Sdn Bhd

Internal Review

Masteel's internal audit function provides independent oversight by reviewing sustainability data, processes, and internal controls to ensure accuracy, consistency, and alignment with our sustainability objectives, in line with the governance and control expectations of IFRS S1. Complementing this, our certification to ISO 14001:2015 and ISO 45001:2018 reflects the robustness of our environmental management and occupational health and safety systems, supporting effective risk management, regulatory compliance, and continuous improvement across our operations.

Type of Assurance	Subject Matter	Scope	Conclusion
Internal review	All contents of this Sustainability Report except Scope 1, 2, 3 (Business Travel and Employee Commuting) GHG emissions	• Bukit Raja plant • Petaling Jaya plant	Not applicable

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, The Edge Malaysia ESG Awards
- 3rd party assurance by TÜV NORD (Malaysia) Sdn Bhd
- Achieved the Most Oustanding ESG Initiative of the year 2023 and Gold Award in Supply Chain Management, The Star ESG Positive Impact Award

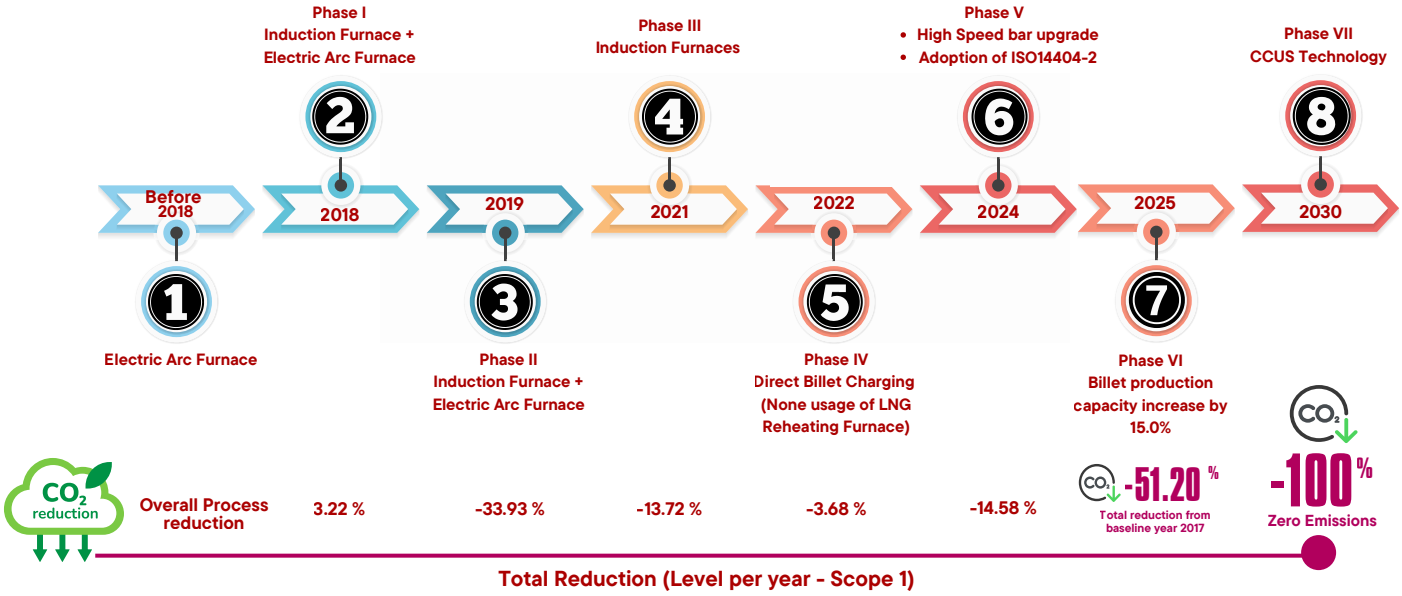
2024
- Published our IFRS S1 & S2 report in reference to ISSB
- Established Sustainability Policy
- Achieved Top 25% (4 Stars) in ESG rating by FTSE Bursa Malaysia Emas Index.
- RAM Sustainability Platinum Rating 2024: The 1st and Highest Platinum Sustainability rating from RAM Sustainability for a Malaysian Companies
- Achieved Gold Winner position for the "Most Improved Performance Over 3 Years (Below RM300M Market Capitalisation)' in the Equity Category, The Edge Malaysia ESG Awards
- 3rd party assurance by TÜV NORD (Malaysia) Sdn Bhd and British Standards Institute (BSI)
- Target to reduce our process GHG emissions by 5.50%
- Obtaining ISO 50001:2018 Energy Management Systems Certification and ISO14064 Greenhouse Gases

2025
- Published our IFRS S1 & S2 report in reference to ISSB
- Achieved Top 25% (4 Stars) in ESG rating by FTSE Bursa Malaysia Emas Index
- Achieved Prime Minister's Hibiscus Award "NOTABLE ACHIEVEMENT in Environmental Performance.
- Achieved Gold Award in Energy Efficiency and Silver Award in Innovative Partnership, Asia ESG Positive Impact Award 2025
- Achieved Gold Award in Energy Efficiency and Innovative Partnership, The Star ESG Positive Impact Award 2024.
- 3rd party assurance by TÜV NORD (Malaysia) Sdn Bhd.
- Achieved 3-stars lister by UNGCMYB - ESG Trailblazer, Future-Fit & Responsible Workforce, ESG Breakthrough Innovation,

2026
Achieve a minimum 10% overall GHG reduction

2030

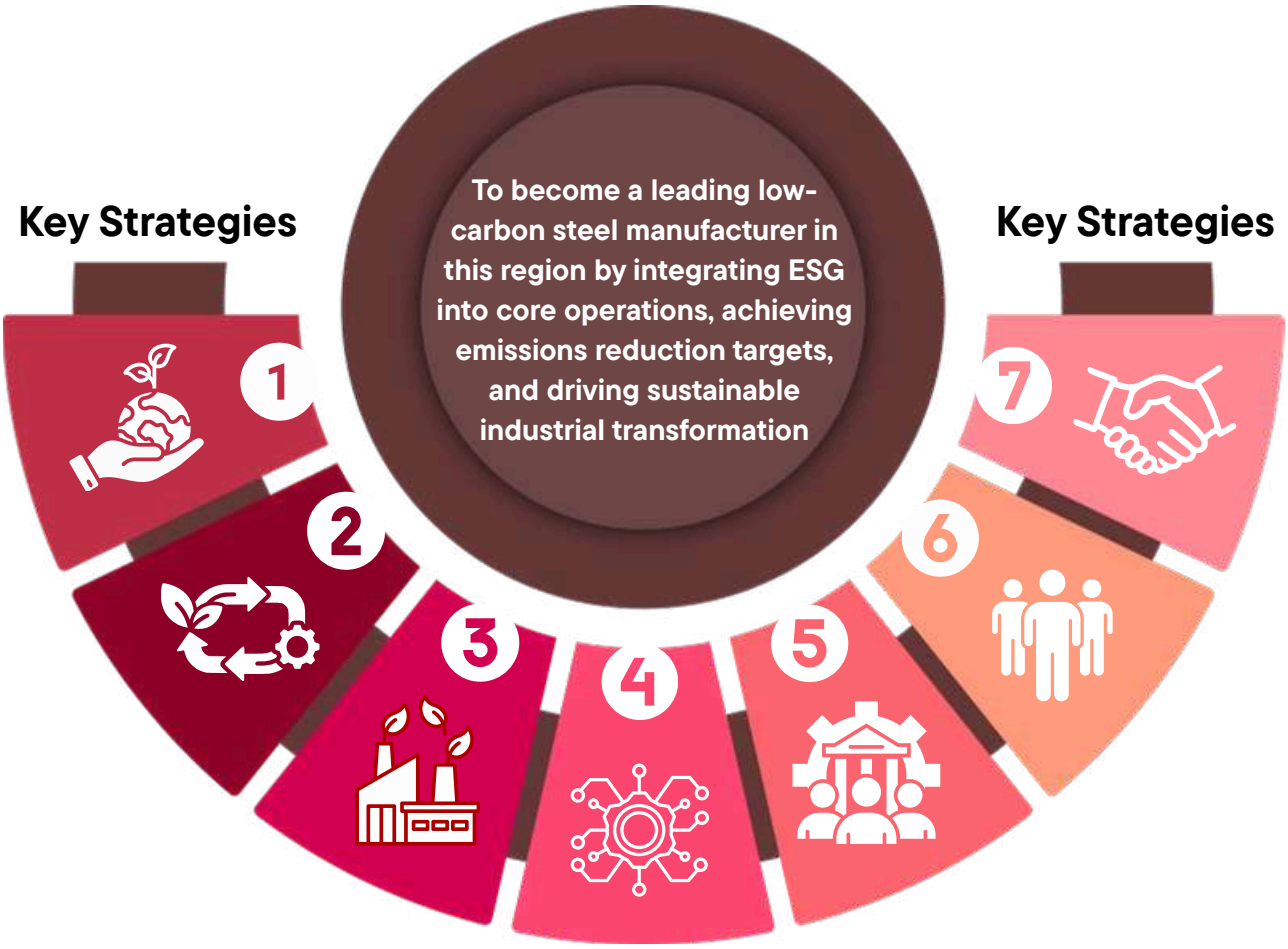

Masteel's Green Transformation



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

Masteel has implemented a structured seven-phase decarbonisation roadmap spanning from before 2018 to 2027 to systematically reduce Scope 1 carbon emissions across our steel manufacturing operations. The most significant reduction of 33.93% was achieved during Phase I and Phase II (2018–2019) through the transition from a conventional Electric Arc Furnace to a hybrid Induction Furnace and Ladle Refining Furnace configuration, followed by a full shift to Induction Furnaces in Phase III (2021), delivering an additional 13.72% reduction. In Phase IV (2022), the adoption of Direct Billet Charging, which eliminated the use of LNG-fired reheating furnaces, contributed a further 3.68% reduction. Looking ahead, Phase V (2024) focuses on a High-Speed Bar Upgrade and the adoption of ISO 14404-2 to enhance operational efficiency and emissions measurement accuracy, targeting a further reduction, while Phase VI (2025) involves a 15.0% increase in billet production capacity to optimise resource utilisation without compromising sustainability performance. Collectively, these initiatives have delivered a 51.20% reduction in Scope 1 emissions from the 2017 baseline, with Phase VII (2030) centred on the integration of Carbon Capture, Utilisation and Storage ("CCUS") technology, positioning Masteel to support Malaysia's net-zero emissions by 2030 ambition and reinforcing our leadership in sustainable steel manufacturing.

Masteel's Sustainability Roadmap



Key Strategies

1. **Climate & Decarbonisation**
2. **Resource Efficiency & Circular Economy**
3. **Sustainable Products & Market Positioning**
4. **Innovation, Technology**
5. **Governance, Risk & Compliance**
6. **Human Capital & Social Responsibility**
7. **Partnerships Development**

Key Focus Area

- GHG emissions reduction
- Energy efficiency & process optimisation
- Low-carbon steel production technologies
- Carbon pricing readiness

- Energy management
- Water management
- Raw material efficiency (scrap-based steel)
- Waste minimisation
- Circular production systems

- Green steel production
- Product transparency
- ESG-driven market access
- Certification & compliance

- Advanced manufacturing technology (Direct Charging and Casting)
- Emissions monitoring & reporting
- Research collaboration with UTAR on CCUS

- Climate risk integration into Enterprise Risk Management ("ERM")
- Policy advocacy & industry leadership
- Regulatory compliance
- Transparency & reporting

- Human rights & labour practices
- Talent development
- Community impact
- Safety & well-being

- Industry collaboration
- Academic partnerships
- Policy engagement
- ESG supply chain

Masteel Commitment to Climate Change

Masteel, as an active member of the Malaysia Steel Association ("MSA"), continues to play a strategic role in supporting the green transformation of Malaysia's steel industry. In alignment with our climate commitments and long-term decarbonisation objectives, Masteel ensures that all policy engagement activities including those undertaken through MSA are subject to structured internal governance to ensure consistency with the Group's sustainability strategy. MSA has been tasked by the Ministry of Investment, Trade and Industry ("MITI") to develop a Green Transition Roadmap for Malaysia's iron and steel sector. In this context, Masteel's Sustainability Committee, chaired by the Executive Vice Chairman, who also represents MSA on national decarbonisation initiatives, provides oversight of all climate-related engagements. This committee ensures that external advocacy positions are aligned with Masteel's internal targets, including commitments to the Paris Agreement, net-zero ambitions, and national frameworks such as the New Industrial Master Plan 2030 ("NIMP 2030") and the i-ESG framework.

All policy positions whether through MSA or direct government engagement will undergo internal review by both the Sustainability Committee and the Risk Management Committee. These reviews assess alignment with Masteel's transition strategy, greenhouse gas ("GHG") reduction targets (Scope 1, 2 and 3), and broader ESG priorities. The process is supported by periodic Board-level reporting, where updates on policy engagements are presented to ensure strategic consistency and effective governance oversight. Masteel's leadership commitment is further demonstrated through the appointment of our Executive Vice Chairman in leading the formulation of the Green Transition Roadmap for Malaysia's iron and steel sector under MSA. This includes advocating for science-based targets, enhanced GHG disclosures and supportive industrial policies. The outcomes of these engagements were formalised in a policy paper submitted to the Ministry of Natural Resources and Environmental Sustainability (NRES), the Ministry of Finance (MOF), and the Ministry of Investment, Trade and Industry (MITI). These efforts have contributed to broader policy developments, including the Government's announcement in Budget 2025 to introduce a carbon tax for the steel sector effective 2026.

Masteel Commitment to Climate Change

Through this structured governance framework, Masteel ensures that our external advocacy efforts are aligned with our internal climate strategy, reinforcing corporate accountability while contributing meaningfully to Malaysia's low-carbon industrial transition. At the organisational level, climate accountability is embedded into executive performance management. Masteel has established a dedicated Key Performance Indicator ("KPI"), representing 15% of the performance evaluation for Executive Directors, linked to climate-related performance including GHG emissions reduction and overall ESG outcomes. By aligning executive remuneration with sustainability targets, Masteel strengthens accountability, supports the execution of its decarbonisation strategy, and reinforces our commitment to long-term sustainable growth.

As part of our ongoing commitment to sustainability leadership, Masteel has undertaken comprehensive Life Cycle Assessments ("LCA") and progressed towards the development of Environmental Product Declarations ("EPDs") for our products in FY2025. These initiatives provide independently verified insights into the environmental impacts of our products across their entire life cycle, strengthening our position as a responsible and preferred green steel manufacturer. Masteel is pleased to report that it has successfully obtained two third-party verified Environmental Product Declarations ("EPDs") for Reinforcing Steel Bars and Continuous Billets under the EPD Hub programme. The EPDs were developed in accordance with internationally recognised standards EN 15804+A2 and ISO 14025, supported by independently verified LCA data. These disclosures provide credible, transparent and comparable information on key environmental indicators, including carbon footprint, energy consumption and resource utilisation across the product lifecycle.

Masteel Approach to Sustainability

Sustainability Governance

Masteel maintains a robust sustainability governance framework to ensure effective oversight, accountability, and integration of sustainability considerations into corporate decision-making. Oversight is provided through the Sustainability Committee and Risk Management Committee, which collectively monitor ESG-related risks, opportunities, performance, and compliance. To further strengthen governance in line with international best practices, Mr. Teo Chee Koon was appointed as Chief Sustainability Officer ("CSO"), with responsibility for overseeing the development, implementation, and continuous improvement of Masteel's sustainability strategies, policies, and management systems. The CSO is supported by Mr. Dani Khor Kiat Hong, who serves as Deputy Sustainability Officer, ensuring effective execution and coordination across business functions. This governance structure ensures that sustainability-related matters are subject to appropriate leadership oversight, internal controls, and escalation mechanisms, consistent with the governance disclosure objectives of IFRS S1.

In line with IFRS S2, Masteel integrates climate-related considerations into our governance and risk management processes to support climate-resilient and risk-informed decision-making. The CSO plays a central role in overseeing climate strategy, transition planning, and greenhouse gas ("GHG") management, ensuring alignment with recognised standards and credible emissions reporting methodologies. Climate-related risks and opportunities, including transition risks associated with decarbonisation and regulatory developments, are assessed within Masteel's broader enterprise risk management framework and reviewed at the committee level. Masteel's Sustainability Policy underpins this approach by embedding climate responsibility and emissions management into operational and strategic planning. Further details on Masteel's climate governance arrangements, risk assessment processes, and Scope 1, 2, and 3 GHG disclosures are provided on page 157-160 of the IFRS S1 & S2 Report, demonstrating how financial and non-financial information is integrated to enhance organisational resilience and support long-term sustainable value creation.

Masteel Approach to Sustainability

Stakeholder Engagement

Masteel recognises the importance of stakeholder engagement as a core element of effective governance, risk oversight, and value creation. We adopt a structured and systematic approach to identifying and prioritising key stakeholder groups whose interests, expectations, and decisions may reasonably be expected to affect Masteel's ability to create long-term value. These stakeholders include regulators, investors, employees, customers, suppliers, and local communities.

Masteel maintains formal engagement mechanisms such as structured meetings, town hall sessions, briefings, and public dialogues to facilitate regular, two-way communication and to obtain relevant input on sustainability-related matters. Feedback gathered through these engagements is escalated to management and relevant governance committees, where it is considered in strategic planning, risk assessment, and operational decision-making. This ensures that stakeholder perspectives are appropriately integrated into corporate governance processes and sustainability-related decisions, consistent with IFRS S1 governance expectations.

Stakeholder insights inform the identification and assessment of sustainability-related risks and opportunities, including regulatory developments, market expectations, and social and environmental impacts associated with steel manufacturing. By embedding stakeholder considerations into enterprise risk management and strategy formulation, Masteel enhances its ability to anticipate emerging issues, respond to external expectations, and support long-term business resilience.

Masteel is committed to providing transparency, clear, timely, and decision-useful disclosures on sustainability performance, governance practices, and strategic progress. Through comprehensive reporting and ongoing communication, the Group enables stakeholders to assess how sustainability-related matters are governed, managed, and integrated into Masteel's long-term value creation strategy.

Masteel Approach to Sustainability

Stakeholder Engagement

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

Masteel Approach to Sustainability

Stakeholder Engagement

Stakeholder	Engagement Channel	Area of Interest
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
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
	Our operations adhere to a rigorous health and safety management system that proactively identifies workplace hazards and risks, prioritising injury reduction and fatality prevention.	• Zero work related fatality. • Total loss time incident is 0.41 reported for FY2025.
	We foster continuous learning through employee training and university partnerships, equipping youth with employability and entrepreneurship skills. Masteel also supports CCUS research, driving sustainable innovation.	• Masteel Sustainability Grants with a total sum of RM 5million to study on CCUS. • Donated RM120,000.00 to Selangor Crown Prince Golf Charity Cup 2025, supporting the TEAM Programme Malaysia. • Additional sponsorship RM60,000.00 IDEAS for Carbon Pricing for Malaysia Steel Industry policy paper research.
	We've implemented best practices for water recycling, achieving zero wastewater discharge and maximising water-use efficiency. This supports sustainable freshwater management and helps mitigate water scarcity.	• Rainwater harvesting system at Petaling Jaya and Bukit Raja plant.
	We've invested in feasibility studies for advanced technologies to optimise energy use and efficiency, including solar panel installations and technological advancement in our operations in supporting a greater shift toward renewable energy and energy saving initiatives.	• Installing solar panel at Petaling Jaya. • Established an Energy Management Policy. • Obtaining ISO 50001:2018 Energy Management Systems Certification.
	We uphold good governance by enforcing human rights and labour policies to ensure fair treatment of employees. Our approach enhances productivity, creates quality jobs, fosters entrepreneurship, and supports SMEs, ultimately increasing employment and reducing youth unemployment.	• Established various policies such as Human Rights Policy, Prevention of Forced Labour Policy, Prevention of Child Labour Policy and Remuneration Policy. • Masteel Sustainability Grants with a total sum of RM 5million to study on CCUS.

Masteel Sustainability Achievements

SDGs	SDG Targets We are Contributing Towards	Our Achievements
	We integrate cutting-edge technologies to enhance operational efficiency and drive sustainable industry upgrades. Our focus is on optimising resources and adopting clean, green solutions, inspiring nations to contribute within their capacities.	• Complete the switch from Electric Arc Furnace to Induction Furnace in steel production.
	We actively engage local staff and contractors while supporting charity events to strengthen community involvement. Our efforts focus on minimising urban environmental impacts, improving air quality, and enhancing waste management.	• No instances of non-compliance with environmental regulations. • Donated RM120,000.00 to Selangor Crown Prince Golf Charity Cup 2025, supporting the TEAM Programme Malaysia. • Additional sponsorship RM60,000.00 IDEAS for Carbon Pricing for Malaysia Steel Industry policy paper research.
	We prioritise sustainable resource management by utilising scrap steel as our primary raw material, minimising waste through prevention, reduction, recycling, and reuse.	• Complete the switch from Electric Arc Furnace to Induction Furnace in steel production. • Implementing Continuous Casting Machine for reheating billets.
	We are committed to transparently reporting our Scope 1, 2, and 3 GHG emissions and investing in solutions to reduce our carbon footprint. Our strategy integrates climate action while promoting education on mitigation, adaptation, and resilience.	• Obtained to ISO14064 • Conducted training on sustainability reporting and climate change mitigation for both employees and suppliers.
	We uphold strong governance by enforcing our Anti-Bribery and Anti-Corruption Policy across all employees and third-party affiliates, striving to eliminate corruption and bribery. Our goal is to build effective, accountable, and transparent institutions at all levels.	• Established Anti-Bribery and Anti-Corruption Policy. • Zero corruption case reported. • Foster workforce diversity.
	We actively collaborate with organisations committed to ESG principles, enhancing policy alignment for sustainable development.	• Partnership with MGTC to build 1-tonne CO_2 cube. • Partnership with IDEAS for Carbon Pricing for Malaysia Steel Industry policy paper research. • Partneship with UTAR to establish Masteel Sustainability Grants.

Masteel Risk Management

Masteel maintains a robust Risk Management Framework ("RMF") designed to systematically identify, assess, and manage risks across economic, environmental, social, and operational dimensions, supporting business continuity and long-term value creation. Oversight of the RMF is provided by the Risk Management Committee ("RMC"), which adopts an Enterprise Risk Management ("ERM") approach to safeguard Masteel against potential financial losses, reputational impacts, and operational disruptions. Risk considerations are embedded into strategic planning, capital allocation, and key management decisions to ensure sustainability-related risks and opportunities are appropriately considered at both operational and Board levels. The RMC conducts regular risk assessments and provides quarterly risk updates to the Board of Directors, strengthening governance, accountability, and oversight. Emerging risks, mitigation measures, and response strategies are continuously reviewed and integrated into corporate risk registers.

In recognition of the increasing financial and operational implications of climate change, Masteel expanded our risk management scope since FY2022 to formally incorporate climate-related risks. Therefore, we allocated a provision of approximately RM100,000 for potential ESG-related fines and settlements in FY2025, as determined by the Sustainability Committee. However, this provision was not reflected in the audited financial statements as no such fines or penalties were incurred during the financial year. This was further strengthened since 2023 with the adoption of ISSB standards, including IFRS S1 and IFRS S2, reinforcing Masteel's commitment to transparent and consistent climate-related disclosures. Under IFRS S2, the RMC systematically identifies, evaluates, and monitors climate-related risks and opportunities, including transition risks arising from decarbonisation, regulatory changes, carbon pricing, and resource constraints, as well as physical climate risks that may impact operations and supply chains. These climate-related risks are assessed within Masteel's ERM framework and escalated to the Board through regular reporting, ensuring that climate considerations are integrated into governance oversight, risk management, and strategic decision-making. Masteel's climate-related risk disclosures are prepared in accordance with IFRS S2, providing stakeholders with clear, reliable, and comparable information on how climate risks are identified, managed, and mitigated. Further details on the Masteel's climate risk management approach and sustainability risk integration are disclosed on page 151-156 of the IFRS S1 & S2 Report and in the Annual Report.

Material Sustainability Matters

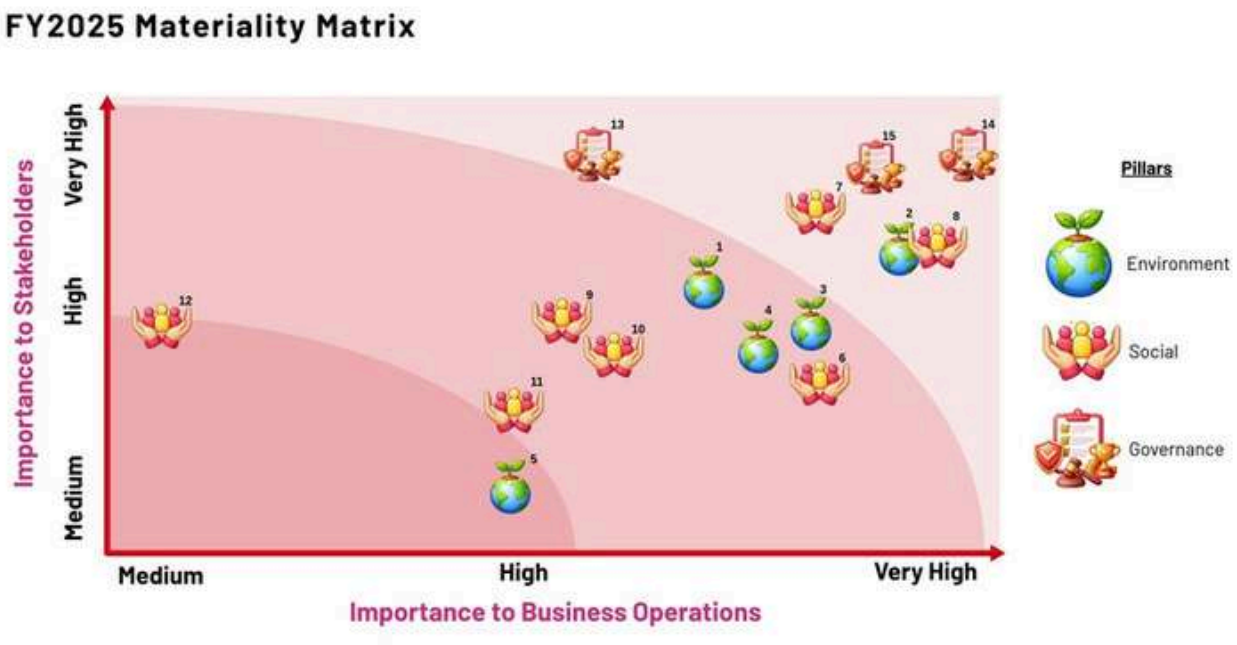
In FY2025, Masteel conducted a periodic review of the Material Sustainability Matters ("MSMs") identified in FY2024 to reassess their relevance and significance in accordance with the materiality principles set out under IFRS S1. This review focused on identifying sustainability-related risks and opportunities that could reasonably be expected to affect Masteel's enterprise value, including impacts on cash flows, access to capital, cost structures, and long-term business resilience. The review ensured that our sustainability priorities remain responsive to evolving stakeholder expectations, regulatory developments, and industry dynamics.

Masteel applies a structured materiality assessment process to identify, evaluate, and prioritise sustainability-related matters that are decision useful to investors. The review of MSMs was informed by a comprehensive analysis of stakeholder feedback, market trends, regulatory changes, and industry developments, with consideration given to their potential impacts on Masteel's operational performance, financial position, and sustainability outcomes. As a result, the 15 key MSMs were still relevant as material to Masteel's strategy, governance, risk management, and long-term value creation for FY2025.

The review process provided insights into emerging sustainability-related risks and opportunities, reinforcing the integration of sustainability considerations into corporate strategy and enterprise risk management. Greater emphasis was placed on material issues relating to climate action, resource efficiency, supply chain resilience, ethical governance, workforce well-being, and technological innovation, reflecting their increasing relevance to Masteel's financial performance, risk profile, and transition readiness.

This report outlines the four key stages of Masteel's materiality assessment process that includes identification, evaluation, prioritisation, and validation. It demonstrating a disciplined and repeatable approach consistent with IFRS S1 requirements. By continuously refining our materiality framework, Masteel enhances the quality, relevance, and comparability of our sustainability-related financial disclosures, strengthening its ability to manage risks, capture opportunities, and support long-term enterprise value creation.

Material Sustainability Matters



Identification

In FY2025, Masteel conducted a periodic review of the 15 Material Sustainability Matters ("MSMs")identified in FY2024, in collaboration with key stakeholder groups. This process aimed to validate their continued relevance and potential impacts, ensuring alignment with stakeholder expectations and evolving sustainability priorities.

Assessment

Masteel reviewed the 15 Material Sustainability Matters ("MSMs") through engagement involving the Sustainability Committee and selected external stakeholders o assess their relevance and significance.

Prioritisation

As part of the FY2025 review process, each material sustainability matter was re-evaluated based on its significance to our business operations and its influence on stakeholder decision-making in FY2025.

Validation

Upon completion of the Material Sustainability Matters ("MSM") matrix review, the Sustainability Committee will submit the matrix to the Board of Directors for review and approval.

Material Sustainability Matters

Environment

1. Waste and Effluents
2. Air and GHG Emissions
3. Energy Consumption
4. Water Withdrawal
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. Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy
15. Legal Compliance

Mapping our Material Matters

Environment

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

Social

UN SGDs	Material matters	GRI Indicators	Key stakeholders
	• 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

Governance

UN SGDs	Material matters	GRI Indicators	Key stakeholders
	• 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

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

ENVIRONMENT

Waste and Effluents

Masteel manages waste in accordance with applicable environmental regulations and adopts a prevention-first approach. Our waste management practices prioritise avoidance, reduction, reuse, recycling, and recovery before disposal, guided by the Reduce, Reuse and Recycle (3Rs) hierarchy and the principles of a circular economy. By retaining materials within the production cycle and reducing dependence on virgin resources, this structured approach minimises waste generation at source, optimises resource utilisation, and lowers environmental impacts across our operations.

Within our manufacturing processes, the primary focus is on preventing waste from being directed to disposal through material recovery and reintegration. A key initiative involves the reuse of skull steel, an unavoidable production by-product, which is systematically reintroduced into the steelmaking process as a secondary raw material. By diverting this material from disposal and returning it to production, Masteel reduces the consumption of virgin raw materials while lowering the volume of operational waste generated.

As part of Masteel culture, we continuously monitors and manages operational waste streams to maximise waste diverted from disposal, including recycling and internal reuse wherever technically feasible. Only residual materials that cannot be recovered are managed through authorised waste contractors in accordance with regulatory requirements. Our objective is to progressively reduce waste directed to landfill while maintaining safe and compliant handling of all materials.

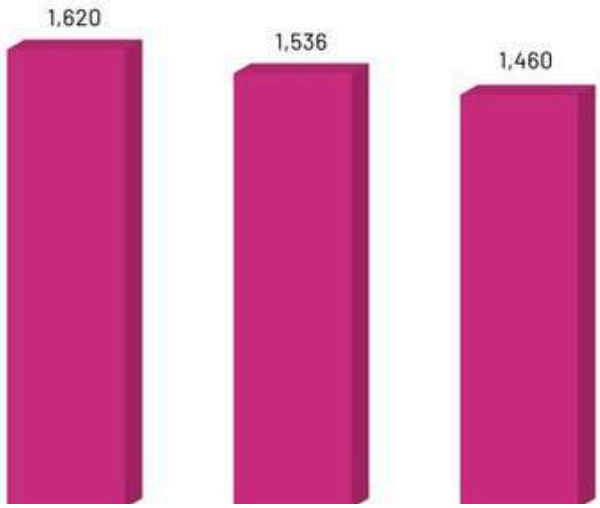
In addition to industrial waste, Masteel manages non-hazardous office waste through resource efficiency initiatives. The Printing Policy, implemented in 2022, supports waste prevention by reducing paper consumption through digital documentation, double-sided printing, reuse of paper, and controlled use of printing supplies. It also emphasises optimising toner and envelope utilisation to reduce excess consumption and reinforcing employee awareness and accountability in responsible paper use. These measures contribute to reducing solid waste generation at administrative facilities and support responsible consumption practices among employees.

Waste and Effluents

Employee awareness programmes reinforce proper waste segregation, responsible material handling, and recycling practices across the organisation. Through operational controls, monitoring, and continuous improvement, Masteel seeks to minimise environmental impacts associated with waste generation and promote circular resource use.

By prioritising waste prevention, increasing diversion from disposal, and ensuring compliant treatment of residual waste, Masteel continues to strengthen its environmental performance, preserve natural resources and advance sustainable resource management within the steel manufacturing industry.

Paper Consumption (ream)
FY2023-FY2025



In FY2025, we further reduced our overall paper usage to 1,460 reams, representing a decrease of 76 reams compared to FY2024, when consumption stood at 1,536 reams. This follows the earlier reduction achieved in FY2024, where usage declined by 84 reams from FY2023's 1,620 reams, demonstrating a sustained downward trend in paper consumption over the three-year period. Overall, paper usage has decreased by 160 reams (approximately 9.9%) from FY2023 to FY2025, reflecting the effectiveness of our resource efficiency initiatives and workplace awareness programmes. Notably, in FY2025 we continued to achieve our reduction target of 5%, reinforcing our commitment to continuous improvement in responsible resource management.

Waste and Effluents

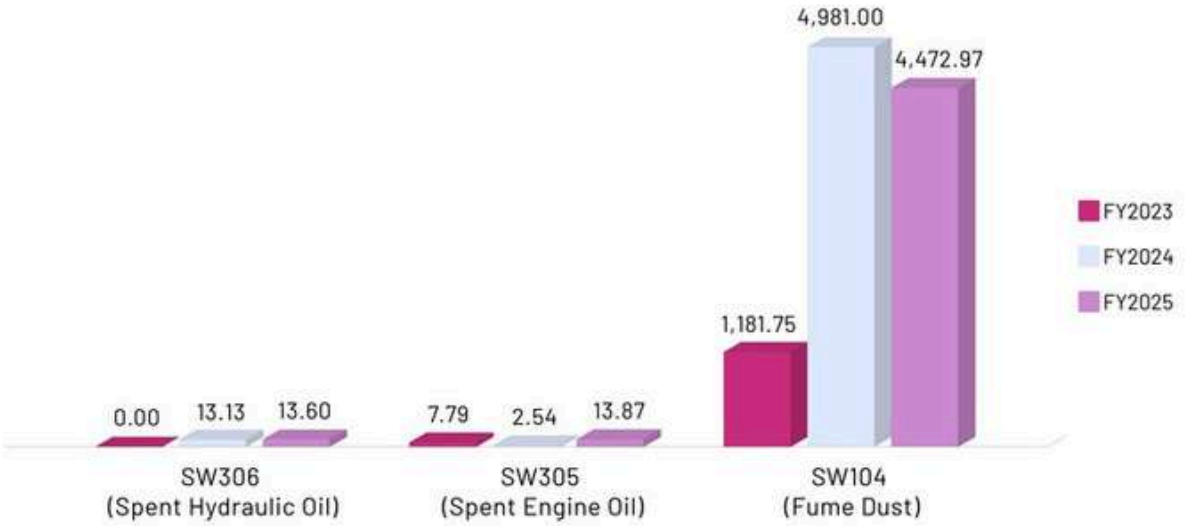
The continued reduction aligns with Masteel's commitment to minimising operational waste while enhancing efficiency and supporting broader sustainability objectives. The consistent year-on-year improvement indicates that measures such as digital documentation, controlled printing practices, and employee accountability are becoming embedded into daily operations, demonstrating that environmental stewardship can be integrated into business practices without compromising productivity.

Looking ahead, Masteel will continue strengthening digitalisation and automation in documentation processes to further reduce paper dependency and sustain our reduction trajectory while reinforcing a culture of responsible consumption across the organisation. For coming years, Masteel has set a paper consumption reduction target of 3% from the FY2025 baseline, supporting ongoing improvements in resource efficiency and operational effectiveness.

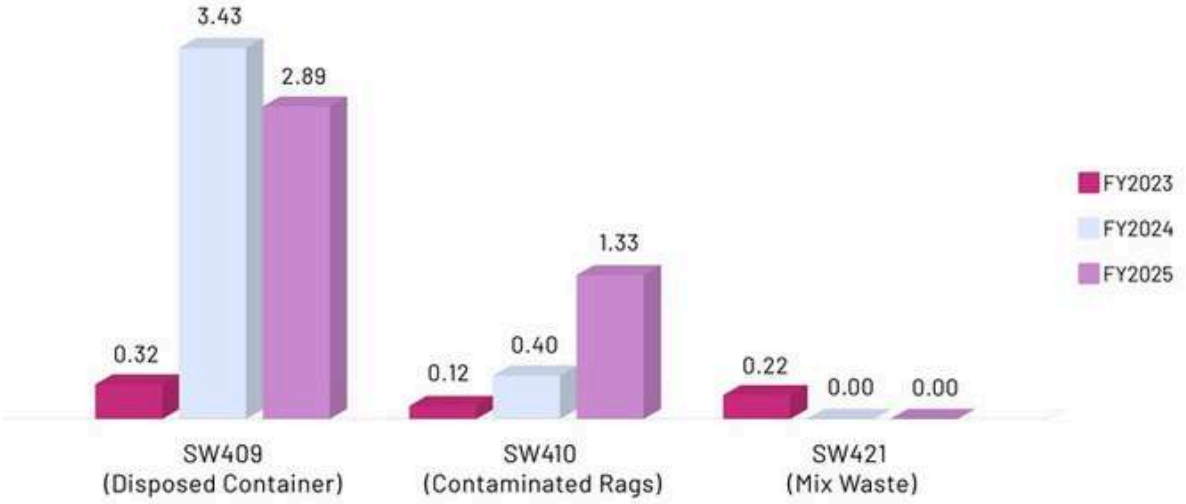
Overall Hazardous Waste (tonne)
FY2023-FY2025

Waste and Effluents

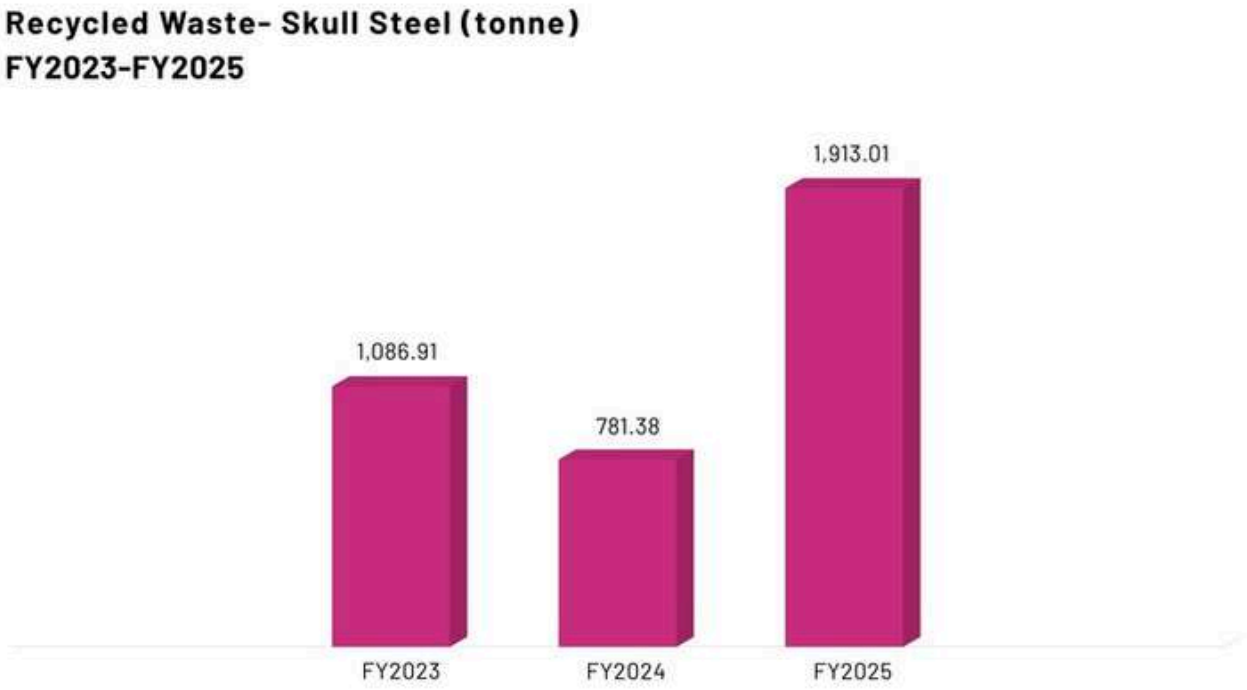
Recycled Waste- Scheduled Waste (tonne)
FY2023-FY2025



Recycled Waste- Scheduled Waste (tonne)
FY2023-FY2025



Waste and Effluents



As part of our commitment to sustainable steel manufacturing, Masteel implements a structured waste management framework grounded in regulatory compliance, environmental responsibility, and circular economy principles. We prioritise waste prevention, material recovery, and resource reintegration to retain value within our production cycle and minimise waste directed to disposal. All scheduled waste is managed in strict accordance with Department of Environment ("DOE") requirements, and we engage only licensed contractors to ensure safe, compliant handling and disposal. In line with regulatory obligations, scheduled waste is disposed of within the prescribed six-month period and maintained below the 25 metric tonnes storage threshold at any given time. This disciplined and circular approach supports responsible resource use while strengthening our environmental performance.

During FY2023–FY2025, Masteel recorded fluctuations in scheduled waste generation primarily due to operational activities and improvement projects. SW104 (fume dust) remained the dominant hazardous waste stream, and recorded a declining to 4,472.97 tonnes in FY2025 as compared to 4,981.00 tonnes in FY2024, indicates strong waste management principles within the operation sites.

Waste and Effluents

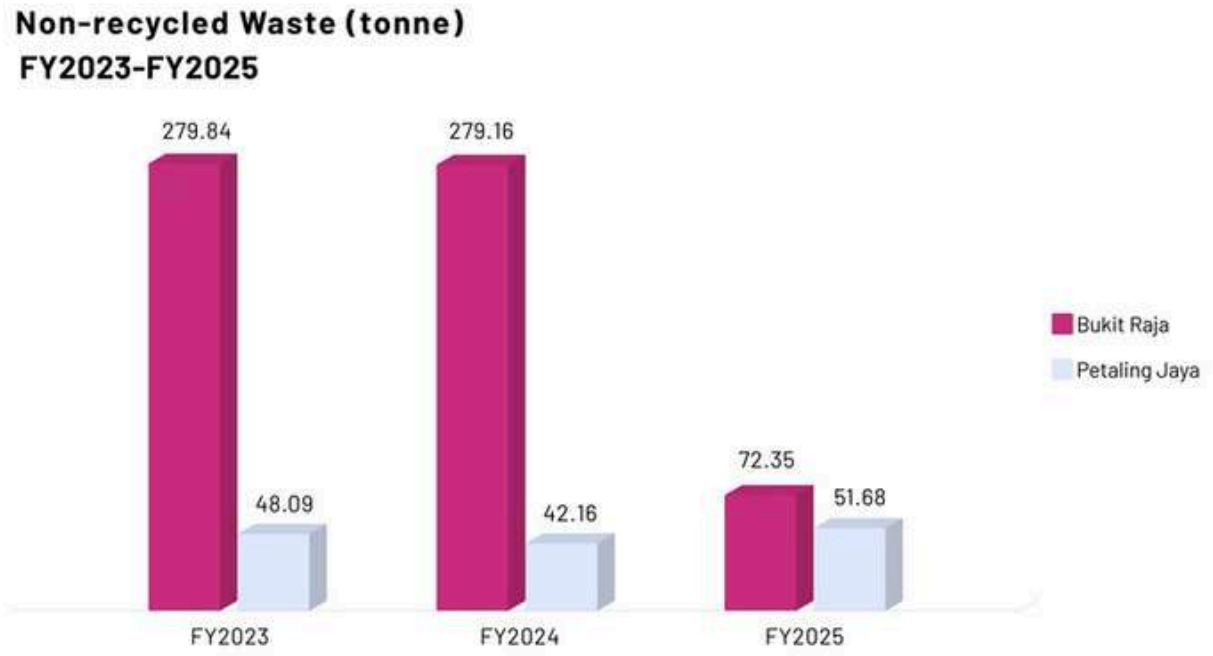
Other scheduled wastes recorded relatively smaller volumes and varied mainly due to maintenance and operational activities. SW409 (disposed containers) decreased from 3.43 tonnes in FY2024 to 2.89 tonnes in FY2025, while SW410 (contaminated rags) increased to 1.33 tonnes in FY2025 from 0.40 tonnes in FY2024, reflecting maintenance and cleaning activities associated with plant operations. SW306 (spent hydraulic oil) rose slightly from 13.13 tonnes in FY2024 to 13.60 tonnes in FY2025, and SW305 (spent engine oil) increased from 2.54 tonnes to 13.87 tonnes, corresponding to equipment servicing cycles. Meanwhile, SW421 (mixed waste) remained at zero generation in FY2025, demonstrating the continued effectiveness of improved waste segregation and operational controls implemented since FY2024.

Overall hazardous waste generation decreased from 5,000.50 tonnes in FY2024 to 4,504.66 tonnes in FY2025, representing a reduction of approximately 9.92%. The higher volume in FY2024 was primarily influenced by increased fume dust generation during operational adjustments and evaluation of recycling potential, while the reduction in FY2025 indicates improved process stability and enhanced waste management efficiency. These changes reflect operational optimisation rather than any decline in environmental performance.

Beyond regulatory compliance, Masteel continues to prioritise waste minimisation and circular resource use. Recyclable materials are recovered wherever feasible, and non-recoverable wastes are disposed of responsibly at approved facilities. Non-scheduled waste is also managed through certified contractors and disposed of at licensed landfill sites. Through continuous monitoring, process optimisation, and recovery initiatives, Masteel aims to progressively increase waste diversion and reduce environmental impact.

Moving forward, we will continue exploring recycling technologies, material recovery opportunities, and operational improvements to strengthen resource efficiency and support our long-term sustainability commitment.

Waste and Effluents



Masteel continuously monitors non-recycled waste generation as part of our waste minimisation strategy, with a target to achieve at least 1% reduction across operations. In FY2025, total non-recycled waste decreased from 321.32 tonnes in FY2024 to 124.03 tonnes, representing an overall 61.4% reduction, demonstrating the effectiveness of enhanced waste segregation, material recovery initiatives and process optimisation measures implemented during the year. This improvement supports Masteel's commitment to minimise waste sent for disposal by prioritising prevention, reuse and recycling. The reduction was driven by strengthened segregation practices, improved handling procedures and increased recovery of reusable materials within the production process, allowing more materials to be diverted away from disposal.

Reducing non-recycled waste in heavy industrial operations remains challenging due to process-related residues and material contamination. Nevertheless, the progress achieved reflects Masteel's proactive adoption of best practices in waste management and resource efficiency. We will continue enhancing recycling technologies, operational controls and employee awareness initiatives to further improve waste diversion rates and support our long-term objective of responsible and sustainable resource management.

Waste and Effluents

Progress against previously set targets to reduce waste for short term

Targets by FY2027 (Baseline data FY2023)	Performance FY2025
• To reduce 1% of non-recycled waste	• Achieve 62.2% reduction of non-recycled waste
• To reduce 1% of spent hydraulic oil (SW306)	• The increase was mainly due to wastewater treatment plant upgrades and revamping process.
• To reduce 1% of lubricant oil waste (SW305)	• The increase is due to maintenance activities involving the replacement of the gearbox oil tank at the Bukit Raja facility.
• To reduce 1% of fume dust (SW104)	• Achieve 18.83% reduction of fume dust as compared to FY2022.
• To reduce 1% of contaminated rags (SW410)	• The increase was due to upgrading works at the wastewater treatment plant.
• To reduce 1% of mix waste (SW421)	• Achieve 100% reduction of mix waste
• To reduce 1% of overall hazardous waste	• Achieve 18.46% reduction of overall hazardous waste as compared to FY2022

Masteel implements recycling and recovery practices to ensure industrial by-products, including skull steel and scheduled waste, are safely managed and reintegrated into operations where feasible. Guided by circular economy principles, these measures reduce waste to disposal including non-recycled waste, optimise resource utilisation, and support compliance with environmental regulatory requirements. As part of our environmental governance framework, we maintain an internal benchmark limiting regulatory penalties related to waste management to a maximum of two cases per financial year.

In FY2025, no penalties were recorded, reflecting the effectiveness of our compliance controls and strict adherence to environmental regulations. This achievement demonstrates our proactive approach to environmental stewardship and commitment to maintaining high operational standards. Since 2022, our Petaling Jaya plant has been certified to ISO 14001 Environmental Management System standards, covering approximately 50% of our operations. This certification supports continuous improvement in environmental performance, strengthens resource management practices, and reinforces our long-term commitment to sustainable operations and environmental protection.

Air Emissions

Key Air Emissions- Isokinetic Dust Particulate (mg/m^3)
FY2023-FY2025

Masteel recognises air emissions as a material environmental aspect of steel manufacturing and therefore implements a structured air quality management approach to ensure compliance with the Malaysian Environmental Quality (Clean Air) Regulations 2014 enforced by the DOE. Continuous monitoring and preventive control measures are applied to minimise environmental impact and manage operational risks associated with atmospheric emissions. Since 2021, Masteel has deployed a Continuous Emissions Monitoring System (CEMS) to measure and record emission parameters in real time. The CEMS comprises strategically positioned analysers installed across key emission points to continuously measure and record air emission parameters. The system provides accurate and reliable operational data that supports ongoing environmental monitoring and performance verification.

Real-time monitoring enables early detection of abnormal readings or equipment irregularities, allowing timely corrective actions to be implemented to reduce environmental impact and operational risk. The monitoring framework also supports consistent compliance by ensuring emissions remain within permissible regulatory limits while providing data for operational optimisation and preventive maintenance activities.

Air Emissions

Over the past four years, all monitored emission parameters have remained within regulatory limits and zero air emission-related penalties were recorded. This demonstrates the effectiveness of the monitoring and control framework implemented across operations. Beyond regulatory compliance, Masteel adopts a continuous improvement approach to air emissions management through process optimisation, preventive operational controls and enhancement of monitoring capabilities. Operational parameters are periodically reviewed to minimise particulate generation and gaseous emissions at source. Preventive maintenance programmes and equipment performance inspections are also conducted to ensure pollution control systems operate at optimal efficiency and avoid abnormal emission events.

Data generated from the CEMS is analysed to identify performance trends, enabling operational adjustments and targeted corrective actions where necessary. This data-driven approach supports early intervention, improves operational reliability and reduces the likelihood of exceedances. In parallel, employee awareness and operational procedures are reinforced to ensure consistent adherence to emission control practices. Collectively, these measures strengthen environmental risk management while maintaining stable production performance. Through ongoing monitoring, operational refinement and preventive controls, Masteel seeks to progressively reduce atmospheric impact and maintain responsible industrial operations in line with our environmental management objectives.

Progress against previously set targets to reduce pollution for short term

Targets by FY2027 (Baseline data FY2023)	Performance FY2025
• To reduce 1% of NOx emission	• Achieve 87.45% reduction of NOx emission
• To reduce 1% of SOx emission	• Achieved 29.32% reduction of SOx emission

Air Emissions

Key Air Emissions- Nitrogen Dioxide, NO_2 (tonne)
FY2023-FY2025

Key Air Emissions- Sulfur Dioxide, SO_2 (tonne)
FY2023-FY2025

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	Q4	Total
			Tonnes		
2023	88.91	77.96	67.01	60.79	294.67
2024	46.64	40.63	44.82	33.77	165.86
2025	8.31	9.04	11.01	8.63	36.99

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	Q4	Total
			Tonnes		
2023	579.56	557.83	101.08	94.31	1,332.78
2024	520.32	515.02	507.84	503.25	2,046.43
2025	238.00	228.00	242.00	234.00	942.00

Air Emission (Volatile Organic Compounds, VOCs)	Q1	Q2	Q3	Q4	Total
			Kilograms		
2023	00.00	00.00	00.00	00.00	00.00
2024	00.00	00.00	00.00	00.00	00.00
2025	00.00	00.00	00.00	00.00	00.00

GHG Emissions

Masteel remains committed to transparent and comprehensive greenhouse gas ("GHG") reporting, encompassing Scope 1, Scope 2 and Scope 3 emissions for FY2025. To strengthen credibility and data reliability, Masteel continues to engage independent third-party assurance providers to verify our carbon footprint disclosures. Our reporting approach aligns with the requirements of the IFRS S2 Climate-related Disclosures and is supported by internationally recognised climate frameworks, including the Paris Climate Agreement (2015) and the United Nations sustainability agenda.

Climate change presents both risks and opportunities that directly influence Masteel's long-term resilience, operational efficiency and market competitiveness. As a steel manufacturer operating energy-intensive processes, Masteel is inherently exposed to evolving environmental regulations, stakeholder expectations and global decarbonisation trends. The accelerating transition towards a low-carbon economy is reshaping the steel industry, with governments introducing carbon pricing mechanisms such as the Carbon Border Adjustment Mechanism ("CBAM") and investors increasingly requiring robust climate-related disclosures. Failure to adapt may lead to higher compliance costs, restricted market access and reputational risks.

Conversely, proactive climate action provides Masteel with the opportunity to advance green steel initiatives, attract sustainability-focused investors and respond to growing demand for low-carbon materials within the infrastructure and construction sectors. By embedding climate considerations into our business strategy, we aim to future-proof operations, improve resource efficiency and deliver long-term value to stakeholders.

Scope 1 Emissions Management

Masteel's Scope 1 emissions primarily originate from direct operational activities, particularly the combustion of natural gas and diesel used in manufacturing processes. These emissions are systematically monitored and reported to enhance operational efficiency and minimise environmental impact. Since FY2023, the Group has adopted the ISO 14064 standard to ensure accurate, consistent and standardised carbon accounting.

GHG Emissions

To further support decarbonisation, Masteel has implemented technological upgrades to reduce electricity and fuel consumption while continuously exploring alternative fuels and process optimisation initiatives to lower overall emissions intensity.

Scope 2 Emissions Management

Scope 2 emissions arise from purchased electricity consumed in our operations. Masteel continues to prioritise reductions in indirect energy emissions through structured energy management and efficiency improvement initiatives. Key measures implemented include optimising electricity consumption by directly charging billets from the Continuous Casting Machine ("CCM") to minimise reheating energy requirements, thereby reducing overall electricity demand. Masteel is also advancing renewable energy adoption, with solar photovoltaic installations forming an integral part of our sustainability roadmap. In addition, Masteel has implemented the ISO 50001:2018 Energy Management System to ensure systematic monitoring, performance evaluation and continuous improvement in energy efficiency. Through these initiatives, we aim to lower carbon intensity while improving operational performance and cost efficiency.

Scope 3 Emissions Management

Scope 3 emissions represent indirect emissions occurring across Masteel's value chain and are inherently more complex to measure due to their occurrence outside the Group's direct operational control. Recognising the importance of value chain transparency, Masteel has established a structured approach to tracking and reporting material Scope 3 emission sources. The Group currently monitors and discloses five key categories, namely Category 6: Business Travel, Category 7: Employee Commuting, Category 8: Upstream Leased Assets, Category 9: Downstream Transportation and Distribution, and Category 13: Downstream Leased Assets. This approach strengthens accountability, enhances data visibility and supports ongoing efforts to identify emission reduction opportunities beyond direct operations.

GHG Emissions

Masteel's FY2025 GHG emissions performance at the Bukit Raja plant reflects ongoing progress in managing climate-related risks and improving emissions intensity. The steelmaking plant recorded a process carbon intensity of 0.456 tCO_2e/mt, while the rolling mill plant achieved 0.085 tCO_2e/mt. These improvements were supported by operational optimisation measures, energy efficiency initiatives and the adoption of more sustainable manufacturing practices.

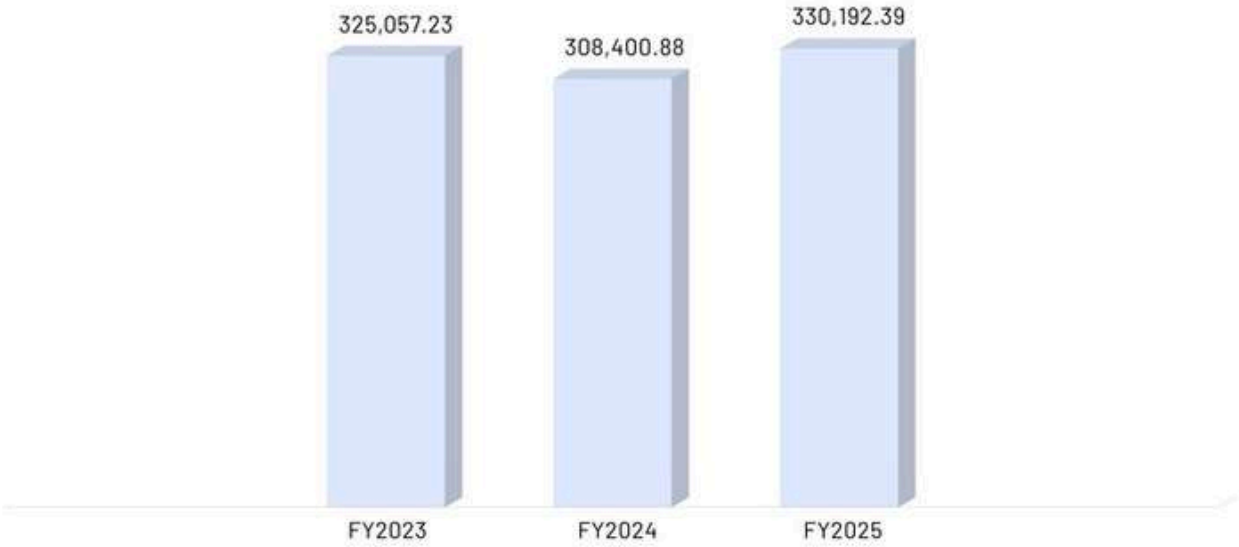
The Group has established interim decarbonisation targets comprising a 10% reduction in GHG emissions by 2026 and achieving net zero by 2030. These targets form part of Masteel's broader climate transition pathway and are incorporated into operational planning and performance monitoring to manage exposure to evolving regulatory requirements, carbon pricing mechanisms and market expectations. Further details on Scope 1, Scope 2 and Scope 3 emissions, including methodologies, and carbon reduction strategies, are disclosed on page 157-160 of the IFRS S1 & S2 disclosures. These disclosures support stakeholders' assessment of Masteel's climate-related risks, opportunities and transition strategy in accordance with IFRS S2 requirements.

GHG Emissions (tCO_2e) - Scope 1, 2 & 3
FY2023-FY2025

GHG Emissions

GHG Emissions (tCO_2e) - Scope 1
FY2023-FY2025

GHG Emissions (tCO_2e) - Scope 2
FY2023-FY2025

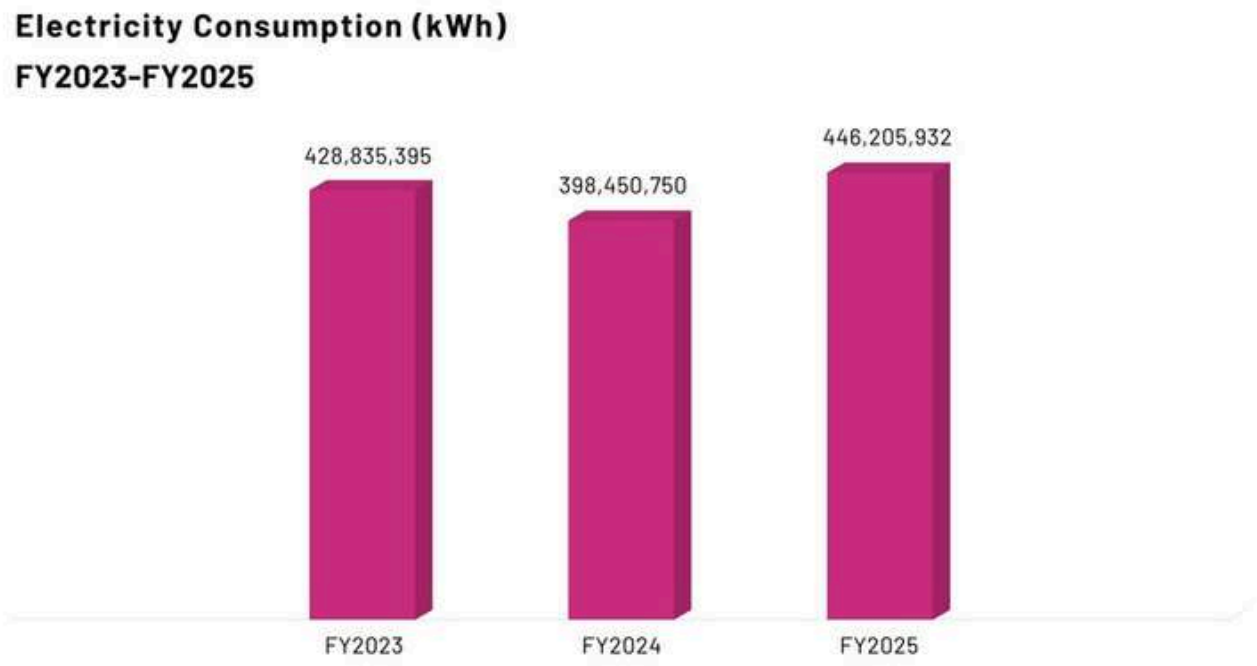


GHG Emissions

GHG Emissions (tCO_2e) - Scope 3
FY2023-FY2025

Process Carbon Intensity (tCO_2e/mt)
FY2023-FY2025

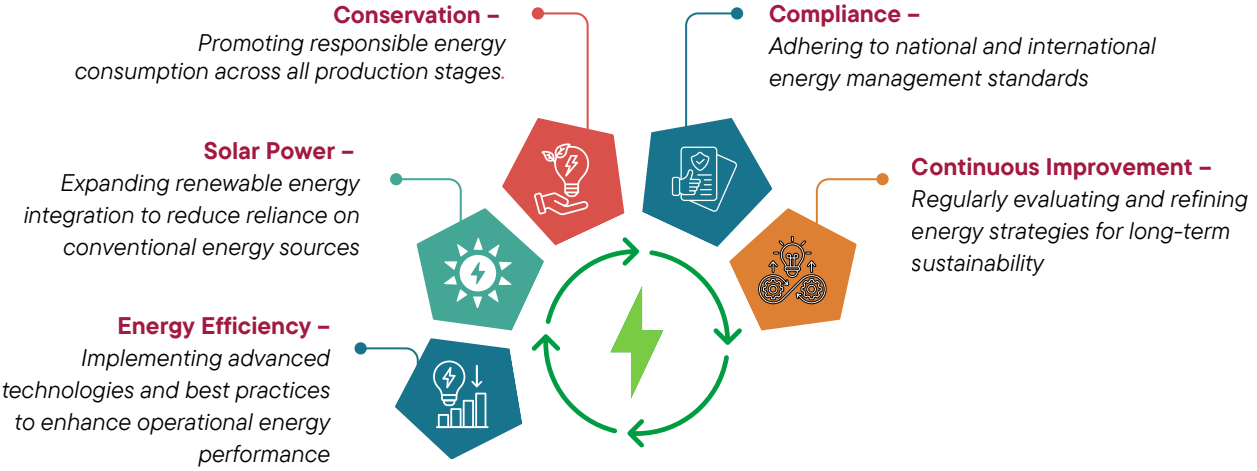
Energy Consumption



Energy	Consumption (Gigajoules, GJ)		
	FY2023	FY2024	FY2025
Electricity	1,543,807.42	1,434,422.70	1,606,341.36
Natural Gas	71,054.00	42,327.00	26,983.00
Diesel (Owned Machinery)	21,955.60	22,568.65	29,478.14
Total	1,636,817.02	1,499,318.35	1,662,802.50

Steel manufacturing is inherently energy-intensive, requiring significant electricity consumption to support core production processes. At Masteel, we continuously strengthen our technological capabilities and implement measures to optimise energy performance through a structured Energy Management Policy, which is guided by five key pillars.

Energy Consumption



Since obtaining the ISO 50001:2018 Energy Management Systems certification in FY2024, Masteel has strengthened its structured approach to energy governance and performance monitoring. The certification formalises our systematic identification of energy saving opportunities, operational optimisation and continuous performance evaluation, reinforcing our commitment to responsible and sustainable steelmaking. Through adherence to internationally recognised energy management practices, we are able to improve operational efficiency while progressively reducing our environmental footprint.

Following the full implementation of the Induction Furnace ("IF") in 2022, Masteel achieved measurable improvements in process efficiency and resource optimisation. A key outcome has been reduced consumption of auxiliary fuels such as natural gas and oxygen, contributing to lower overall emissions intensity. In FY2024, total electricity consumption decreased to 398,450,750 kWh, representing a 7.08% reduction compared with FY2023 (428,835,395 kWh), reflecting the initial benefits of operational optimisation and improved thermal utilisation.

In FY2025, electricity consumption increased to 446,205,932 kWh, a 11.99% rise compared with FY2024, primarily attributable to higher production output. However, despite the increase in absolute energy usage, energy intensity per tonne of production for FY2024 is 464.60 and improved to 413.45 for FY2025, demonstrating enhanced operational efficiency. This indicates that production growth rather than inefficiency that drove the increase in total electricity consumption.

Energy Consumption

A major contributor to this efficiency improvement is the elimination of the electric billet reheating process. Previously, billets required additional electrical heating prior to rolling. Through process optimisation, billets are now directly charged from the Continuous Casting Machine ("CCM"), utilising residual thermal energy. This hot-charging practice significantly reduces reheating energy demand, lowers emissions and improves process throughput while maintaining product quality.

Operating within an inherently energy-intensive industry, Masteel continues to prioritise energy optimisation, technological enhancement and adherence to global standards. By integrating energy management into operational decision-making, we aim to decouple energy consumption growth from production expansion. These initiatives support long-term decarbonisation objectives and reinforce our commitment to responsible resource use and sustainable steel production.

To support energy performance improvement, Masteel promotes energy awareness and operational discipline across our workforce to ensure consistent implementation of energy-efficient practices in daily operations. In addition, we are assessing renewable energy integration as part of our climate transition strategy. The planned deployment of solar photovoltaic systems is intended to diversify energy sources, reduce exposure to grid-related emission factors and support long-term emissions reduction.

These initiatives form part of Masteel's ongoing approach to managing energy-related risks and opportunities, enhancing operational resilience while contributing to lower greenhouse gas emissions intensity.

Water Management

Responsible water management remains a key environmental priority for Masteel as we strive to minimise water-related risks and ensure sustainable withdrawal practices at both our Bukit Raja and Petaling Jaya operations. We actively engage with local communities, regulators and water authorities to understand shared concerns and collaboratively develop practical water stewardship measures. Our Water Conservation Policy provides the framework guiding efforts to optimise usage, reduce wastage and support long-term resource sustainability. We conduct periodic stakeholder consultations to enable us to assess local water challenges, evaluate emerging risks and identify opportunities for improved efficiency, ensuring alignment with regulatory expectations and community needs.

Transparency is embedded in our water management approach. Masteel discloses water withdrawal performance, risk assessments and mitigation measures on an annual basis. We also utilise recognised analytical tools such as the World Resources Institute Aqueduct Water Risk Atlas to evaluate exposure across our sites. The assessment confirms that both the Petaling Jaya and Bukit Raja facilities operate in low water-risk locations, with no withdrawals occurring in water-stressed areas. This mechanism allows us to further enhance our risk evaluation capabilities in particular to water management.

Water Management

Operation Sites	Latitude	Longitude	Country	State	Baseline Water Stress
29e, Jln Tandang, Seksyen 51, 46050 Petaling Jaya, Selangor, Malaysia	3.088861	101.632699	Malaysia	Selangor	Low (<10%)
Taman Perindustrian Bukit Raja, 41050 Klang, Selangor, Malaysia	3.071336	101.462783	Malaysia	Selangor	Low (<10%)

**Source: https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&geoStore=788bbec6d8caf1ae96a1109436c187ec&indicator=bws_cat&lat=61.2702327900006 34&lng=14.589843750000002&mapMode=analysis&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&threshold&timeScale=annual&year=baseline&zoom=2*

Although our operations are located in low water-risk areas, Masteel continues to prioritise responsible water stewardship. The installation of a rainwater harvesting system at the Bukit Raja and Petaling Jaya facility demonstrates our ongoing commitment to conserving water resources by reducing dependence on municipal supply and improving operational efficiency. To further strengthen this commitment, Masteel set an annual target to reduce total water withdrawal by 2%. This target was significantly exceeded, with water withdrawal decreasing from 372,527.88 m^3 in FY2024 to 283,749.20 m^3 in FY2025, representing an approximate 23.83%, compared to the target reduction of 2%. The reduction was mainly driven by greater utilisation of harvested rainwater, and process efficiency improvements implemented during operational upgrades in FY2024.

We will continue advancing sustainable water management through initiatives such as water recycling, rainwater utilisation and efficiency enhancements. Guided by our Water Conservation Policy, Masteel remains focused on optimising water usage while balancing operational growth with environmental responsibility.

Water Management

Masteel has implemented two Rainwater Harvesting Systems ("RHS") across our operational sites in Bukit Raja and Petaling Jaya as part of our ongoing sustainability and resource efficiency initiatives. Developed in collaboration with site personnel, the systems are engineered to capture, and store rainwater for operational reuse, helping mitigate potential supply disruptions while strengthening environmental stewardship. The harvested rainwater is primarily utilised in cooling-related applications within steel production, including product cooling, equipment cooling, dust suppression and ancillary operational cleaning activities. By substituting treated water with harvested rainwater for non-potable industrial purposes, Masteel reduces dependency on municipal water sources, improves process efficiency and lowers the environmental intensity of production. This initiative supports Masteel's commitment to responsible water management and contributes to Malaysia's broader ESG and circular economy aspirations.

Beyond operational resilience, the RHS forms part of Masteel's broader water risk management strategy by diversifying water sources and improving adaptability to climate variability, seasonal rainfall fluctuations and potential regulatory constraints on water abstraction. By enhancing alternative water availability, the system safeguards operational continuity during periods of supply pressure while reducing exposure to water-related cost volatility. In FY2025, Masteel harvested a total of 11,926.20 m^3 of rainwater, comprising 10,387.17 m^3 from the Petaling Jaya plant and 1,539.03 m^3 from the Bukit Raja plant, directly offsetting a portion of raw water withdrawal. In parallel, we actively promotes employee awareness and behavioural change programmes aligned with our Water Conservation Policy. Training and on-site awareness initiatives encourage efficient water usage practices, early leak detection, responsible housekeeping and reporting of abnormal consumption patterns. Together with operational optimisation measures, these efforts foster a culture of water stewardship, supporting continuous reduction in raw water intake and reinforcing our long-term commitment to sustainable manufacturing and environmental responsibility.

Water Management

Location	Discharge destination	Water Discharge (million m^3)		
		FY2023	FY2024	FY2025
Petaling Jaya, Selangor, Malaysia	-	0	0	0
Bukit Raja, Klang, Selangor, Malaysia	-	0	0	0

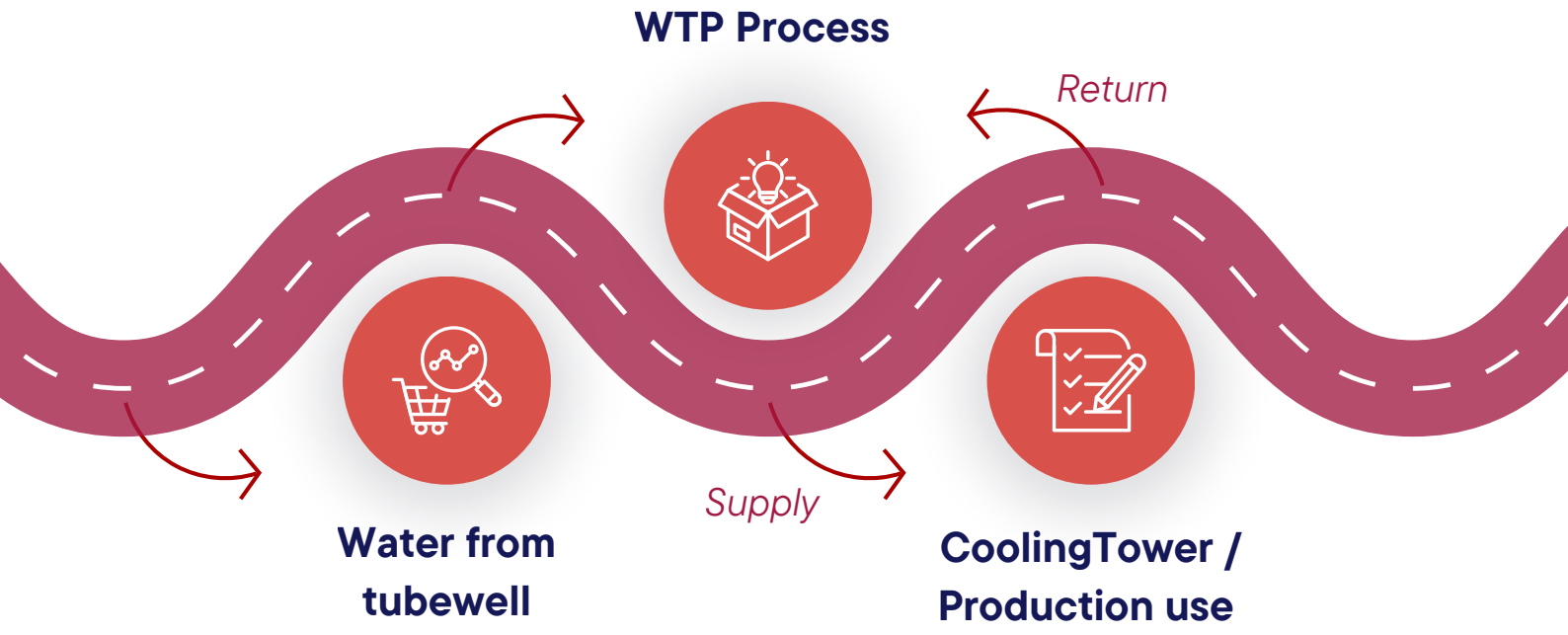
Our primary water sources comprise treated municipal supply supplemented by controlled extraction from groundwater bodies, in accordance with applicable regulatory approvals. Rainwater harvesting further complements these sources to reduce dependence on externally treated water. Water consumption is largely associated with domestic use and process cooling activities. To enhance efficiency, we have optimised our cooling infrastructure through closed-loop circulation systems, significantly lowering withdrawal requirements while maintaining stable operational performance.

In addition, Masteel fully reuses wastewater generated from operations for machinery and product cooling, resulting in zero process water discharge since the commencement of operations. Prior to recirculation, all wastewater undergoes appropriate treatment in compliance with applicable environmental regulatory standards to ensure safe and sustainable reuse. This closed-loop water management approach reflects circular economy principles by minimising waste generation and maximising resource utilisation. We are currently in the process of obtaining formal recognition and certification from the Department of Environment (“DOE”) Malaysia for our 100% wastewater reuse practice. Consequently, no discharge volume is recorded due to our zero-water discharge approach, demonstrating our commitment to responsible water stewardship and conservation.

We have implemented an advanced wastewater recycling treatment system that integrates environmental sustainability with operational efficiency. The system minimises water losses, reduces reliance on external water sources, and ensures compliance with environmental regulations. It operates through several structured treatment stages, each designed to optimise water reuse while maintaining the quality required for our operational processes.

Water Management

Summary of Process Flowchart



Location	Source	Water Withdrawal (m^3)		
		FY2023	FY2024	FY2025
Petaling Jaya, Selangor, Malaysia	Municipal portable water	21,605.00	23,305.00	17,244.00
	Harvested rainwater	0.00	12,718.98	10,387.17
Bukit Raja, Klang, Selangor, Malaysia	Tubewell	244,818.00	295,698.00	205,573.00
	Municipal portable water	35,940.00	39,231.00	49,006.00
	Harvested rainwater	1,240.53	1,574.90	1,539.03

Masteel's unwavering commitment to sustainable water management is further demonstrated by our impeccable compliance record, with zero incidents of non-compliance related to water quality, quantity permits, or regulatory standards. This achievement is a testament to our stringent monitoring systems, continuous improvements in water efficiency, and proactive engagement with environmental regulations. As we move forward, we will continue to explore and implement innovative water-saving technologies, expand our rainwater harvesting capabilities, and enhance employee-driven conservation initiatives. Through these concerted efforts, Masteel remains focused in our mission to protect and preserve this finite and precious resource, ensuring sustainable water management across our operations.

Life Cycle Perspective

Stage 1

Raw/ Secondary Material Acquisition

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

Stage 2

Production

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

Stage 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.

Stage 4

Customer

Our ability to influence how customers utilise 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.

Stage 5

End User

Masteel adopts a life-cycle approach to manage environmental impacts across the entire steel value chain, from material sourcing to end-of-life recovery. This framework enables the integration of responsible practices, resource efficiency and circular economy principles at every operational stage. At stage 1, we influence upstream environmental performance by sourcing raw and secondary materials exclusively from approved and evaluated vendors. Supplier selection considers regulatory compliance, quality standards and responsible sourcing practices, ensuring that incoming materials support sustainable production and minimise environmental risks at the earliest stage of the product life cycle.

Life Cycle Perspective

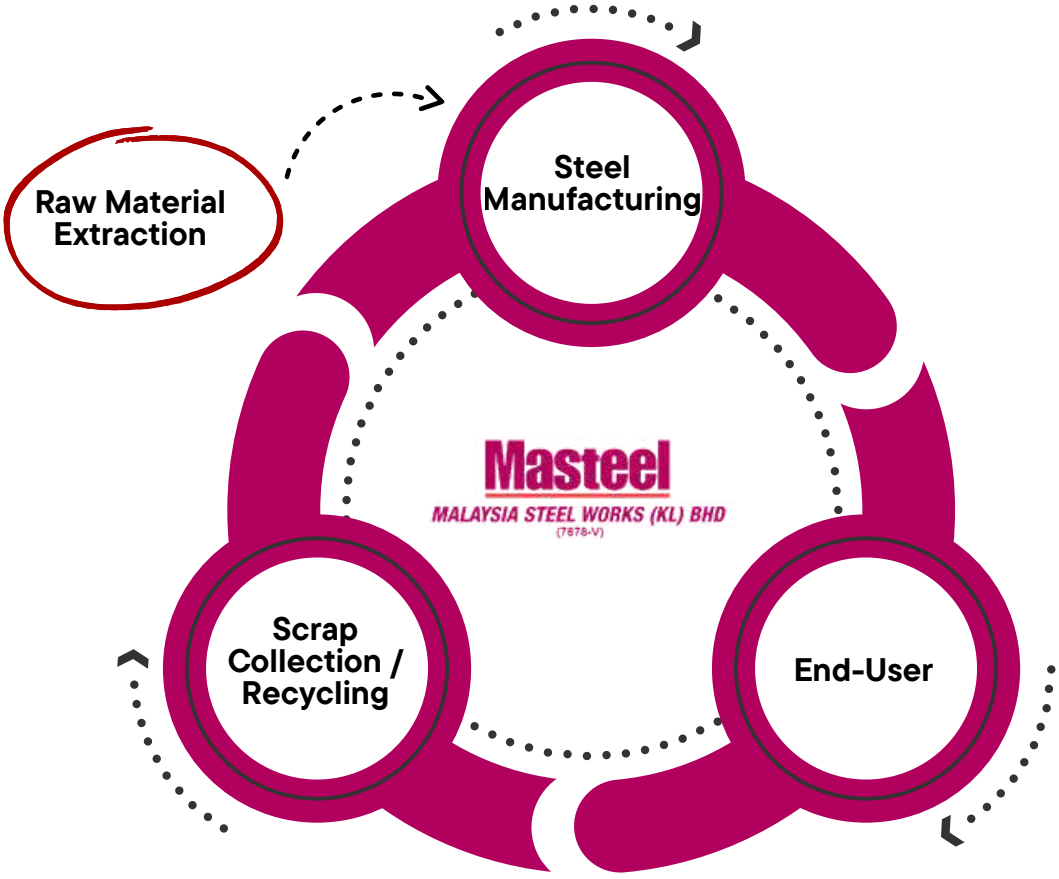
Meanwhile at stage 2 during manufacturing, we manage key inputs including electricity, water, gas, oils and billets while monitoring operational emissions and production by-products such as scrap steel, contaminated consumables and filters. Process optimisation and material recovery practices allow production scrap to be reintegrated into the manufacturing cycle, reducing waste generation and improving resource efficiency. Continuous monitoring of energy use and emissions further supports operational control and environmental performance.

At stage 3, we optimise logistics planning to improve delivery efficiency and minimise environmental impact through consolidated shipment scheduling and operational coordination. While delivery timing and quantities are often customer-determined, we actively works with logistics partners to enhance transport efficiency and reduce unnecessary handling and transport-related emissions.

Furthermore at stage 4, although customer usage patterns are beyond our direct operational control, we continue promote responsible utilisation of steel products by providing materials that meet durability and performance requirements. We advocate efficient material use and encourage customers to manage steel responsibly throughout its service life.

Lastly, steel is fully recyclable, and we encourage recovery at end-of-life by promoting the return of scrap steel into the recycling stream. This supports a closed-loop material cycle, reduces reliance on virgin resources and contributes to circular economy outcomes.

Circular Economy



Steel is the most recycled material globally and inherently supports circular economy principles, as it can be repeatedly recycled without loss of quality. Masteel embraces this characteristic by incorporating substantial volumes of recycled steel scrap into our steelmaking processes. This reduces reliance on virgin raw materials, conserves natural resources and minimises industrial waste, reinforcing our commitment to sustainable steel production both locally and internationally.

As part of our zero-waste approach, we prioritise the recovery and reuse of manufacturing co-products. Materials such as steel slag and mill scale are systematically collected and repurposed, ensuring they are reintegrated into productive use rather than disposed of. This practice improves resource efficiency while lowering our environmental footprint and demonstrates the practical application of circular economy principles within heavy industry operations.

Circular Economy

Our efforts extend beyond internal operations. Masteel works collaboratively with suppliers, contractors and customers to promote responsible material consumption, product durability and end-of-life recycling. By supporting a closed-loop steel value chain, we contribute to broader industry transition towards low-carbon and resource-efficient manufacturing practices aligned with global sustainability objectives.

Through these initiatives, Masteel continues to strengthen our role as a responsible steel manufacturer by reducing material intensity, reusing co-products and maximising recyclability. This integrated circular approach preserves finite resources while supporting Malaysia's and the global steel sector's transition toward a more sustainable and low-carbon future.

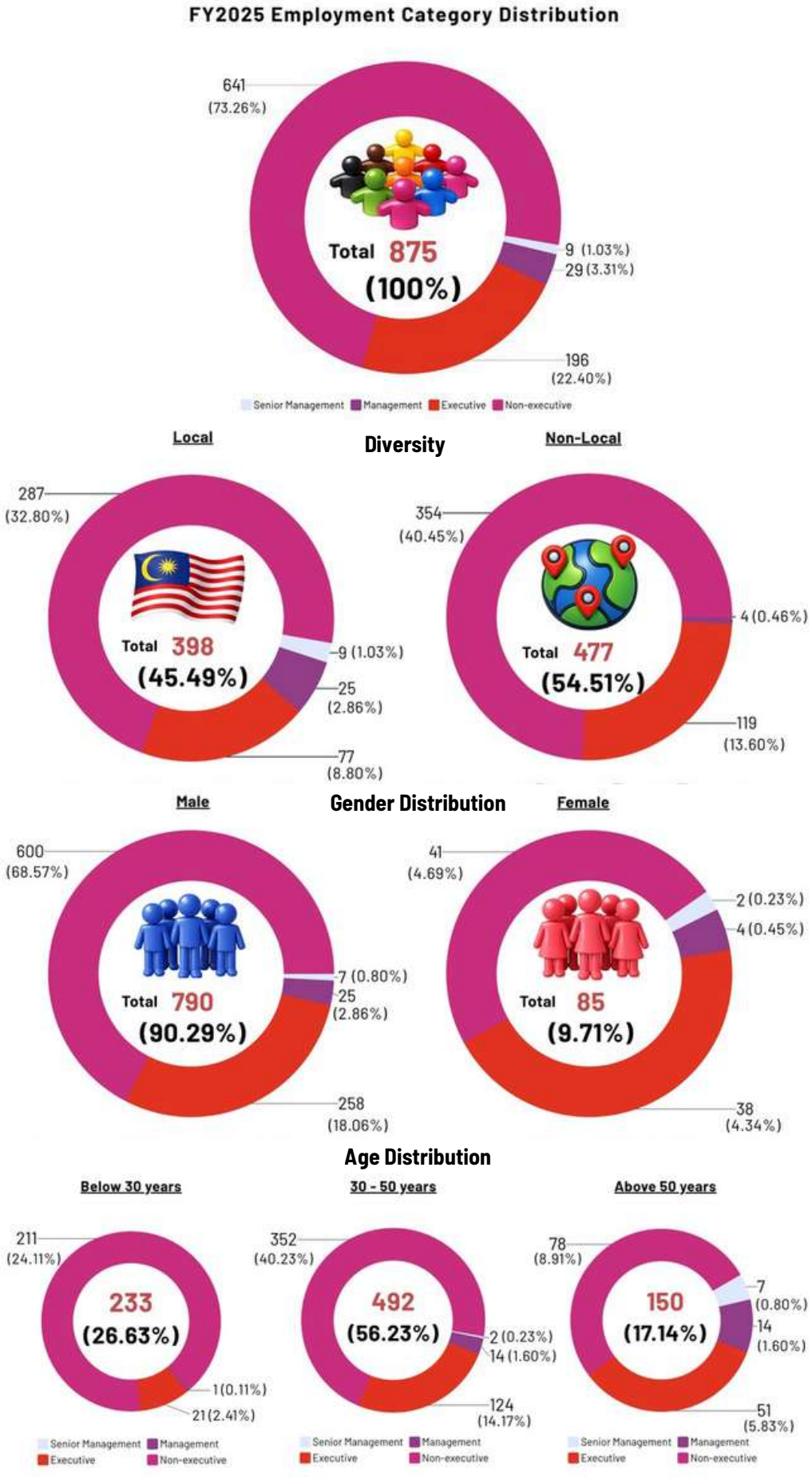
Raw Materials	FY2023	FY2024	FY2025
		Tonnes	
Fesi	43.21	16.58	22.71
SiMn	4,838.91	4,264.22	4,975.88
Coke	104.10	46.53	61.95
CaO	157.70	459.49	0.00
Total	5,143.92	4,786.82	5,060.54

Targets by FY2027 (Baseline data FY2023)	Performance FY2025
• To achieve 5% reduction in raw material consumption	• Achieve 1.62% reduction in raw material consumption.

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

SOCIAL

Employee Diversity

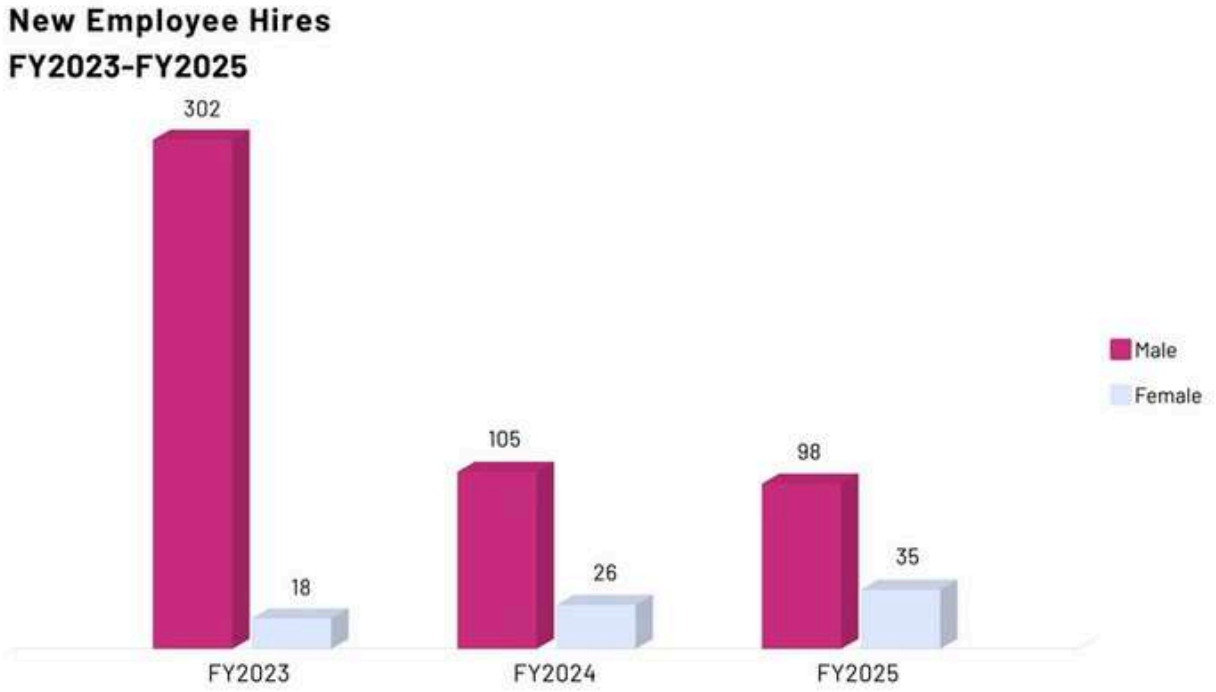


Employee Diversity

In FY2025, Masteel employed a total workforce of 875 employees, reflecting continued operational growth and stable manpower requirements across our steel manufacturing operations. The workforce composition remains operationally oriented, with 641 non-executive employees (73.26%), 196 executives (22.40%), 29 management personnel (3.31%), and 9 senior management members (1.03%). This structure demonstrates the labour-intensive nature of steel production, where technical and plant based operational roles form the backbone of day to day manufacturing activities while being supported by supervisory and leadership functions. Out of the total workforce, 59.09% (517 employees) were employed on a contract basis, while the remaining 40.91% (358 employees) held permanent positions. From a demographic perspective, Masteel maintains a balanced age distribution that supports both operational continuity and knowledge transfer. Employees aged 30–50 years represent the majority at 492 employees (56.23%), forming a strong core of experienced and productive personnel. Meanwhile, 233 employees (26.63%) are below 30 years old, contributing fresh perspectives, adaptability, and future talent pipeline development. Employees aged above 50 years total 150 (17.14%), providing valuable institutional knowledge and technical expertise accumulated over decades of industry experience. This balanced age structure enables mentorship opportunities, skills succession, and long-term workforce sustainability. As of 2025, we do not have employees with disabilities (0.00%). Nevertheless, our hiring policies are firmly grounded in a non-discrimination framework, ensuring equal employment opportunities for all individuals, including persons with disabilities.

Gender representation continues to reflect the industrial nature of steel manufacturing operations. The workforce comprises 790 male employees (90.29%) and 85 female employees (9.71%). While physically demanding operational roles contribute to a higher male representation, Masteel remains firmly committed to non-discriminatory hiring practices and equal employment opportunities. Recruitment, promotion, training, and compensation are strictly based on competency, experience, and performance, in accordance with the Company's Human Rights and Labour Practices policies. In terms of nationality diversity, 398 employees (45.49%) are local hires while 477 employees (54.51%) are non-local workers. This composition reflects the manpower demands of heavy manufacturing while Masteel continues to promote local employment through targeted recruitment and collaboration with educational and training institutions.

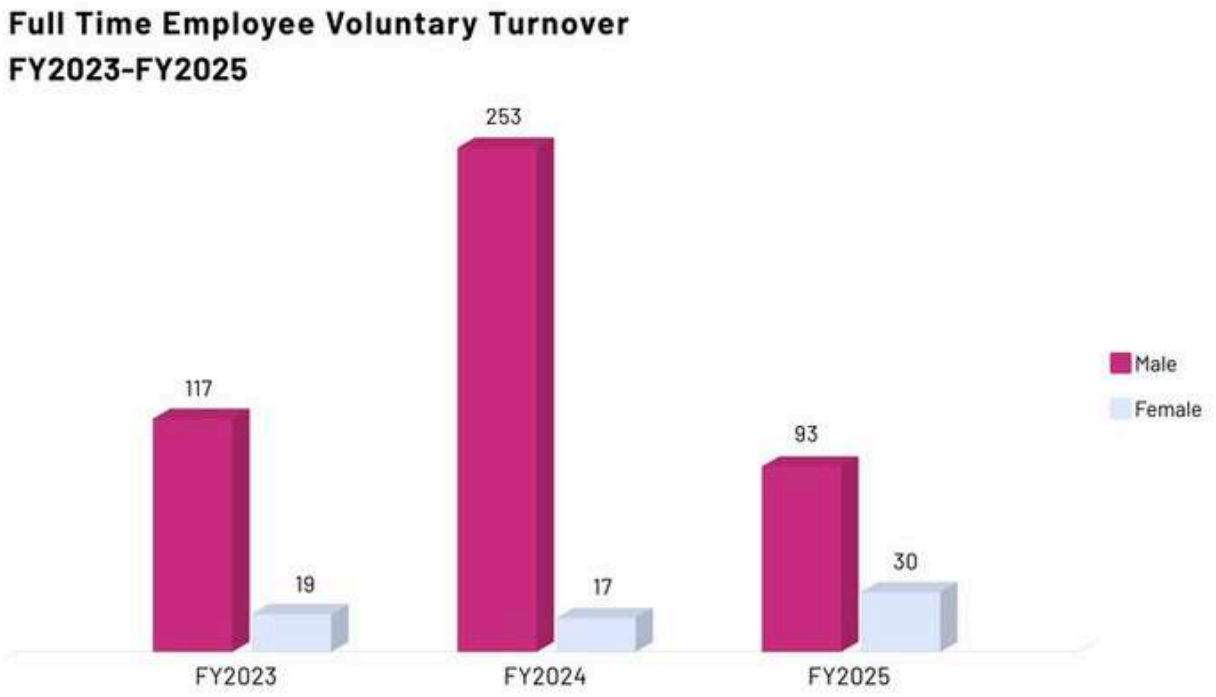
Employee Diversity



Overall, the FY2025 workforce profile highlights Masteel's commitment to maintaining a capable, inclusive, and sustainable workforce. By combining experienced professionals, emerging young talent, and diverse backgrounds, Masteel strengthens operational resilience while fostering knowledge transfer, productivity, and long-term business continuity.

In FY2025, Masteel welcomed 133 new employees, comprising 98 males and 35 females, as part of our continued efforts to strengthen and sustain our workforce. While the total number of hires was slightly lower compared to FY2024 (131 employees), the proportion of female hires increased, reflecting our ongoing commitment to building a more balanced and inclusive workforce. This hiring activity supports Masteel's objective of maintaining operational continuity and ensuring a steady pipeline of skilled personnel to meet evolving production and technical requirements. The recruitment trend also indicates a stabilisation phase following the higher intake in FY2023, where workforce expansion was more pronounced to support operational scaling. Overall, the hiring pattern demonstrates Masteel's shift from expansion-driven recruitment towards workforce optimisation, focusing on capability development, diversity enhancement and long-term workforce sustainability in a competitive industrial environment.

Employee Diversity



Meanwhile, Masteel recorded a total voluntary employee turnover of 123 employees, comprising 93 males and 30 females including 3 in management, 40 executives, and 80 non-executive or technical staff, representing a voluntary turnover rate of 14.06% based on a total workforce of 875 employees. This marks a significant improvement compared to FY2024, which recorded 270 voluntary separations, indicating enhanced workforce stability and retention across operations. The reduction in turnover reflects the effectiveness of our ongoing human capital initiatives, including employee engagement programmes, skills development opportunities, and improvements in workplace conditions. As the steel manufacturing industry remains operationally demanding and competitive for skilled labour, Masteel continues strengthening our employee value proposition to support long-term retention and workforce sustainability.

While the proportion of female turnover increased slightly in FY2025, this trend highlights the importance of further enhancing inclusive workplace practices, career development pathways and supportive working arrangements. Masteel is progressively refining our talent management strategies to address workforce expectations across diverse employee groups.

Employee Diversity

	FY2023	FY2024	FY2025
Full time employee voluntary turnover rates	13.53%	31.18%	14.06%

Overall, the improved retention performance was primarily driven by strong employee engagement within Masteel, supported by enhanced communication channels, upskilling of employees through various training, and strengthened workplace well-being initiatives implemented during the year. Maintaining an appropriate balance between hiring and retention remains essential to ensuring operational continuity, preserving institutional knowledge, and supporting sustainable business growth. We remain committed to providing a positive and inclusive work environment, promoting equal opportunity, and safeguarding employee rights in accordance with our corporate policies. We continuously review our employee engagement initiatives, career development programmes, and workplace practices to further strengthen retention and enhance job satisfaction.

Masteel recognises that effective talent retention is closely linked to workforce capability and organisational resilience. Through ongoing investment in training, structured career progression and a supportive workplace culture, we aim to remain an employer of choice while addressing the evolving expectations and well-being of our employees.

Employee Diversity

FY2025 Parental Leave

In FY2025, a total of 10 employees at Masteel took parental leave, comprising 8 male and 2 female employees. All employees who took parental leave successfully returned to work upon completion of their leave, reflecting a 100% return-to-work rate. More notably, all 10 returning employees remained employed with Masteel for at least 12 months after their return, maintaining a 100% post-parental-leave retention rate. This sustained outcome demonstrates the effectiveness of Masteel's employee support framework and mirrors the strong retention performance achieved in the previous year.

These results highlight the strength of Masteel's family-friendly workplace practices, including structured leave arrangements, supportive reintegration processes, and a work environment that enables employees to balance family responsibilities with professional commitments. The high retention rate following parental leave indicates that employees feel secure continuing their careers with the company after significant life events. By maintaining consistent retention outcomes, we reinforce our commitment to employee well-being and workforce stability. Our continued focus on flexible support measures and inclusive policies strengthens employee engagement and loyalty while ensuring the organisation retains valuable experience and skills. This approach supports sustainable talent development and positions Masteel as a responsible and people-centric employer committed to long-term workforce resilience.

Employee Diversity

At Masteel, People Diversity Drives Long-Term Sustainability

Masteel recognises and embraces the rich cultural and religious diversity within our workforce as a core part of our people-centric values. Through a strong commitment to inclusivity and unity, the company celebrates key festive occasions throughout the year to ensure every employee feels respected, valued, and connected to the organisation. Annual celebrations such as Chinese New Year, Hari Raya Aidilfitri, Deepavali, National Day, Malaysia Day and Christmas bring employees together across departments and backgrounds, strengthening interpersonal relationships and fostering a strong sense of belonging. These occasions typically include shared meals, decorations and token gift exchanges, creating meaningful opportunities for employees to interact beyond their daily work roles and build closer workplace relationships.

Beyond the celebrations themselves, Masteel integrates educational and engagement activities that encourage employees to understand the cultural significance behind each festival. Interactive programmes and informal sharing sessions allow colleagues to learn from one another, nurturing empathy, mutual respect and cross-cultural appreciation. These initiatives help cultivate genuine connections across teams, enhancing communication and collaboration in the workplace.

By actively embracing multiculturalism, Masteel continues to strengthen a cohesive and supportive organisational culture where employees feel comfortable expressing their identities while appreciating the diversity of others. The strong interpersonal bonds formed through these shared experiences contribute to higher morale, teamwork and trust, reinforcing the company's belief that a connected and inclusive workforce drives innovation, operational excellence and long-term organisational sustainability.

Employee Diversity

At Masteel, People Diversity Drives Long-Term Sustainability

Happy Chinese New Year 2025

Selamat Hari Raya Aidilfitri 2025

Employee Diversity

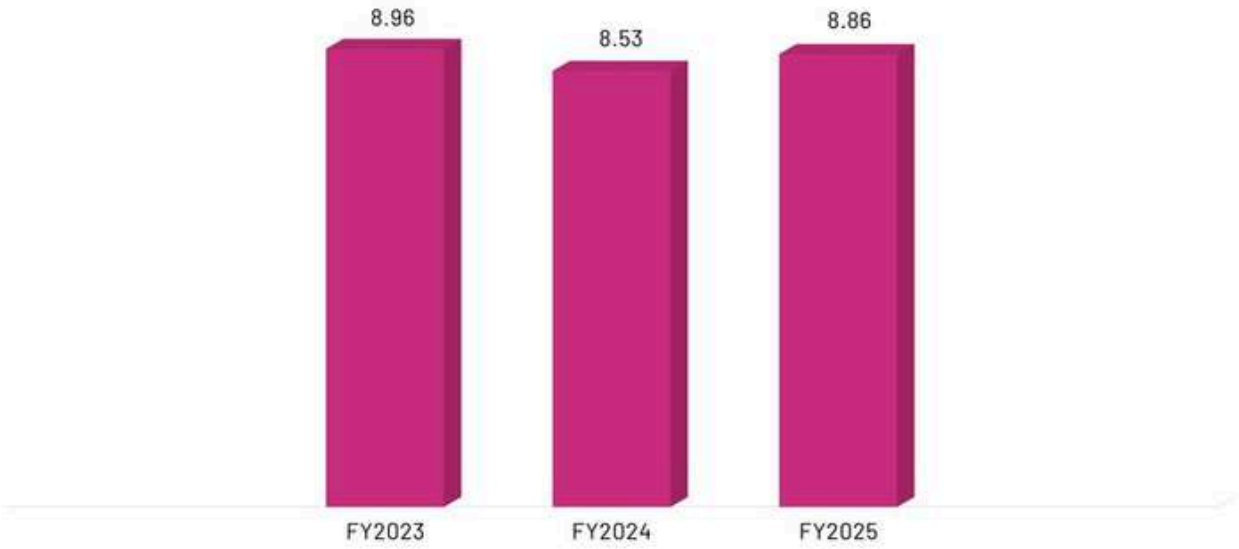
At Masteel, People Diversity Drives Long-Term Sustainability

Happy Deepavali 2025

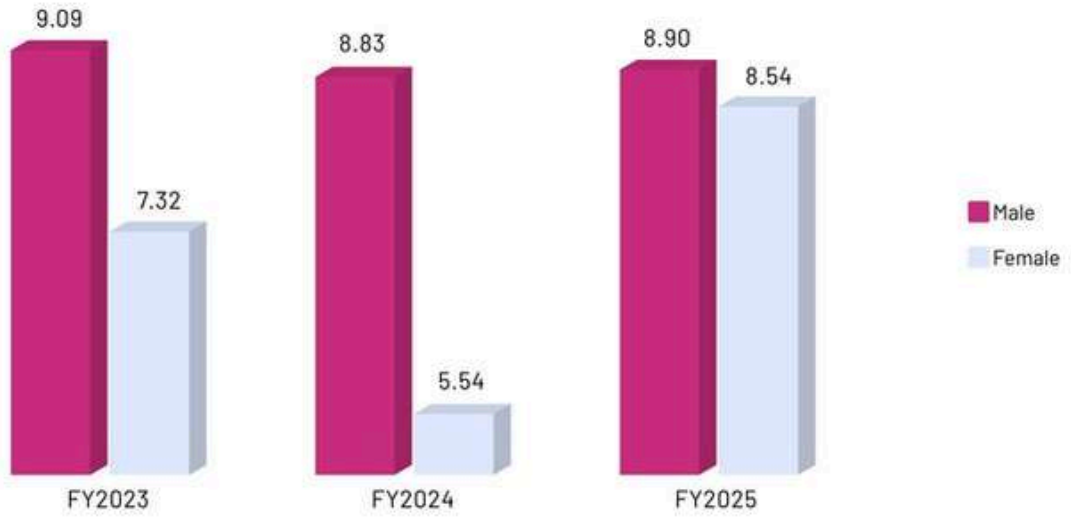
Merry Christmas 2025

Training and Development

Average Training Hours per Employee
FY2023-FY2025



Average Training Hours by Gender
FY2023-FY2025



Training and Development

Total Training Hours by Employment Category
FY2023-FY2025

Average Training Hours by Employment Category
FY2023-FY2025

Training and Development

Masteel remains committed to continuous employee development to ensure our workforce possesses the competencies required to operate safely, efficiently and responsibly within an evolving steel manufacturing environment. In FY2025, the average training hours per employee increased to 8.86 hours, compared to 8.53 hours in FY2024, reflecting sustained investment in learning effectiveness and workforce capability enhancement.

Training participation was distributed across all organisational levels to support operational reliability and leadership development. The majority of training hours were allocated to non-executive employees, who recorded 5,420 total training hours, reflecting the emphasis on technical competency, operational procedures and workplace safety. Executives received 2,007 hours of training focused on technical, functional and supervisory skills, while management and senior management employees recorded 197 hours and 130 hours respectively, primarily related to leadership capability, governance awareness and strategic decision-making. Compared with FY2024, increased training for executives and senior leadership indicates stronger emphasis on organisational capability building and accountability.

Masteel continues to ensure equitable access to training opportunities across genders where in FY2025, male employees recorded an average of 8.90 training hours, while female employees recorded 8.54 hours, demonstrating balanced participation and inclusive workforce development practices. The improved alignment between genders compared to the previous year reflects ongoing efforts to provide equal learning opportunities throughout the organisation.

When assessed by employment category, training hours per employee demonstrated targeted development priorities. Senior management employees recorded 14.44 hours of training, reflecting increased focus on governance, risk awareness and sustainability leadership. Executive employees recorded 10.24 hours, supporting technical decision-making and operational coordination, while non-executive employees recorded 8.46 hours, primarily related to operational safety and process competency. Management-level training moderated to 6.79 hours following completion of structured programmes in the previous year, indicating a transition toward more specialised training modules.

Training and Development

Beyond training volume, Masteel emphasises training relevance and effectiveness on competence development. Training programmes are periodically reviewed and refined to prioritise operational safety, regulatory compliance, leadership development and productivity improvement. This targeted approach ensures employees acquire practical skills that directly enhance performance, strengthen operational resilience and support sustainable business operations.

Through continuous investment in upskilling and reskilling initiatives, Masteel fosters a competent, adaptable and safety-conscious workforce while supporting long-term organisational sustainability. These efforts reinforce our commitment to employee development, operational excellence and responsible industrial practices.

The following summarises the training sessions and workshops conducted in FY2025, demonstrating our continued commitment to employee capability development and career advancement.

Internal	Petaling Jaya Plant	Bukit Raja Plant
	Briefing on Company Policies Orientation by Human Resource	Assemble Tensile Jig And Grip Briefing on Company Policies Handling Regulator Vale Oxygen and Acetylene Tank Measuring and Calculating AGT (Elongation) Orientation by Human Resource

External	Petaling Jaya Plant	Bukit Raja Plant
	Identifying Areas of Risks and Minimising the Liabilities of Company Secretaries Managing the Employment of Foreign Employees: Policies, Compliance & Best Practices MBRS 2.0 for Preparers - Financial Statements	Continuous Casting of Steel Billet Electric Furnace Steelmaking Introductory Training on Energy Management System Development and Implementation Based on Iso 50001 Requirement ISO9001 Internal Audit

Training and Development

External	Petaling Jaya Plant	Bukit Raja Plant
	Microsoft Excel Training	Ladle Refining
	Rethinking Compliance Risk - Building Stronger Controls, Smarter Monitoring, Better Decisions	Oxygen Steelmaking Processes (BOF)
	Seminar on Sales Tax Expansion: Updates & Implications for the Iron and Steel Industry	Refining of Stainless Steel
	Seminar Program Geran Audit Tenaga Bersyarat (EACG) dan Pengurusan Tenaga untuk Sektor Bangunan Komersial dan Industri	Solidification of Steel
	Sustainability Reporting and National Sustainability Reporting Framework for Company Secretaries in Malaysia	Steelmaking Refractories
	Training on Human Resource Management System	Steel Plant Refractories
		Training on Human Resource Management System
		Tundish Operation
		Vacuum Degassing

Employment Practices and Labour Standards

Masteel's Labour Five Best Practices

Masteel is committed to providing a safe, fair and inclusive workplace where all employees are treated with dignity and in line with recognised labour and human rights standards. Our people management framework is guided by five key practices: accessible grievance channels, clear communication of employment terms, compliance with wage and remuneration regulations, priority opportunities for under-privileged groups and youths, and equal opportunity in hiring. Together, these principles promote fairness, transparency and accountability throughout the employee lifecycle. To support these commitments, Masteel enforces our Prevention of Child Labour, Prevention of Forced Labour and Human Rights policies introduced in 2021. These are communicated via emails, town halls and the company website, and provided in multiple languages including English, Nepali, Thai, Bengali, Burmese, Filipino, and Chinese to ensure understanding across our diverse workforce. In FY2025, 133 new employees received Human Rights Policy training, while existing employees were regularly updated through monthly briefings and materials.

Masteel maintains a fair and merit-based recruitment approach that prohibits discrimination based on race, religion, gender, age, sexual orientation, disability, nationality or other personal characteristics. We believe diversity strengthens collaboration, operational performance and innovation within a manufacturing environment. In FY2025, there were zero reported cases of discrimination, child labour or forced labour, and no human-rights-related grievances were recorded, reflecting the effectiveness of our governance and awareness initiatives. Through consistent policy enforcement, transparent communication and active employee engagement, Masteel continues to strengthen workplace integrity and employee well-being while building a respectful, inclusive and responsible working environment for all.

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**

Employment Practices and Labour Standards

Prevention of Child Labour Policy

Masteel maintains zero tolerance for child labour and strictly complies with all applicable labour regulations across our operations. This commitment is embedded within our employment policies, supported by rigorous hiring and age-verification procedures to ensure no children or under-aged persons are employed. The Prevention of Child Labour Policy, outlined in the Employee Handbook and employment terms, defines clear safeguards and responsibilities to prevent any form of child labour within our organisation. The policy also extends to our business partners. Suppliers and contractors are required to uphold this standards and comply with regulatory and ethical requirements. Masteel is responsible for implementing and monitoring compliance across all facilities, and decisive action including discontinuation of business relationships will be taken if partners violate the policy and fail to rectify their actions.

To strengthen enforcement, the Human Resources department conducts verification checks during recruitment, while any suspected breaches can be reported through the whistleblowing platform as indicated in our Whistleblowing Policy with direct escalation to the Chief Sustainability Officer, Group Human Resource Manager, or Head of Internal Audit for immediate action. Through these measures, Masteel reinforces a responsible, ethical, and legally compliant working environment aligned with recognised human rights and fair labour practices.

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

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




Employment Practices and Labour Standards

Prevention of Forced Labour Policy

Masteel also enforces a zero-tolerance stance against forced or compulsory labour, reflecting our commitment to safeguarding the rights and welfare of all employees and associated workers. Our Prevention of Forced Labour Policy establishes four key guiding principles to prevent, protect, address and enforcement of any potential occurrence of forced labour throughout our operations.

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.

02 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.

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.

04 ENFORCEMENT

- To impose penalties and penal sanctions accordingly.
- To ensure legal persons can be held liable for violating the prohibition of forced labour.

Our Commitment to Human Rights

Masteel remains firmly committed to upholding human rights in accordance with internationally recognised frameworks, including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work. These frameworks guide our approach to fair labour practices, workplace equity and ethical conduct across all operations and value chains. To ensure effective oversight and accountability, human rights governance is overseen at Board level, with Ms. Zueraini Ahmad Basri, Independent Non-Executive Director, responsible for monitoring human rights compliance across the Group. She is supported by the Risk Management Committee, which oversees the implementation of human rights policies, including the prevention of forced labour, child labour and discrimination, while ensuring alignment with both local regulations and international standards. At the operational level, the Human Resource Department is responsible for implementing day-to-day human rights practices, ensuring consistent application across the organisation.

Masteel adopts a proactive approach to identifying, assessing and managing human rights risks across our operations and value chain. Our Business Development team actively engage with stakeholders to understand their expectations, with customer requirements formally captured and integrated into our Code of Conduct. These principles are communicated to suppliers, contractors, consultants and business partners through procurement policies and procedures, reinforcing our commitment to responsible business practices throughout our ecosystem. In FY2025, Masteel conducted a comprehensive Human Rights Assessment involving both internal and external stakeholders, including employees, suppliers, contractors, local communities and NGOs. The assessment was carried out through structured surveys, with findings analysed and incorporated into our risk management framework, focusing on eight key salient labour-related issues. Insights from this assessment support continuous improvement in our policies, practices and risk mitigation strategies.

Our Commitment to Human Rights

We regularly engage with our employees to reinforce our commitment to upholding human rights, with a focus on addressing risks related to modern slavery, child labour and ensuring equal opportunities. Our human rights due diligence is guided by the Code of Conduct Employee Handbook, with the Human Resources team actively gathering feedback from internal stakeholders to identify areas for improvement and continuously enhance the Code. All employees are required to adhere to these standards, with new hires receiving training on human rights policies as part of the onboarding process. To strengthen awareness and accountability, Masteel conducts regular training and engagement programmes on human rights, including topics such as modern slavery prevention, child labour risks and workplace equality. In FY2025, a total of 223 employees participated in these initiatives, reinforcing a culture of respect, inclusion and responsible conduct across the organisation.

Prevention of Forced Labour Policy

Masteel actively identifies, evaluates and manages human rights risks across its operations, supply chain and stakeholder interactions. Guided by the UN Guiding Principles on Business and Human Rights, our risk assessment framework considers both potential positive and adverse social impacts arising from our activities, with particular focus on labour practices, working conditions and responsible supply chain management.

These assessments further support adherence to Masteel's Human Rights Policy, which focuses on:

- **Upholding local labour laws and fair employment practices**
- **Ensuring safe and conducive working conditions**
- **Protecting employee health, safety, and well-being**
- **Promoting community welfare and responsible corporate citizenship**
- **Implementing ethical supply chain management**

Our Commitment to Human Rights

Transparency, Reporting, and Grievance Mechanisms

Masteel has established formal reporting channels in accordance with our Human Rights Policy and Grievance Procedures, as outlined in the Employee Handbook. Employees, suppliers and other stakeholders may raise concerns through dedicated grievance mechanisms that ensure confidentiality, accessibility and protection against retaliation. This approach encourages early reporting and enables timely resolution of potential issues across our operations and supply chain. To strengthen accountability, reported matters are reviewed by designated management personnel and escalated to senior leadership where necessary. We monitor the status of each case, implement corrective actions and transparently communicate outcomes to relevant stakeholders where appropriate. Periodic reviews of grievance trends also support continuous improvement and help identify systemic risks requiring preventive measures.

As part of our due diligence process, Masteel proactively identifies, assesses and manages human rights risks throughout our value chain, particularly in areas relating to labour practices, working conditions and contractor management in accordance to our Human Rights Policy. A secure and anonymous reporting platform allows concerns to be submitted safely, confidentially and without fear of retaliation. Each reported case will be handled in accordance with internal procedures and regulatory expectations. Furthermore, All grievances reported through this platform are treated confidentially and managed in accordance with our ethical principles and regulatory requirements. Under the “Safeguard” provisions of Masteel’s Human Rights Policy, we affirm our responsibility to address any human rights impacts arising from our operations. Where actual or potential violations are identified whether directly or indirectly linked to our activities, we undertake prompt corrective actions, engage relevant stakeholders, and implement appropriate remediation measures to prevent recurrence.

Through these practices, Masteel integrates human rights governance into daily operations, reinforcing responsible business conduct and aligning with sustainability reporting expectations on risk management, remediation and stakeholder engagement.

Our Commitment to Human Rights

Masteel promotes transparency and effective resolution of human rights concerns through a structured four-step grievance management framework designed to ensure timely, fair and thorough handling of all reported matters.

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

Our Commitment to Human Rights

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.**

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.**

Employee Rights and Fair Treatment

- **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.**

Masteel is committed to upholding robust human rights and labour standards by providing a safe, inclusive and ethical workplace. Beyond complying with applicable local and international regulations, we cultivate a culture grounded in diversity, fairness and mutual respect. These values are embedded across our policies and daily operations, supporting responsible business conduct, employee well-being and ethical supply chain management.

Our human rights framework is guided by four core principles: Workplace Diversity and Equal Opportunity, Employee Rights and Fair Treatment, Workers' Welfare and Well-being, and the Prohibition of Child Labour. Each principle is reinforced through dedicated policies, procedures and engagement initiatives that safeguard workers' rights and promote responsible employment practices. The four key measures (Workplace Diversity and Equal Opportunity, Upholding Workers' Welfare and Well-being, Prohibiting Child Labour, and Employee Rights and Fair Treatment) are implemented to protect the dignity and rights of employees, contractors and stakeholders across our operations.

Our Commitment to Human Rights

Gender Balance

Masteel continues to strengthen gender diversity and inclusion across our leadership structure as part of our broader sustainability and governance agenda. Since FY2023, women have represented 37.5% of the Board of Directors, with three female directors actively contributing to strategic oversight and corporate decision-making. This progress demonstrates our commitment to balanced governance, diverse perspectives in leadership, and alignment with recognised corporate governance and ESG best practices. Operating within a traditionally male-dominated industry, we remain focused on cultivating an equitable and supportive workplace. Since 2021, Masteel has implemented an equal pay for equal work framework, supported by annual remuneration reviews to identify and address any potential pay disparities. These reviews reinforce fairness, transparency and accountability in compensation practices while strengthening employee trust and organisational integrity.

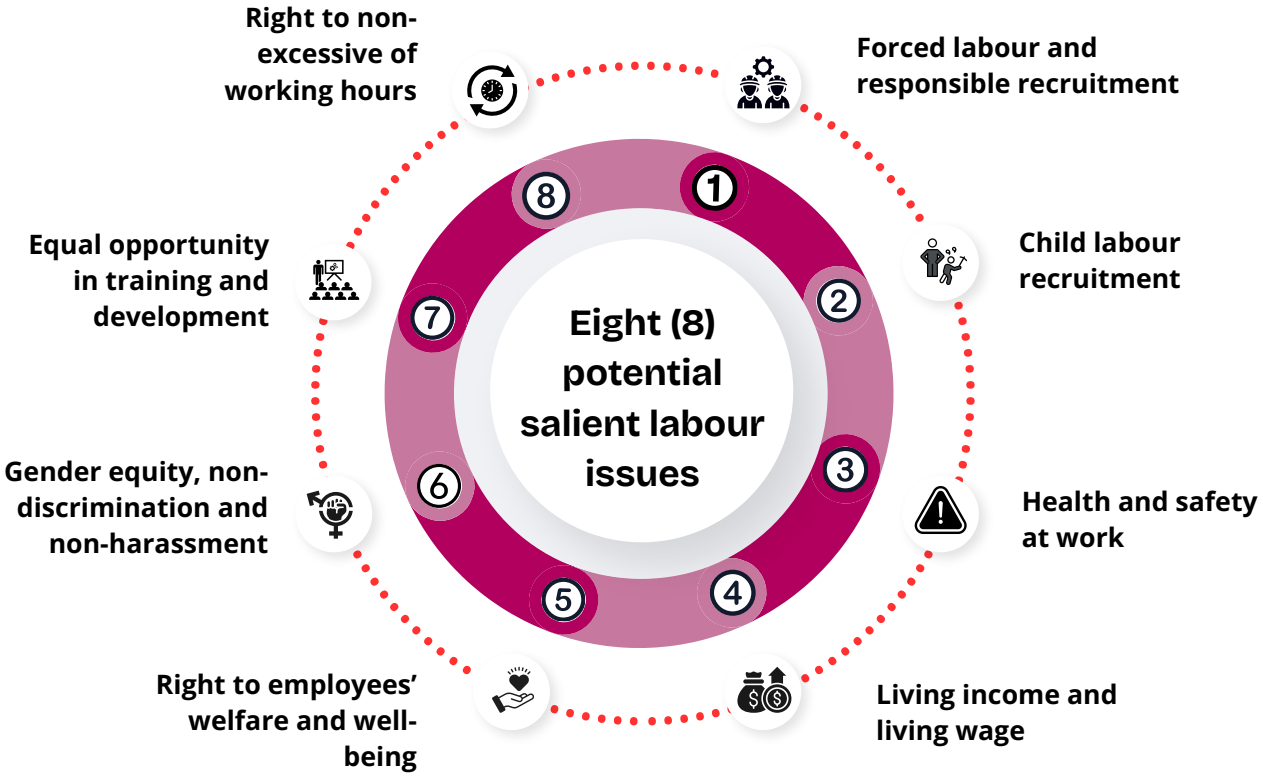
Our recruitment, promotion and talent development processes are guided by a merit-based approach, where employment decisions are determined by qualifications, competencies, performance and experience. We also support career progression through continuous training, leadership development opportunities and structured performance evaluations, ensuring that employees have equal access to advancement regardless of gender. Collectively, these initiatives enhance workforce diversity, improve talent retention and strengthen organisational resilience. By embedding inclusive practices into our governance and people management systems, Masteel supports long-term sustainable performance while reinforcing its role as a responsible and people-centric organisation.

Overall, Masteel recognises that diversity, equity and inclusion are essential to long-term organisational sustainability and effective governance. By strengthening gender representation at leadership level, ensuring fair remuneration practices and maintaining merit-based career opportunities, we foster a workplace environment where employees can contribute their full potential. These efforts not only support employee well-being and engagement but also enhance decision-making quality, operational resilience and stakeholder confidence. Moving forward, Masteel remains committed to continuously improving inclusive practices as part of our broader sustainability strategy and responsible business conduct.

Our Commitment to Human Rights

In FY2025, Masteel continued to strengthen stakeholder engagement as part of our human rights due diligence process as outlined in our Human Rights policy. A Human Rights Risk Assessment was conducted involving 119 respondents, comprising 54% internal stakeholders and 46% external stakeholders, enabling a balanced evaluation across our workforce and value chain partners. The assessment recorded an overall awareness level of 85%, with both internal and external stakeholders demonstrating the same 85% awareness rate. This consistency indicates that Masteel's policies, communications, and training initiatives are effectively reaching not only employees but also contractors, suppliers, and business partners.

The findings reflect the effectiveness of our ongoing engagement efforts, including training programmes, policy briefings, and multi-language communication materials, in promoting understanding of labour rights and responsible business practices. Insights gathered from the assessment support continuous improvement in identifying potential labour related risks and strengthening preventive controls across operations and the supply chain. Through this structured approach, Masteel reinforces our commitment to ethical labour standards, responsible business conduct, and alignment with internationally recognised human rights principles.



Our Commitment to Human Rights

Our Commitment to Human Rights

In FY2025, the assessment provided meaningful insights, indicating that 85% of respondents demonstrated a clear understanding of Masteel's Human Rights Policy. This high level of awareness reflects the effectiveness of our continuous stakeholder engagement and communication efforts in promoting responsible labour practices across our operations. The results affirm the strength of our current engagement approach while guiding ongoing improvements. Building on this positive outcome, Masteel remains committed to further strengthening awareness initiatives to ensure all stakeholders consistently understand and uphold our human rights principles.

To strengthen our evaluation, management and transparent reporting of human rights risks, Masteel has established targeted action plans for each identified salient labour issue. These plans provide a structured approach to assessment, mitigation and communication across our value chain, while enabling collaborative improvement with relevant stakeholders. Their implementation is supported by five key enablers that underpin consistent and sustainable human rights practices throughout our operations.

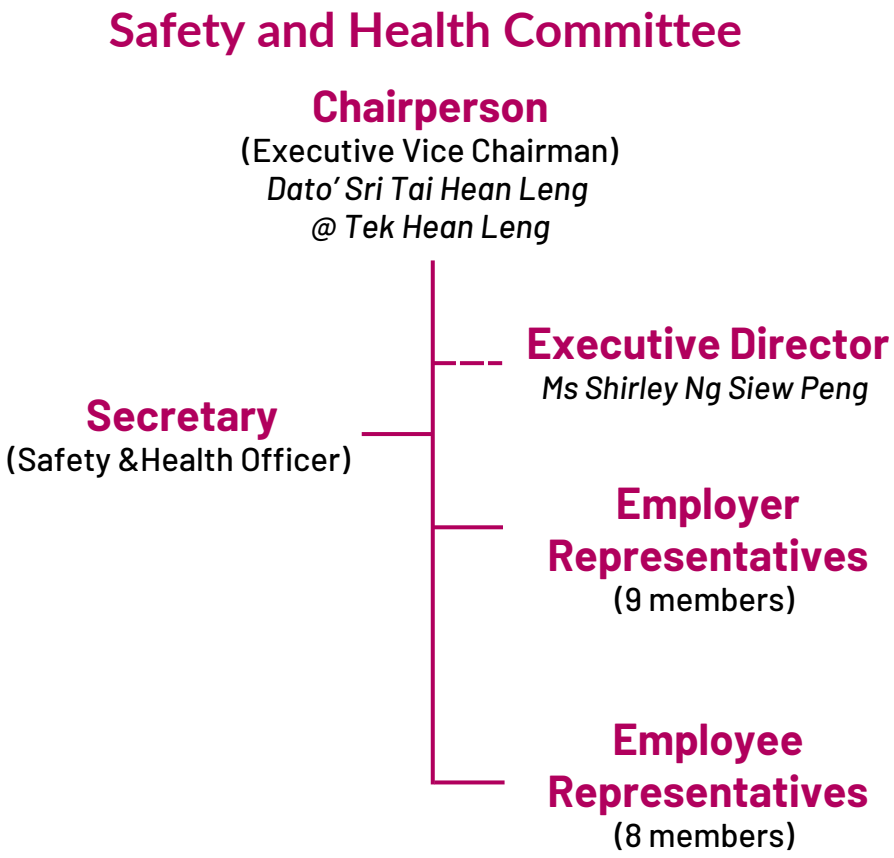
Our Commitment to Human Rights

Salient Issues	Mitigation Measures
Forced labour and responsible recruitment	• Involve in regular assessments to verify that all labour practices comply with international and local standards, ensuring that workers are recruited ethically, without force, and that they work under fair conditions. • Provide training to all employees on identifying and preventing forced labour. • A grievance mechanism to report any violations safely and confidentially.
Child labour recruitment	• Enforcing strict age verification processes within our recruitment practices to ensure compliance with minimum legal working age requirements. This includes conducting thorough audits of our supply chain to verify that no child labour is employed at any stage of operations. • Collaborate with local communities and NGOs to support educational opportunities for children through our contribution to Ti-Ratana Welfare Society, thereby reducing the risk of child labour.
Health and safety at work	• Increased the safety training and safety briefing to identified potential safety risks at all level of operations.
Living income and living wage	• Ensures all employees and workers in our supply chain receive a living wage that meets or exceeds local standard and requirement. This involves conducting regular wage assessments to align with the cost of living and ensuring that compensation covers basic needs such as food, housing, healthcare, and education. • Engage with suppliers to promote fair wage practices.
Right to employees' welfare and well-being	• Offering health and wellness benefits, such as access to healthcare services, mental health support, and fitness programs. • Ensure safe and healthy working conditions by conducting regular safety audits and providing training on workplace safety practices.

Our Commitment to Human Rights

Salient Issues	Mitigation Measures
Gender equity, non-discrimination and non-harassment	• Implementing and strictly enforcing comprehensive policies that promote gender equity, non-discrimination, and non-harassment in the workplace. This includes providing regular training and education programs for all employees on recognising and preventing discrimination and harassment. • Established clear reporting mechanisms that ensure confidentiality and protection for those who report incidents, coupled with a zero-tolerance approach to violations. • Promote equal opportunities for all genders in recruitment, promotions, and professional development, and actively monitor and address any gender disparities in pay and representation within the organisation.
Equal opportunity in training and development	• Established a transparent and inclusive training and development program that ensures all employees have equal access to learning opportunities, regardless of gender, race, or any other characteristic. This includes setting up clear criteria for participation in training programs, actively promoting these opportunities across the organisation, and monitoring participation to identify and address any disparities.
Right to non-excessive of working hours	• Implementing strict policies that regulate working hours in accordance with local labour laws and international standards, ensuring that all employees are protected from excessive work demands. This includes establishing clear guidelines for maximum working hours, mandatory rest periods, and overtime compensation. • Regulary monitor and audit work schedules across the organisation and supply chain to ensure compliance, and provide employees with mechanisms to report violations without fear of retaliation. • Promote a healthy work-life balance by encouraging time off and providing resources for stress management and well-being.

Occupational Health and Safety Training



Occupational Health and Safety ("OH&S") is a key pillar of Masteel's sustainability governance and is overseen at the highest organisational level by the Board of Directors and Senior Management. Masteel maintains a structured safety management framework supported by continuous monitoring, proactive risk mitigation and formal governance procedures to safeguard employee well-being across all operations. Each operating site is supported by a dedicated Safety and Health Committee responsible for overseeing regulatory compliance, hazard identification and risk management. These committees are led by the Executive Vice Chairman and oversight at Board level by Executive Director Ms. Shirley Ng, ensuring consistent reviewed and accountability. Matters that cannot be resolved at committee level are formally escalated to the Board for review and decision-making, enabling timely intervention and continuous improvement. This governance structure demonstrates Masteel's commitment to integrating workplace safety into corporate decision-making and maintaining a safe, healthy and responsible working environment.

Occupational Health and Safety Training

Employee safety and well-being are fundamental considerations in all Masteel operations and decision-making processes. In recognition of the inherent risks associated with industrial activities, the Group upholds stringent Occupational Health and Safety ("OH&S") standards to protect our workforce and prevent workplace incidents. To support this commitment, Masteel has established a comprehensive OH&S Policy that provides a structured framework for both management and employees to maintain a safe, secure and healthy working environment.

Occupational Health and Safety policy:

Defines clear safety protocols to mitigate workplace risks.

Establishes accountability at all levels to uphold safety best practices.

Includes third-party contractors and service providers, requiring them to undergo a mandatory safety briefing before beginning work at any Masteel facility.

To support continual improvement in minimising health and safety risks, we implement proactive measures and systematic monitoring across our operations.

01

Continuously assess OH&S performance, reviewing incident reports, safety metrics, and workplace data to identify potential risks and areas for enhancement.

02

Implement corrective measures based on findings, ensuring our OH&S strategies remain effective, responsive, and adaptable to emerging risks.

03

Hold quarterly OH&S committee meetings to evaluate safety protocols, discuss updates, and escalate critical safety concerns to management for immediate action.

Occupational Health and Safety Training

Masteel adopts a structured and systematic approach to mitigating workplace safety risks, with a focus on:

- Proactive risk assessments and hazard identification to enable early intervention and prevent incidents
- Monthly updates to safety protocols, ensuring compliance with regulatory standards and industry best practices.
- Targeted employee safety training programs, equipping our workforce with the knowledge, skills, and awareness to maintain a secure and injury-free workplace.

Since 2022, Masteel's Occupational Health & Safety policy and management system practises have resulted with the OHSAS 18001 / ISO 45001 certification for both Petaling Jaya and Bukit Raja operating facilities. Since then, the certification has expanded to cover 100% of Masteel's operating sites, reinforcing consistent safety standards across all operations.

To maintain compliance with ISO 45001 requirements, regular internal and external audits are conducted across all divisions. This structured approach supports continuous improvement, strengthens risk prevention practices, and ensures alignment with recognised industry safety standards while safeguarding employee well-being.

Occupational Health and Safety Training

Within the ISO 45001 framework, clear safety and health objectives are established as part of the operational OH&S programme for both plants. The table below outlines the FY2025 safety targets, reflecting Masteel's ongoing commitment to maintaining a safe, compliant, and well-managed working environment.

Petaling Jaya Plant	Bukit Raja Plant
• Zero fatality case • Zero compounds from authorities • To ensure 100% of new employees to complete safety and health induction training within two days of joining. • To achieve at least 95% 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% of new employees to complete safety and health induction training within two days of joining. • To ensure at least 95% attendance for the Safety and Health Committee Meeting

Beginning in 2024, Masteel introduced long-term safety targets for the 2024–2028 period aligned with ISO 45001 Occupational Health & Safety objectives. The targets are aimed at improving workplace safety performance, minimising risks, and preventing incidents to sustain a safe and compliant working environment.

Our five year targets (2024-2028)

- Maintain more than 8,000 operating hours without plant shutdowns due to injuries or accidents, year on year.
- Zero fatality cases, reinforcing Masteel's commitment to employee safety. year on year.
- Zero safety-related compounds from authorities, ensuring full regulatory compliance, before 2028.
- 100% of new employees to complete safety and health induction training within two days of joining, year on year.
- Achieve at least 95% participation in Safety and Health Committee Meetings to strengthen engagement and oversight, year on year.

Occupational Health and Safety Training

Masteel's Safety and Health team upholds stringent occupational health and safety standards through systematic risk assessments covering both existing operations and upcoming projects. These assessments follow the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") methodology, enabling structured identification, evaluation and mitigation of workplace hazards. HIRARC has been applied to high-risk areas such as the Electric Arc Furnace ("EAF") and Induction Furnace ("IF") operations, and is also incorporated during the planning stage of new developments, including the High-Speed Bar Project. By assessing risks prior to operational commencement, Masteel strengthens preventive controls, enhances operational resilience and reinforces its commitment to a safe working environment.

Comprehensive Employee Safety Coverage

Masteel ensures that all employees are covered under its Occupational Health and Safety (OH&S) management system, including enrolment in the Social Security Organisation ("SOCSO") and Group Personal Accident Insurance ("GPA"). These protections provide financial and medical support in the event of work-related injuries, reinforcing the company's commitment to employee welfare and workplace protection.

Safety Performance Indicators for Continuous Improvement

To enhance accountability and proactive risk control, Masteel has established a safety-focused Key Performance Indicator ("KPI") that targets fewer than three workplace accidents annually. This KPI:

a. Serves as a measurable benchmark for evaluating workplace safety performance.
b. Reinforces our commitment to continuous risk reduction and the prevention of occupational hazards.
c. Encourages a culture of collective responsibility, ensuring that employees actively participate in safety initiatives and adhere to established protocols.

Occupational Health and Safety Training

In FY2025, Masteel recorded 1,937,856 working hours with 4 workplace incidents covering 100% of Masteel's operating sites. The number of incidents exceeded our annual safety target of fewer than three workplace accidents. This highlights the need for stronger preventive measures and closer monitoring in the future. The four injuries are fractures to the leg, hand, and foot, as well as a facial laceration resulting from equipment instability, communication failures, and unsafe shortcuts. Specifically, these incidents occurred when a lifting beam fell during maintenance, a winch was activated while a worker was still inside a furnace, an unsecured container door swung into a staff member, and an individual jumped from a platform rather than using the stairs. Immediate actions involved providing emergency medical care and securing the incident sites. To prevent recurrence, we have implemented comprehensive safety measures including (i) providing refresher training and toolbox briefings on safe work procedures to all personnel, (ii) enhancing onsite communication through dedicated signalmen, and (iii) updating and discussing revised HIRARC with supervisors and plant workers to ensure all high-risk activities are strictly controlled. We continue to uphold top priority in operation safety and safeguarding our employee well-being.

Description	FY2023	FY2024	FY2025
Total Hours Worked	2,729,872	2,085,120	1,937,856
Number of lost time injuries	1	0	4
Work related fatalities (Employees)	0	0	0
Work related fatalities (Contractors)	0	0	0
Lost time incident rate (LTIR)	0.07	0.00	0.41

The Lost Time Incident Rate is calculated in accordance with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) as follow

Lost Time Incident Rate ("LTIR") = (A/B) x 200,000
where A = Number of lost time injuries in the reporting period
B = Total number of hours worked in the reporting period

Note
[1] LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period which is 1,937,856 hours for FY2025.
[2] The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).

Occupational Health and Safety Training

The improvement in safety performance was supported by strengthened safety procedures, consistent risk monitoring, and continuous employee training. Through regular awareness programmes and compliance monitoring, employees are equipped to operate within a controlled and safe working environment. The achievement of zero fatalities demonstrates the effectiveness of our preventive approach, including routine safety drills, adherence to industry standards, and ongoing workplace safety enhancements. These measures help minimise operational risk while supporting productivity and workforce protection. Masteel remains committed to maintaining a safe, compliant and incident-free workplace as part of our broader sustainability and operational excellence objectives.

Comprehensive Safety and Health Training for Employees

As part of our continuous efforts to strengthen workplace safety awareness and preparedness, Masteel collaborates with both internal and external stakeholders to deliver targeted occupational health and safety training programmes. In FY2025, a total of 628 employees participated in various safety training sessions designed to enhance their competency in identifying, preventing, and responding to workplace hazards while encouraging active participation in safety initiatives.

The training programmes covered a comprehensive range of topics, including hazard identification, safe work procedures, emergency response preparedness, equipment handling, and regulatory compliance requirements. These sessions ensure that employees remain vigilant, well-equipped, and capable of performing their duties safely under both routine and non-routine operating conditions. Beyond technical knowledge, the training also promotes a proactive safety mindset, reinforcing shared responsibility and strengthening Masteel's overall safety culture across operations.

Occupational Health and Safety Training

A detailed summary of the safety training sessions conducted at the Bukit Raja and Petaling Jaya facilities is presented below.

Internal	Petaling Jaya Plant	Bukit Raja Plant
	Awareness of Importance of Personal Hearing Protection	Assessment of Material Disposal
	Awareness of Prohibition of Alcohol & Drugs	Awareness on Ergonomic
	Awareness on Ergonomic	Awareness on Hot Work Procedures
	Awareness on Handling Forklift	Awareness on Loading and Checking Bar/Billet
	Awareness on Hearing/Noise Protection	Awareness on Safety Procedures
	Awareness on Loading And Checking Bar/Billet	Awareness on Use of Personal Protective Equipment
	Awareness on Noise Pollution	Briefing on Safety Procedure
	Awareness on Personal Protective Equipment & Personal Hearing Protection	Handling Basic Chemical Spillage
	Awareness on Personal Protective Equipment, Personal Hearing Protection, Chemical Spill Control , Scheduled Waste	Orientation by Safety
	Awareness on Safety Procedures	Safe Handling, Labelling and Storing of Chemical
	Awareness on The Respiratory Protection	Safe Handling, Transporting and Storing of Gas Cylinder
	Awareness on Use Of Personal Protective Equipment	Scheduled Waste Management
	Awareness on Use Of Personal Protective Equipment & Buddy System	
	Awareness on Waste Pollution & Housekeeping	
	Handling Basic Chemical Spillage	
	Handling Basic Cutting Machine	
	Hearing Conservation Program	
	Orientation by Safety	
	Scheduled Waste Management	

Occupational Health and Safety Training

A detailed summary of the safety training sessions conducted at the Bukit Raja and Petaling Jaya facilities is presented below.

External	Petaling Jaya Plant	Bukit Raja Plant
	Environmental Risk & Compliance Leadership: Navigating Waste Management Challenges in Malaysia	Chemical Handling & Spillage Control
	Forklift Safety & Certification	Hearing Conservation Program
	Hearing Conservation Program	Integrating Climate Change Consideration into ISO Management System
	International Conference On Nuclear Power: Paving The Way for a Sustainable Energy Source in Asean	ISO45001 Internal Audit
	Navigating the National Sustainability Reporting Framework & Latest Bursa Listing Requirements	Radiation Safety Awareness
	Overhead Crane, Hoist Safety and Certification	Safe Handling Overhead Crane
		Safe Working In Confined Space
		Safety Handling of Forklift

Occupational Health and Safety Training

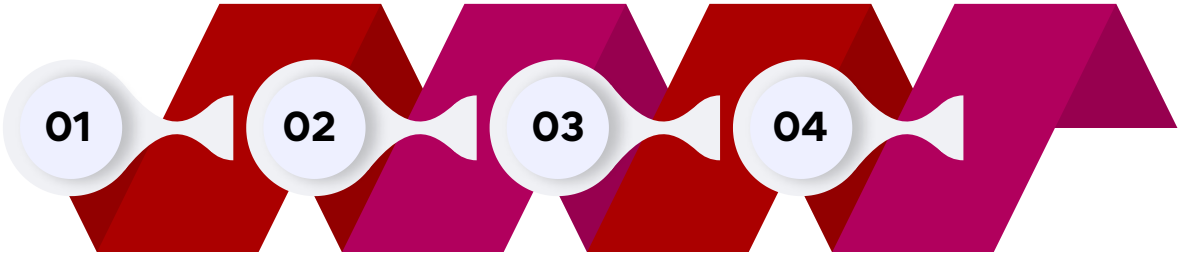
Masteel is committed to maintaining a safe and resilient workplace through a proactive emergency preparedness approach. To strengthen crisis management capability, we have established multiple comprehensive emergency response plans designed to enable timely, coordinated, and effective action during potential incidents, thereby protecting employees, safeguarding assets, and ensuring operational continuity. These plans were developed through structured risk assessment and scenario analysis, covering a range of emergencies including fire outbreaks, chemical spills, and medical incidents. The defined response procedures equip our personnel to respond promptly while minimising risks to people, property, and business operations. Our occupational health and safety approach extends beyond physical protection measures. Masteel adopts a holistic, employee-centred framework that integrates preventive safety practices with initiatives supporting psychological well-being. By promoting a workplace where employees feel safe, respected, and supported, we reinforce a strong safety culture that contributes to both workforce welfare and organisational resilience. Through proactive safety programmes, structured emergency preparedness, and a people-centred approach, Masteel continues to cultivate a safer, healthier, and more productive working environment for all employees.

Emergency Plan

Fire Emergency Plan

Chemical spillage Emergency Plan

To reinforce our commitment, we continuously



Maintains a robust OH&S Policy, continuously evolving to address workplace risks effectively

Implements ongoing safety programs that emphasise risk awareness, hazard prevention, and emergency preparedness

Sets clear and measurable safety goals, ensuring continuous improvement in workplace safety performance

Provides mental health and well-being support, ensuring employees feel psychologically safe and motivated in their work environment

Occupational Health and Safety Training

Customer Satisfaction

Description	FY2023	FY2024	FY2025
Customer Satisfaction Score	87.50%	87.09%	92.03%

Customer satisfaction remains a central focus for Masteel, and we continuously gather feedback to ensure our products and services meet stringent quality expectations. In accordance with ISO 9001:2015 requirements, annual customer satisfaction surveys are conducted to evaluate performance and identify improvement opportunities. For FY2025, Masteel achieved a satisfaction score of 92%, exceeding the internal target of 85%, demonstrating strong performance in product reliability, service delivery, and relationship management.

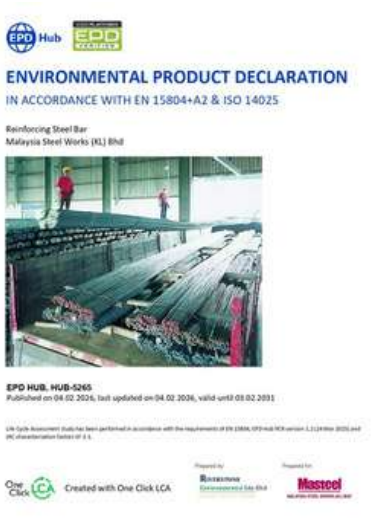
To support transparent communication, Masteel maintains a dedicated feedback and complaint channel with a response commitment of within one working day. During the year, no customer complaints were recorded, reflecting consistent service standards and effective quality controls. Through ongoing improvement initiatives and adherence to recognised quality management practices, Masteel remains committed to delivering dependable products and sustaining long-term customer partnerships.

Product Quality

Masteel is committed to delivering high-quality steel products that consistently meet customer requirements and regulatory standards. Our internal Quality Management System ("QMS"), governed by the Quality Manual and detailed Standard Operating Procedures ("SOPs"), ensures strict quality control at every stage of production, from raw material verification to final product inspection. This system is supported by internationally recognised certifications, including ISO 9001:2015 and SIRIM MS 146:2014 for high-tensile steel bars, confirming compliance with Malaysian construction and infrastructure standards. These certifications reflect our dedication to product reliability, structural safety, and long-term performance while strengthening customer confidence in Masteel as a dependable steel manufacturer.

Further reinforcing our commitment to quality and transparency, Masteel successfully obtained two third-party verified Environmental Product Declarations ("EPDs") for Reinforcing Steel Bars and Continuous Billets, under the EPD Hub programme. The EPDs were developed in accordance with EN 15804+A2 and ISO 14025 standards and supported by independently verified Life Cycle Assessment ("LCA") data, providing credible and comparable information on environmental performance, including carbon footprint, energy consumption, and resource utilisation across the product lifecycle. Unlike general sustainability claims, these declarations offer standardised and verified environmental data that enables customers, regulators, and project stakeholders to make evidence-based procurement decisions.

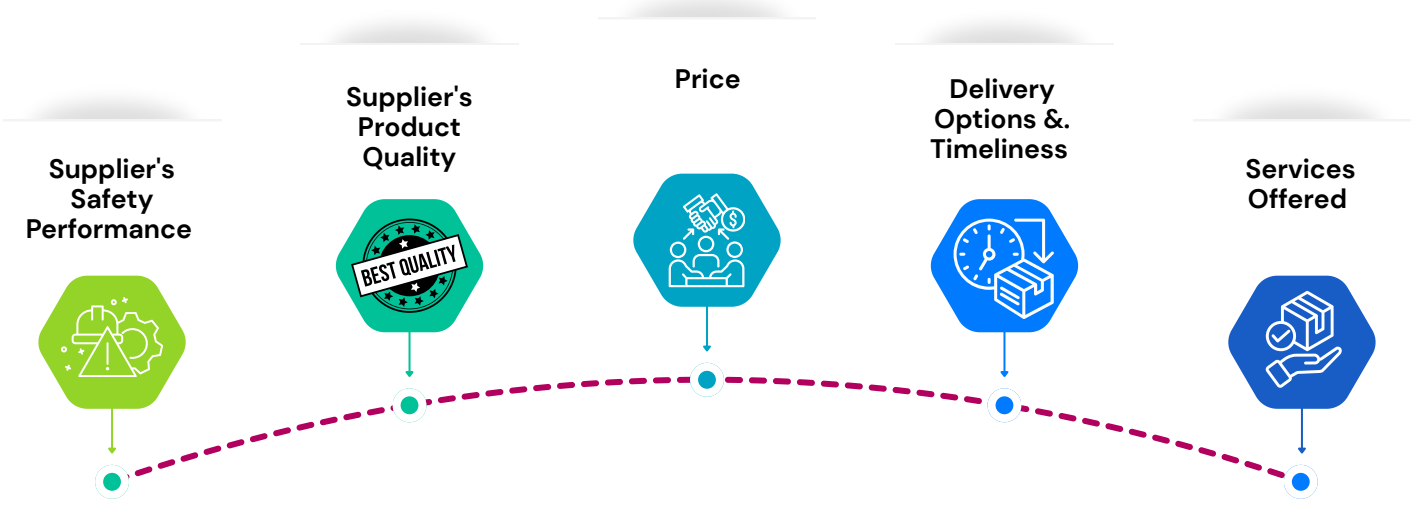
This milestone strengthens product stewardship and quality assurance by providing verified environmental data that supports green building participation, ESG driven supply chains, export readiness, and low-carbon project eligibility, reflecting Masteel's commitment to responsible manufacturing and long-term competitiveness.



Responsible Supply Chain Management

As a key participant in Malaysia's steel industry, Masteel is committed to maintaining a sustainable, responsible, and ethical supply chain that supports both operational reliability and ESG performance. Our procurement approach integrates environmental, social, and governance considerations into sourcing decisions, ensuring that material quality, ethical conduct, and environmental responsibility are addressed throughout the value chain. We actively encourage suppliers to adopt responsible business practices and continuously engage with them to improve sustainability performance. In addition, we prioritise local sourcing, with 92% of procurement derived domestically and 8% internationally, strengthening local economic resilience, enhancing supply stability, and reducing emissions associated with long-distance transportation.

Since 2022, ESG screening has been embedded into our supplier and contractor due-diligence process, requiring all partners to meet defined environmental and ethical criteria prior to engagement. This structured assessment aligns suppliers with Masteel's sustainability objectives, reduces compliance risks, and promotes transparent and responsible sourcing. To further support supplier improvement, Masteel introduced the Corporate Green Awards in 2023 and continue to utilise Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") platform to monitor and guide suppliers' carbon-management efforts. These initiatives enable performance tracking, emissions awareness, and continuous improvement across our value chain, reinforcing long-term supply chain integrity and responsible industry practices.



Corporate Social Responsibility

In FY2025, Masteel Berhad contributed RM120,000.00 to the Selangor Crown Prince Golf Charity Cup 2025, supporting the TEAM Programme Malaysia, delivered in collaboration with The King's Trust International under the patronage of King Charles III. The TEAM programme aims to discover talents and equip about 180 young people with relevant skills, empower through various partnerships and platforms, and discover talents and equip young people with relevant skills. This programme focuses on empowering vulnerable youths, including young offenders, care leavers, NEET youths (not in education, employment or training), and individuals recovering from substance abuse, by equipping them with employability skills, confidence-building opportunities, and pathways toward social reintegration.

Through structured mentoring, life-skills training, and career readiness development, the programme helps participants rebuild independence and self-worth while reducing the risk of re-offending and long-term social exclusion. By supporting this initiative, Masteel contributes to breaking cycles of poverty and marginalisation, enabling disadvantaged individuals to transition into productive members of society. This contribution aligns with internationally recognised human rights principles, particularly the Universal Declaration of Human Rights ("UDHR"), which emphasise the rights to dignity, education, equal opportunity, and decent work.

The initiative also supports sustainable development goals by promoting inclusive socio-economic participation and rehabilitation. By investing in youth empowerment and second-chance opportunities, Masteel reinforces our role as a responsible corporate citizen committed not only to economic growth, but also to social equity, human dignity, and long-term community resilience.

Corporate Social Responsibility

Carbon Pricing for the Malaysian Steel Industry: Incentivising Sustainable Growth

In FY2025, Masteel further strengthened our commitment to climate policy advocacy by contributing an additional RM60,000 to the Institute for Democracy and Economic Affairs ("IDEAS"), building upon our support in the previous year. This contribution supported the development of policy research aimed at advancing decarbonisation pathways for the Malaysian steel sector. The collaboration culminated in the publication of "Carbon Pricing for the Malaysian Steel Industry: Incentivising Sustainable Growth," launched on 21 August 2025 and till now it has been downloaded by 2657 from public audiences.. The policy paper evaluates carbon pricing as a strategic mechanism to align the iron and steel sector with Malaysia's national net-zero ambitions and identifies pricing thresholds that would make low-carbon steel production commercially viable. It also highlights the urgency of early action to manage rising emissions, maintain international competitiveness, and respond to evolving global trade measures related to carbon intensity.

Through this partnership, Masteel demonstrates that sustainability leadership extends beyond operational improvements to active participation in national and regional policy discourse. By supporting evidence-based policymaking, Masteel contributes to shaping a regulatory environment that encourages responsible industrial transformation, promotes market readiness for carbon pricing implementation, and accelerates the transition toward a low-carbon economy. Masteel believes that meaningful climate action requires collaboration between industry, policymakers, and research institutions. Our support for climate-related policy development reflects our long-term commitment to sustainable growth, responsible manufacturing, and the advancement of environmental stewardship within the Malaysian and ASEAN steel ecosystem.

Corporate Social Responsibility

Masteel Sustainability Grants

UTAR
Wholly owned by UTAR Education Foundation

Masteel
MALAYSIA STEEL WORKS (KL) BHD
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ACE GASES
Innovation In Every Molecule

Masteel's commitment to sustainability, innovation, and Corporate Social Responsibility is reflected in the evolution of our Masteel Sustainability Grant programme from the 2023 Memorandum of Understanding ("MoU") with Universiti Tunku Abdul Rahman ("UTAR") into a Tripartite MoU signed on 6 May 2025 with UTAR and ACE Gases (a wholly owned subsidiary of Kelington Group Berhad) to undertake a Carbon Capture, Utilisation and Storage ("CCUS") study at the Bukit Raja plant. Masteel has allocated RM5 million to this initiative and will provide plant infrastructure and operational data, while ACE Gases contributes technical expertise in CO_2 capture and storage and UTAR provides research and analytical capabilities on carbon utilisation. The project supports the development of practical decarbonisation solutions aligned with Malaysia's pathway towards net-zero emissions by 2050. Beyond research, this grant serves as a platform for knowledge transfer and industry-relevant innovation by enabling academia and industry to jointly explore CCUS applications applicable to industrial operations, environmental management and policy development. The collaboration strengthens talent development by providing students and researchers hands-on exposure to industrial sustainability challenges, supporting Malaysia's growing green economy workforce. Through this initiative, Masteel connects academia, industry and policymakers to accelerate low-carbon technology adoption. The programme supports national climate goals and global decarbonisation efforts while advancing Masteel's ambition to achieve net-zero emissions ahead of 2050 and deliver long-term value to industry, government and society.

Masteel Green Initiatives

In 2025, Masteel continued to reaffirm our commitment to sustainability by advancing a series of impactful green initiatives focused on reducing environmental impact and supporting a healthier, more sustainable future.

SOLAR PANEL

In 2025, Masteel has initiated the installation of solar photovoltaic panels at our Petaling Jaya plant as part of our ongoing energy transition efforts. The project aims to supplement grid electricity with renewable energy, thereby reducing operational energy consumption and associated greenhouse gas emissions. This initiative supports Masteel's broader decarbonisation strategy and contributes to its long-term ambition of achieving net-zero carbon emissions ahead of 2050.

MASTEEL SUSTAINABILITY GRANTS

Building on the MoU with UTAR signed in 2023, Masteel introduced the Masteel Sustainability Grants to support research and talent development in Carbon Capture, Utilisation, and Storage ("CCUS"), and further strengthened this collaboration through a Tripartite MoU on 6 May 2025 with UTAR and ACE Gases (a wholly owned subsidiary of Kelington Group Berhad) to conduct a CCUS study at the Bukit Raja plant, supported by an allocation of RM5 million. This initiative demonstrates Masteel's commitment to industry–academia collaboration, accelerating practical decarbonisation solutions while fostering knowledge transfer and developing skilled talent to support the transition towards a low-carbon future.

Masteel Green Initiatives

CONTINUOUS CASTING MACHINE

Masteel's Bukit Raja Rolling Mill enhanced operational efficiency by removing the electric induction heater for billet reheating and adopting direct charging of billets from the Continuous Casting Machine ("CCM") using residual heat. This optimisation improves energy efficiency, lowers operating costs, and strengthens Masteel's commitment to sustainable manufacturing practices.

CSI PLATFORM

Masteel is honoured to be among the first 100 adopters of Bursa Malaysia's Centralised Sustainability Intelligence ("CSI") platform. Through this initiative, we are able to systematically assess and manage greenhouse gas emissions across our operations and value chain, enabling closer engagement with suppliers and contractors to support data-driven emission reduction and decarbonisation efforts.

BUILT A 1-TONNE CO_2 CUBE AT MGTC

Masteel constructed a 1-tonne CO_2 Cube at the MGTC compound to visualise the real-world impact of one metric tonne of carbon dioxide emissions and enhance public awareness of climate change. Officially launched by MGTC on 22 February 2024, the installation highlights the importance of both individual and collective actions in reducing emissions. The Carbon Cube serves as a tangible reminder of the urgency of decarbonisation and the shared responsibility to protect the environment.

Masteel Green Initiatives

SPONSORSHIP OF IDEAS RESEARCH PAPER ON CARBON PRICING IN MALAYSIA

Masteel supported the Institute for Democracy and Economic Affairs ("IDEAS") in publishing the research paper "Asserting Climate Change Leadership in ASEAN: Carbon Pricing for the Malaysian Steel Industry," which was unveiled on 30 April 2024 at Park Royal Collection Kuala Lumpur. The study highlights the importance of addressing greenhouse gas emissions in the steel sector and identifies carbon pricing as a key mechanism to drive emission reductions and industry transformation. Through this sponsorship, Masteel seeks to raise awareness among policymakers and industry stakeholders on the sector's decarbonisation challenges and to encourage practical policy solutions that support Malaysia's climate commitments and transition towards a low-carbon economy.

VOLUNTARY CARBON MARKET

BURSA CARBON EXCHANGE

Masteel actively participated in the Voluntary Carbon Market ("VCM") trading platform under the Bursa Carbon Exchange, achieving a successful auction outcome. This participation supports environmental sustainability by facilitating the offset of emissions and demonstrates our commitment to carbon reduction initiatives. It further reinforces Masteel's responsible business practices and alignment with broader climate change mitigation efforts.

MEMORANDUM OF COLLABORATION ("MOC")

BURSA MALAYSIA

Masteel has signed a Memorandum of Collaboration ("MoC") with Bursa Malaysia Information Sdn Bhd to establish a strategic partnership and undertake a Proof of Concept ("POC") for both the Sustainability Reporting Platform and the Sustainability Financing Platform. This initiative represents a key step in strengthening our sustainability management capabilities, supporting more structured disclosures and access to sustainable financing mechanisms, while reinforcing Masteel's commitment to responsible and forward-looking business practices.

Masteel Green Initiatives

RAINWATER HARVESTING PROJECT

Masteel has implemented rainwater harvesting systems at both the Bukit Raja and Petaling Jaya plants to reduce freshwater withdrawal and improve water efficiency. This initiative supports responsible resource management by supplementing operational water use with alternative sources, thereby lowering dependence on municipal supply and reducing environmental impact. The investment reflects Masteel's ongoing commitment to environmental stewardship and sustainable operations.

HYDROPONIC VERTICAL FARMING

Since 2022, Masteel has introduced hydroponic vertical farming at the Bukit Raja plant as part of our environmental and community well-being initiatives. This soil-free cultivation method supports sustainable food production by minimising land disturbance, reducing resource consumption and associated emissions, and enhancing site biodiversity. The programme also promotes healthier lifestyles among employees, with harvested vegetables distributed free of charge as part of Masteel's corporate social responsibility efforts, reflecting the Company's broader ESG commitment.

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

GOVERNANCE

Sustainability Governance

Strong corporate governance and ethical conduct form the foundation of Masteel's sustainability approach. All Directors, Management and employees are guided by the Company's Code of Conduct and Code of Ethics, which define expected standards of behaviour and decision-making across the organisation. In FY2025, Masteel continue to maintain full compliance with these codes and recorded zero reported breaches, reaffirming our commitment to integrity, accountability and responsible business practices. Transparency and accountability remain central to building stakeholder trust. Employees receive structured briefings on the Code of Conduct and Code of Ethics during onboarding, with the policies readily accessible via the corporate website. The codes are reviewed twice yearly to ensure continued relevance and alignment with regulatory expectations and best practices, strengthening our governance culture and supporting long-term sustainable value creation.

During FY2025, Masteel further advanced our sustainability agenda through active participation in industry dialogues and sustainability forums, where our Executive Vice Chairman shared progress on decarbonisation, circular economy initiatives and carbon tax. Ongoing initiatives in low-carbon manufacturing, energy efficiency and responsible sourcing continue to reinforce our commitment to environmentally responsible steel production. Our governance and sustainability efforts have also led to expanded stakeholder collaborations and various reputable recognition and awards through various local and international accolades related to responsible industrial practices. Masteel remains dedicated to embedding sustainability into corporate strategy, delivering measurable impact and contributing to a more sustainable industrial ecosystem.

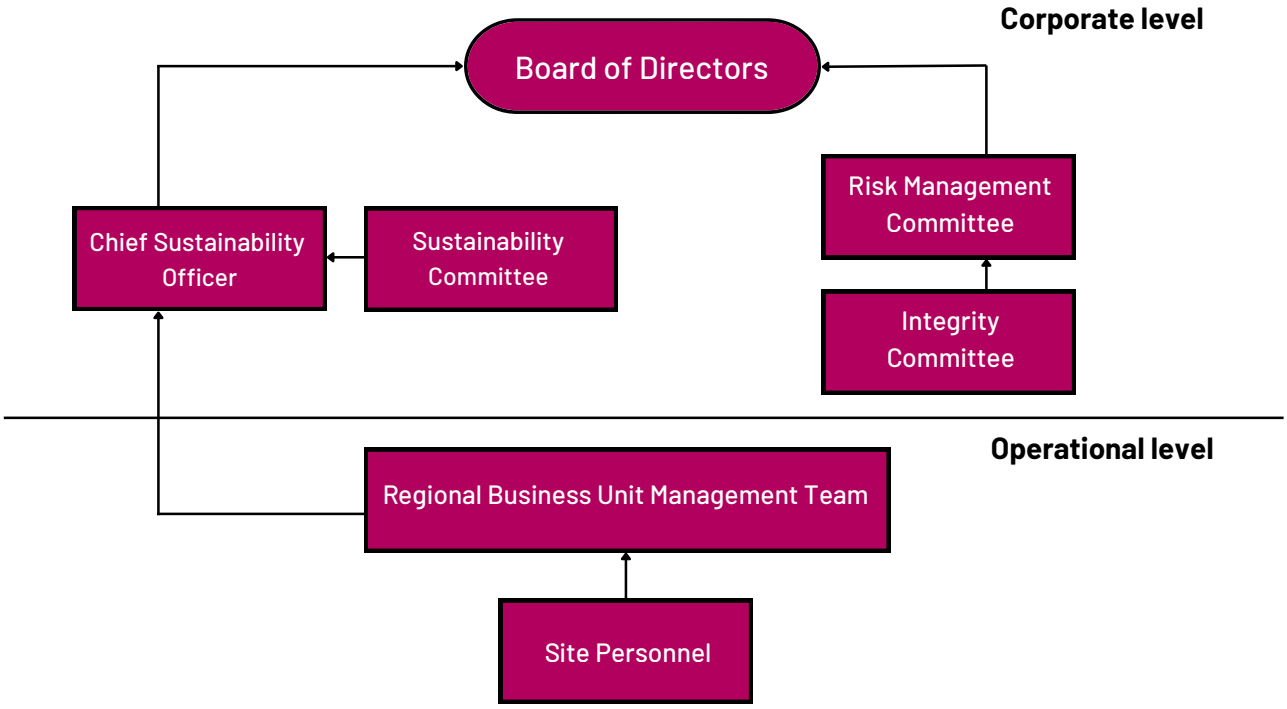
Masteel is proud to note that our Executive Vice Chairman, Dato' Sri Tai Hean Leng, serves as a taskforce member engaged in discussions with the Ministry of Investment, Trade and Industry (MITI), Malaysia, on the development of the national Green Transformation Roadmap. His participation reflects Masteel's active contribution to shaping industry decarbonisation strategies and advancing sustainable manufacturing practices at the national level. Furthermore, in his capacity as Vice President of the Malaysia Steel Association, he participated in a dialogue session titled "Forging Malaysia's Low-Carbon Competitiveness in the ASEAN Steel Landscape: Navigating Carbon Tax, Green Steel, and the Path to Net Zero" held on 15 November 2025.

During the session, he shared industry perspectives on carbon taxation as a catalyst for technological transformation and green steel adoption, emphasising the need for early industry readiness, investment in lower-emission production processes, and alignment with regional decarbonisation trends to strengthen Malaysia's long-term competitiveness within the ASEAN steel market.

FMM Sustainability Conference 2025
11-12 November 2025

Masteel's Executive Vice Chairman, participated as a panelist at the FMM Sustainability Conference 2025: Bridging Climate Policy and Industry Practice for a Sustainable Future, a platform that convened regulators, industry leaders and sustainability practitioners to discuss climate regulation, ESG disclosures, green financing and low-carbon industrial transformation. During the session, he shared industry perspectives on the practical implementation of sustainability and decarbonisation strategies within the steel sector, particularly the alignment of operational realities with emerging national climate policies and regulatory expectations. His participation reflects Masteel's commitment to constructive stakeholder engagement and active contribution to Malaysia's transition towards a low-carbon economy by supporting dialogue that bridges policy formulation with industry adoption.

Sustainability Governance



Sustainability oversight at Masteel is led by the Board of Directors, comprising eight members, of which 50% are independent directors. At the operational level, the Sustainability Committee provides strategic direction on sustainability-related risks and initiatives, while the Risk Management Committee ensures these risks are systematically integrated into the Group's enterprise risk management framework. In addition, the Remuneration Committee aligns executive compensation with sustainability performance, reinforcing leadership accountability. The Board reviews sustainability matters on a quarterly basis, with increasing emphasis on carbon footprint management, responsible supply chain practices, and regulatory compliance.

Accountability is further embedded through performance-based incentives, where a defined portion of senior management remuneration is linked to sustainability targets, including emissions reduction and ethical sourcing practices. To strengthen governance capabilities, Masteel provides sustainability-related training to Board members to enhance awareness of emerging risks, regulatory expectations, and best practices.

Masteel has also established a structured stakeholder engagement framework to support transparent communication with investors, regulators, and local communities, ensuring that stakeholder expectations are appropriately considered in our sustainability strategy and decision-making processes.

Sustainability Governance

Masteel's is still remain ethical governance a fundamental pillar in our corporate framework. We have established a Whistleblower Protection Policy to promote ethical business conduct and enable confidential reporting of misconduct, particularly in procurement and contracting activities. In parallel, Masteel implements a structured supplier due diligence programme, including periodic assessments of raw material suppliers to verify compliance with sustainability standards and to mitigate risks associated with irresponsible sourcing practices.

Ms. Zueraini Ahmad Basri, Independent Non-Executive Director, provides Board-level oversight of both the Sustainability Committee and the Risk Management Committee. In this capacity, she oversees the Group's approach to climate change and broader sustainability governance, ensuring that sustainability considerations are embedded within corporate strategy, risk management, and decision-making processes. Her responsibilities include reviewing and endorsing sustainability objectives, strategies, targets, and policies, ensuring alignment with internationally recognised reporting frameworks, including IFRS S1 and IFRS S2. Under her oversight, Masteel systematically identifies, assesses, and manages climate-related financial risks and opportunities, integrating these considerations into enterprise risk management, capital allocation decisions, and operational planning.

In accordance with IFRS S1 disclosure principles, sustainability-related matters are regularly deliberated at Board level and evaluated for financial materiality, regulatory compliance, and long-term value creation. Consistent with IFRS S2 requirements, climate-related risks and opportunities, including transition and physical risks are assessed, monitored, and disclosed following structured internal review processes. Matters are formally endorsed by the Board only after rigorous evaluation before communication to stakeholders. Through this governance structure, Ms. Zueraini plays a critical role in ensuring that Masteel's sustainability and climate-related disclosures remain transparent, reliable, and decision-useful, supporting investor confidence while reinforcing the Group's commitment to responsible corporate governance and sustainable growth.

Sustainability Governance

Supporting the Board, the Sustainability Committee provides strategic oversight of sustainability initiatives and ensures alignment between sustainability objectives and corporate strategy. The Committee supervises the identification of material ESG risks and opportunities, oversees greenhouse gas ("GHG") emissions reporting, monitors environmental and social performance, and promotes sustainable development initiatives across operations.

Mr. Teo Chee Koon serves as the Chief Sustainability Officer ("CSO") and is responsible for overseeing Masteel's sustainability frameworks, management systems, and implementation processes in accordance with Masteel's Sustainability Policy and IFRS S1 & S2 disclosure principles. He is supported by Mr. Dani Khor Kiat Hong as Deputy Sustainability Officer. Together, they coordinate the integration of sustainability considerations into operational planning, internal controls, and corporate reporting, including ensuring the accuracy, consistency, and reliability of sustainability data and disclosures. Their responsibilities also include stakeholder engagement with regulators, investors, and industry bodies to strengthen transparency and reporting quality.

The Risk Management Committee oversees the identification, assessment, and mitigation of sustainability-related and climate-related risks and opportunities. Masteel's enterprise risk management framework incorporates transition risks, physical climate risks, regulatory developments, and operational exposures to ensure potential financial impacts are evaluated and managed proactively in line with IFRS S1 and IFRS S2 risk management requirements. Complementing this oversight, the Integrity Committee reinforces ethical governance and regulatory compliance to ensure sustainability-related matters are managed transparently and in accordance with financial materiality principles. Both committees convene at least three times annually, and key outcomes are escalated to the Board to support informed strategic decision-making in particular to those related to Malaysia's commitment to the Paris Climate Agreement.

Sustainability Governance

Masteel embeds sustainability performance within executive remuneration to reinforce accountability and support long-term value creation. The Remuneration Committee links performance-based incentives to sustainability-related key performance indicators in line with IFRS S1 and IFRS S2 governance expectations. Performance indicators include:

- Carbon emission reduction
- Energy efficiency improvement
- Regulatory compliance
- Ethical supply chain practices
- Workplace health and safety performance
- Transparency in reporting

Variable remuneration, including annual bonuses, is partially tied to the achievement of sustainability targets, and performance outcomes are assessed annually to ensure leadership decisions align with Masteel's sustainability strategy.

Masteel conducts sustainability-related training for Board members and management to enhance awareness and understanding of climate-related risks, regulatory developments, and disclosure expectations. Masteel also maintains a structured stakeholder engagement framework to ensure transparent communication with investors, regulators, employees, suppliers, and local communities.

Through this governance structure, sustainability considerations are embedded into corporate strategy, risk management, and performance evaluation, ensuring Masteel's long-term resilience and responsible growth.

Sustainability Governance

Masteel has implemented a structured sustainability-related risk governance and management framework designed to comply with the disclosure principles of IFRS S1 and IFRS S2. The framework ensures that sustainability-related risks and opportunities including climate-related transition and physical risks which are systematically incorporated into corporate strategy, enterprise risk management processes and sustainability-related financial disclosures. Oversight of sustainability-related risks resides at senior leadership and Board levels. The Executive Vice Chairman, Independent Non-Executive Director, Executive Director and Chief Sustainability Officer collectively monitor emerging sustainability matters and evaluate their potential financial impacts. Material matters are escalated to the Board for review, ensuring that sustainability-related risks and opportunities are considered alongside financial and operational risks in capital allocation, business planning and performance monitoring. This governance structure supports accountability and enables integration of sustainability considerations into decision-making processes, consistent with IFRS S1 and S2 governance requirements.

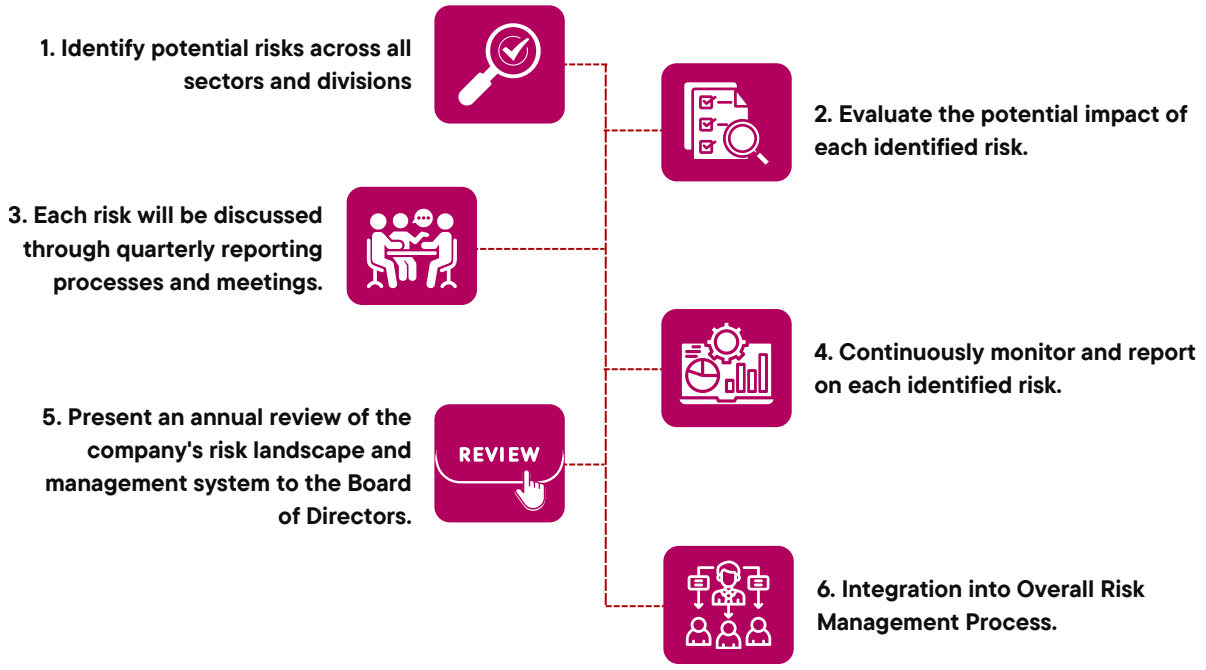
Masteel integrates sustainability-related risks into its Enterprise Risk Management ("ERM") cycle, referencing the COSO risk management framework to strengthen methodological rigour and transparency. Risks are identified across operational, regulatory, market and environmental dimensions and evaluated based on likelihood, magnitude of financial impact and defined time horizons (short, medium and long term). In line with IFRS S2 risk identification guidance, climate-related risks assessed include transition risks such as regulatory developments, carbon pricing mechanisms, technology shifts and changing market preferences, as well as physical risks arising from extreme weather events and environmental conditions.

To assess the nature, likelihood and magnitude of these risks, Masteel applies a structured multi-criteria evaluation approach combining qualitative and quantitative considerations. Qualitative assessments include regulatory exposure, operational vulnerability, supply chain dependency and reputational implications, while quantitative thresholds evaluate potential financial impact on operating costs, capital expenditure requirements, asset utilisation and revenue sensitivity. Risk severity is categorised using an internal scoring matrix that maps probability of occurrence against estimated financial impact ranges, enabling prioritisation of material risks requiring mitigation or strategic response.

Sustainability Governance

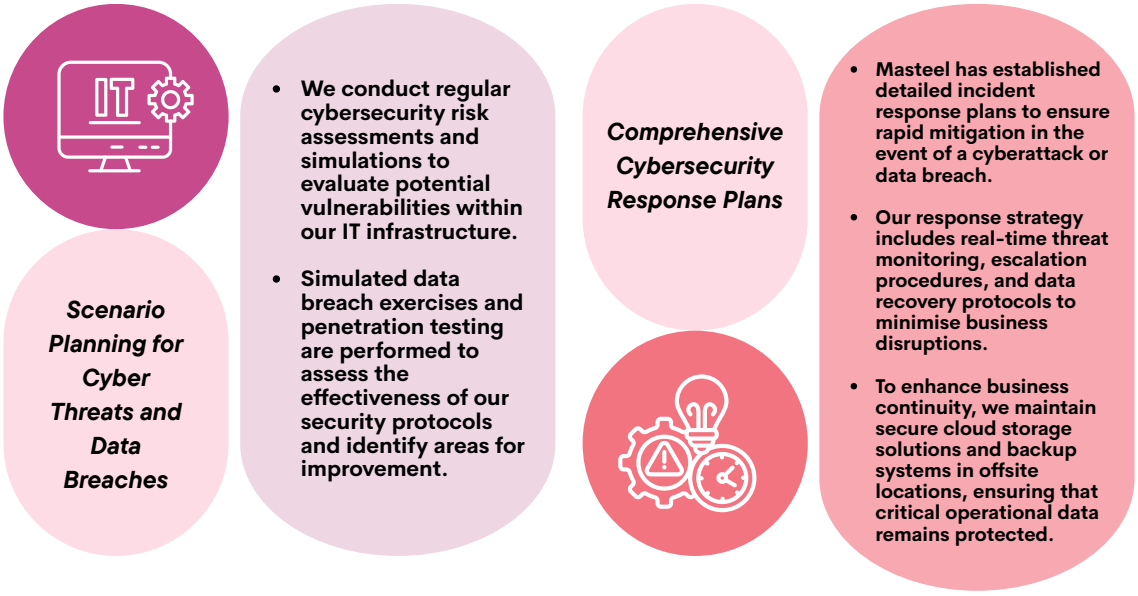
Scenario-based evaluations and sensitivity analyses are also conducted for key exposures, particularly those related to carbon pricing and energy cost volatility, to estimate potential cost implications under different regulatory and market pathways. This integrated assessment framework ensures that climate-related risks are systematically prioritised, financially contextualised and incorporated into business planning and disclosure processes in accordance with IFRS S2 expectations. Following identification, risks undergo prioritisation and mitigation planning, including implementation of internal controls, operational adjustments and strategic responses. The effectiveness of these measures is periodically reviewed through monitoring processes embedded within the ERM framework. Where relevant, sustainability-related risks are evaluated for financial materiality and incorporated into business strategy, investment considerations and disclosure processes.

By integrating sustainability and climate-related risk management into governance, strategy and decision making mechanisms, Masteel enhances organisational resilience and ensures that sustainability and climate-related financial information is reliable, decision-useful and aligned with investor expectations. We regularly conduct scenario analyses and stakeholder engagement to review our risk and opportunities. This integrated approach ensure risk management remains relevant and transparent reporting that enables stakeholders to understand how sustainability matters may reasonably affect Masteel's financial position, performance and future cash flows.



Privacy and Data Protection

Scenario Planning and Response Plans for Cybersecurity Risks



In FY2025, Masteel continue to record zero complaints or incidents relating to data breaches or the leakage of employee and customer information, demonstrating our continued commitment to data privacy, cybersecurity protection and regulatory compliance, while reinforcing stakeholder confidence. Recognising that cyber threats may affect business continuity and operational resilience, Masteel has established a comprehensive Personal Data Protection Policy. The policy defines the categories of personal data collected, permitted uses within our operations and the rights of employees to raise concerns regarding their information. To ensure accessibility and understanding, the policy is incorporated into the Employee Handbook and made available in multiple key languages.

Furthermore, our Information Technology ("IT") Policy serves as a critical pillar in managing the Group's IT systems securely. This policy includes stringent cybersecurity protocols, such as:

- Enforcing strong access controls to prevent unauthorised access.
- Implementing mandatory lock screens and password protection on company devices.
- Deploying antivirus software and conducting regular security audits.
- Ensuring proper data storage and backup management to mitigate the risks of cyber threats.

Privacy and Data Protection

Data Security and Backup Protocols

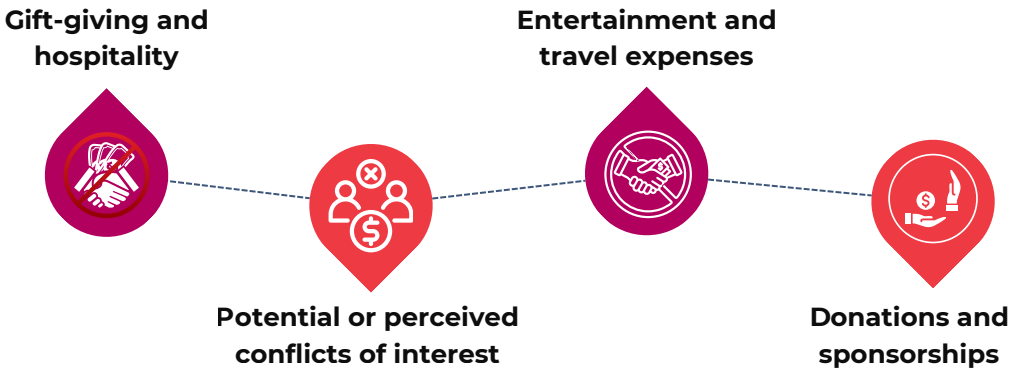
Masteel carefully balances the adoption of cloud technologies with the need to safeguard data confidentiality and integrity through regular system assessments and security updates. To minimise the risk of data loss, our Information Technology Policy mandates:

a. Weekly data backups by Department Managers to external hard disks.
b. Storage of backup media in designated secure locations, separate from employees' workstations.
c. Clear labelling of storage devices with the statement: "Property of Masteel" to prevent unauthorised access or removal.
d. Controlled access to external storage media, ensuring that no device is removed without proper authorisation.

These measures are implemented to strengthen operational resilience, minimise downtime, and protect productivity against cybersecurity risks. By integrating robust cybersecurity governance with preparedness and response protocols, Masteel upholds industry best practices while reinforcing our overall sustainability resilience.

Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy

Masteel remain firmly committed to ethical business conduct and corporate integrity through the implementation of our Anti-Bribery & Anti-Corruption ("ABAC") Policy and the strengthening of our Whistleblowing Policy. Together, these policies provide a structured framework for transparency, accountability, and responsible decision-making across all levels of the organisation. The ABAC Policy forms a key component of our governance framework, promoting honesty and a zero-tolerance approach to bribery and corruption. It establishes clear risk management procedures, reporting channels, and mandatory awareness training to address corruption-related risks, particularly in areas vulnerable to unethical conduct, including:



To support these measures, our Whistleblowing Policy has been enhanced to provide a secure, confidential, and anonymous reporting channel for employees and stakeholders. This mechanism enables individuals to raise concerns without fear of retaliation, reinforcing Masteel's commitment to transparency and accountability.

Governance Oversight and Compliance

Masteel's Board of Directors regularly reviews and updates the ABAC Policy to ensure continued alignment with evolving regulatory requirements, including the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our commitment to good governance also extends beyond internal operations, requiring third-party partners and suppliers to adhere to the same ethical standards.

Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy

Ensuring Awareness and Compliance

Masteel promotes a corruption-free and ethical working environment by actively communicating our Anti-Bribery & Anti-Corruption ("ABAC") Policy to all employees, directors and business partners through website disclosures, internal memoranda, policy briefings, induction programmes and continuous awareness training. This ensures all personnel understand their responsibilities and are empowered to identify and report potential bribery or corruption. Embedding these principles into daily operations strengthens stakeholder confidence and supports long-term business sustainability.

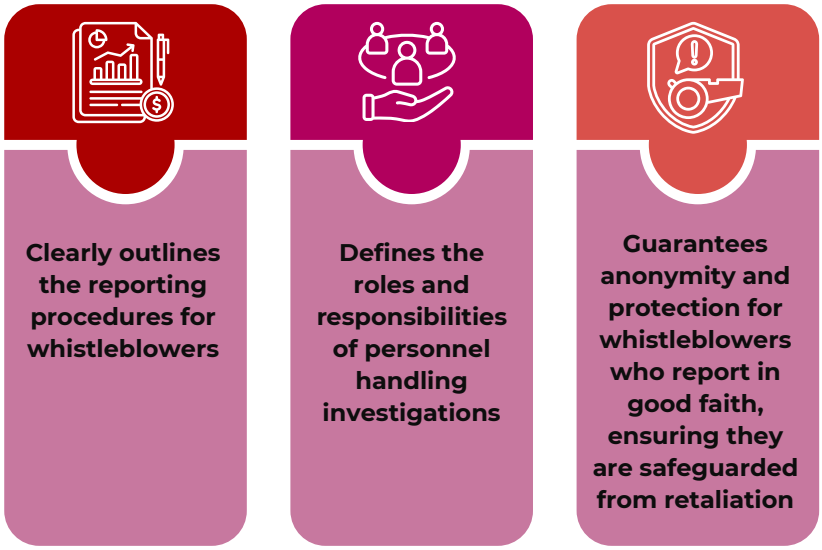
Masteel further reinforces this commitment by requiring all employees and suppliers to formally acknowledge the ABAC Policy. New hires and suppliers sign an anti-bribery declaration and receive structured policy briefings during onboarding stressing on our zero-tolerance on any corruption across all level, while periodic refresher sessions and management communications reinforce expectations across the workforce. Key personnel in procurement, logistics, finance and contract management functions receive additional guidance due to their exposure to transactional risks, ensuring consistent application of ethical standards in day-to-day decision-making. These measures support the management of bribery risks across our operations (100%), particularly within higher-risk areas such as import-export activities, outsourced operations and third-party engagements identified through internal risk assessments. Prior to appointment, vendors and contractors undergo integrity due diligence, including screening against the Malaysia Anti-Corruption Commission ("MACC") Corruption Offenders Database and evaluation of compliance declarations. Contractual agreements incorporate ethical conduct clauses, allowing Masteel to suspend or terminate engagements if breaches are detected.

To complement preventive controls, concerns may be raised through our whistleblowing channels, which provide confidential and non-retaliatory reporting avenues for employees and external stakeholders. Reported cases are independently reviewed and escalated to senior management or Board where necessary, ensuring accountability and timely corrective action. Through these layered preventive, monitoring and response mechanisms, Masteel continues to strengthen governance resilience and uphold responsible business conduct across our value chain.

Anti-Bribery & Anti-Corruption Policy and Whistleblowing Policy

Reinforcing Whistleblower Protection and Risk Mitigation

Masteel's Whistleblowing Policy establishes a secure and confidential channel that enables employees and external stakeholders to raise concerns related to bribery, misconduct, or unethical behaviour. This policy:



Commitment to Ethical Business and Political Neutrality

To enhance awareness and compliance with the ABAC Policy, Masteel conducted structured training programmes covering 274 employees across all organisational levels, comprising 8 management personnel (2.92%), 41 executives (14.96%) and 225 non-executives (82.12%). The policy is also publicly available on our corporate website to ensure transparency and accessibility to all stakeholders.

In FY2025, Masteel recorded zero incidents or penalties related to corruption, marking our sixth consecutive year of maintaining a corruption-free track record. As a publicly listed company, Masteel upholds strict political neutrality and does not support, endorse, or financially contribute to any political parties or organisations. Through continuous risk assessments, targeted training, and robust anti-corruption controls, Masteel reinforces its commitment to ethical governance and long-term corporate sustainability.

Risk Management

Commitment to Auditors Independence and Transparency

Masteel is committed to upholding the highest standards of financial integrity and transparency. In support of this commitment, we have adopted a Statutory Auditors and Statutory Audit and Non-Audit Services Framework, under which the following governance practices are implemented.

a) Regular rotation of Auditors/Audit partner

Masteel maintains audit integrity and transparency through its External Auditors Assessment Policy, which requires the rotation of audit partners every seven (7) financial years, followed by a three (3)-year cooling-off period. This approach safeguards auditor independence by introducing fresh perspectives and mitigating familiarity risks associated with long-term engagements. In addition, Masteel regularly evaluates the performance of the audit firm to ensure the audit process remains robust, objective, and responsive to evolving regulatory requirements. As part of the Group's governance framework, the policy is designed to foster an environment where auditors can deliver unbiased assessments of the company's financial health, thereby strengthening stakeholder confidence in the accuracy and transparency of Masteel's financial reporting.

b) Tendering for a New Audit Firm

Beyond partner rotation, Masteel reinforces audit independence and transparency through annual evaluations to confirm that the external audit firm remains fully independent and complies with all applicable professional and regulatory requirements. These assessments help mitigate potential conflicts of interest and protect the integrity of the financial reporting process. The Audit Committee ("AC"), comprising entirely independent directors, oversees the performance, suitability and independence of the external auditors. The AC is responsible for matters relating to the appointment, resignation, remuneration and removal of the auditors, in accordance with the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Risk Management

This oversight ensures that the audit firm operates within robust governance standards. The re-appointment of the External Auditors is subject to shareholder approval at the Annual General Meeting, following a thorough evaluation by the AC. Where necessary, the AC may also recommend a change of External Auditors to safeguard audit objectivity and independence.

Through these practices, Masteel maintains reliable and transparent financial reporting, strengthening confidence among investors, regulators and the wider market.

Legal Compliance

Regulatory compliance remains a core priority at Masteel. We implements structured monitoring and mitigation controls to proactively identify, assess and manage potential compliance risks, which are formally tracked and reviewed through our Risk Register. To maintain strong regulatory compliance, Masteel continuously monitors and adapts to emerging legal and regulatory requirements relevant to our operations. Our proactive compliance framework incorporates the following measures:

a. Regular compliance assessments using a comprehensive risk reporting checklist to ensure alignment with the latest regulatory standards.
b. Ongoing monitoring mechanisms to detect and mitigate any emerging risks before they escalate.
c. Routine internal audits and evaluations to reinforce adherence across all operational processes.

As a result of our robust compliance monitoring and controls, Masteel recorded zero cases of non-compliance in FY2025, reaffirming our commitment to strong corporate governance, regulatory adherence, and operational integrity.

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

Strategy

Masteel integrates climate-related considerations into our corporate strategy and financial planning across defined time horizons, namely short-term (1–5 years) and medium-to-long-term (5–10 years). Masteel evaluates the impact of evolving regulatory developments, including anticipated carbon pricing mechanisms, environmental regulations and commitments such as the Paris Agreement 2015, on operating costs, capital allocation, asset efficiency and market competitiveness. These time frames align with business objectives, risk management strategies and long-term sustainability goals. These developments signal an accelerating transition toward a low-carbon economy, and we continuously assesses their potential financial implications and strategic responses. To manage transition exposure, we are implementing measures aimed at reducing emissions while improving operational efficiency. Initiatives include optimisation of energy consumption, adoption of cleaner production processes, reduction of material losses and integration of lower-carbon operational practices across the value chain. These efforts are designed not only to mitigate potential cost impacts arising from future carbon regulations but also to strengthen operational resilience and maintain cost competitiveness in increasingly sustainability-driven markets.

Climate-related opportunities are embedded within Masteel's strategic planning, as Masteel anticipates increasing demand for environmentally verified construction materials, participation in sustainable procurement ecosystems and improved access to sustainability-linked financing. Accordingly, investments in environmental transparency, process efficiency and decarbonisation technologies support both risk mitigation and long-term revenue positioning. A dedicated internal strategy function continuously monitors regulatory developments, industry transition pathways and technological advancements to ensure alignment between sustainability initiatives and future business growth. Since 2022, Masteel has also conducted climate scenario analysis across our operations, identifying physical and transition risks and opportunities arising from regulatory changes, climate targets, market shifts and environmental impacts, in line with IFRS S2 Climate-related Disclosure requirements. Insights derived from structured risk assessments and scenario-based evaluations inform business strategy, capital investment planning and operational improvement programmes, particularly in addressing regulatory cost pressures, supply chain adjustments, resource availability and evolving customer expectations.

By embedding climate considerations into decision-making, Masteel enhances resilience, safeguards long-term profitability and positions ourself to capture emerging opportunities associated with the transition to a lower-carbon industrial economy. Overall, Masteel integrates climate considerations into decision-making to strengthen resilience and support long-term sustainable value creation.

Strategy - Sustainability Related Risk & Opportunities

Risk type	Time Horizon	Potential Financial Impact	Description of Risk	Mitigation Strategy
Regulatory Compliance	Short-term and Long-term	Institutional investors increasingly require sustainability-aligned disclosures. Non-compliance may result in divestment or exclusion from sustainability-focused funds. Potential loss of strategic customers or delayed contracts, potentially affecting 5-10% of annual revenue.	Adhering to regulatory compliance demands detailed disclosures on sustainability practices. Ensuring compliance may require significant enhancements to current reporting systems and processes. Non-compliance could lead to regulatory penalties and damage to Masteel's reputation.	As a short-term mitigation measure, the sustainability committee will continue reporting to the Board of Directors and Risk Management Committee. Provide related training to relevant department and personnel to ensure full compliance to any regulatory requirements. Continue to engage with investors, key customers, and regulators to identify their expectations and material concerns. Continue to align sustainability priorities with what matters most to external stakeholders and business impact. As for long term, embed ESG in performance KPIs, employee scorecards, and corporate values to uphold the full compliance to any regulatory requirements. Consider future carbon pricing in financial models and ROI projections.

Strategy - Sustainability Related Risk & Opportunities

Risk type	Time Horizon	Potential Financial Impact	Description of Risk	Mitigation Strategy
Supply Chain Transparency	Short-term and Long-term	If raw materials are traced to environmentally or ethically non-compliant sources (e.g., conflict minerals, forced labor), Masteel may face restrictions on exports or loss of licenses. Allegations of sourcing from polluting or unethical suppliers may affect brand trust, investor confidence, and ratings. This might result to an approximately loss of contract that contribute to 5-10% of Masteel revenue. Sustainbility-conscious customers (especially multinational developers, infrastructure firms) may exclude Masteel from tenders if full traceability or compliance cannot be demonstrated.	Suppliers of our raw materials might come from opaque supply chains, increasing difficulty in assessing environmental and social risks.	As for short term, we educate our suppliers to the important of sustainability disclosure and reporting. In addition, we categorise them based on ESG exposure: high, medium, low risk. To equip Masteel's procurement and sourcing teams knowledge and skills on ESG due diligence, red flag detection, and sustainable procurement practices. As for long term, to incorporate ESG compliance and audit into the procurement assessment. Implement traceability platforms to track the origin, environmental footprint, and chain-of-custody of raw materials. Integrate with suppliers' systems via portals or shared sustainability dashboards (example: CSI Platform by Bursa Malaysia).

Strategy - Sustainability Related Risk & Opportunities

Risk type	Time Horizon	Potential Financial Impact	Description of Risk	Mitigation Strategy
Cybersecurity Risks in Data Reporting Systems	Short-term and Long-term	Cyberattacks could halt production, delay deliveries, or disrupt energy monitoring and emissions tracking. This will resulted to a projection of losses more than RM500,000.00 per incident, depending on downtime duration and recovery costs. Breaches affecting customer, investor, or employee data may lead to a loss of confidence and damage to Masteel's brand value.	Masteel might faces increasing cybersecurity risks such as data breaches, ransomware, or system intrusions could disrupt operations, compromise sensitive data.	As for short term, we will conduct audit and identify vulnerabilities across both OT (Operational Technology) and IT systems. Implement strict user access control and multi-factor authentication for sensitive systems. Conduct regular cybersecurity awareness programs, phishing simulations, and training for all staff, especially those handling sensitive and important information. As for long term, we will secure and periodically review a comprehensive cyber insurance policy that covers ransomware, and business interruptions due to cybersecurity attack.

Strategy - Sustainability Related Risk & Opportunities

Risk type	Time Horizon	Potential Financial Impact	Description of Risk	Mitigation Strategy
Human Capital Risk	Short-term and Long-term	Increased of operation cost due to the hiring expenses resulted from the frequent turnover of skilled operators and engineers.	High employee turnover and skill shortages in plant operations could affect production continuity. These issues can disrupt production flow, delay project execution, increase training costs, and reduce overall productivity. High attrition also contributes to the loss of institutional knowledge and affects safety performance in hazardous work environments.	Masteel has launched structured talent retention strategies including enhanced career progression pathways, performance linked incentives, and engagement programs. Simultaneously, technical upskilling initiatives such as cross-functional training, certification support, and mentorship, are being implemented to close the skills gap and stabilise the workforce.
Safety and Compliance Risk	Short-term and Long-term	Additional expenses related to treatment, workers' compensation, and rehabilitation of injured employees. This estimated to an annual additional cost of RM100,000.00 per each accident that happen.	Masteel faces inherent risks related to workplace injuries due to the nature of steel manufacturing that involving heavy machinery, high-temperature processes, and physically demanding tasks. Serious incidents could result in legal liabilities, regulatory penalties, increased insurance premiums, and operational disruptions due to lost-time injuries. Furthermore, frequent or severe safety incidents may negatively affect employee morale, turnover, and the company's reputation among customers and investors.	Masteel is enhancing our Occupational Health & Safety program through behavior-based safety training, improved safety culture, near-miss tracking systems, and investment in automation to reduce manual exposure. These initiatives aim to create a proactive safety environment and reduce incident frequency and severity.

Strategy - Sustainability Related Risk & Opportunities

Opportunity type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Green Steel Market	Long-term	Increased competitiveness in tenders from ESG-focused buyers or organisation requiring sustainability disclosures. This will increase Masteel production and boost the overall revenue.	As sustainability becomes a core procurement criterion for developers, governments, and ESG-driven companies, demand is rising for low-carbon or "green" steel produced with reduced emissions, recycled materials, and renewable energy. Capturing this opportunity will not only open new market segments but also enhance brand value, improve access to green financing, and align Masteel with global climate and ESG expectations.	Masteel is well-positioned to serve this growing segment by investing in cleaner technologies, changing from electric arc furnace ("EAF") to Induction Furnace ("IF") operations, and branding a sustainable steel product line. Increase recycled steel content in products and introduce take-back programs for steel waste. Improve energy intensity and reduce emissions through advanced technology.
Government Incentives & Grants	Long-term	Financial support such as grants, green loan, and allowances for ESG-aligned investments from government and banks.	As part of Malaysia's broader commitment to sustainability and green growth, early adopters of sustainability standards such as IFRS S1 & S2 are increasingly eligible for government incentives, grants, and tax reliefs. Proactively tapping into these schemes could significantly reduce capital expenditure on sustainability initiatives, enhance cash flow, and support Masteel's long-term transition toward a lower-carbon, digitally enabled business model.	The implementation of Green procurement and green financing programs. Participate in national policy consultations and pilots to stay ahead of funding trends and opportunities. Position Masteel to register and trade carbon credits in Malaysia's Voluntary Carbon Market ("VCM").

Strategy - Climate-Related Risks Physical: Acute and Chronic

Risk type	Time Horizon	Potential Financial Impact	Description of Risk	Mitigation Strategy
Weather: Heavy precipitation and flooding	Short-term and Long-term	Company revenue may be affected by production and delivery delays, leading to potential disruptions in the supply chain and order fulfillment of steel products.	Masteel's manufacturing facilities are located in areas prone to heavy rainfall and flooding, which can disrupt logistics, supply chains, and workforce availability due to commuting challenges. These disruptions may impact production schedules and delivery commitments. However, our elevated plant positioning in Bukit Raja, Klang, mitigates the risk of flood damage to critical machinery, ensuring operational continuity. To further enhance resilience, Masteel continues to implement logistical contingency plans, workforce management strategies, and infrastructure reinforcements to minimise weather-related disruptions.	As a short-term mitigation measure, Masteel maintains ample liquidity in a sinking fund to cover operational costs and fixed financial obligations, including potential repairs to plants and machinery caused by extreme weather events. Additionally, we have secured comprehensive insurance coverage for our facilities and equipment to minimise financial exposure from climate-related damages. For long-term resilience, we are actively evaluating alternative plant locations to reduce exposure to high-risk areas. This includes assessing suitable financing options, such as debt or equity, to support potential relocation and infrastructure investments, ensuring sustainable business continuity.

Strategy - Climate-Related Opportunities Transition: Policy and Legal

Risk type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Carbon Pricing & Taxation	Short term and Long-term	We anticipate a positive financial impact through improved margins, market access, and enhanced portfolio value relative to higher-emission competitors. Lower carbon intensity positions Masteel to avoid significant carbon costs while benefiting from potential green premium pricing and sustainability-linked financing.	As a steel producer with comparatively lower greenhouse gas emissions intensity, the implementation of carbon pricing mechanisms creates a competitive advantage for Masteel. Customers and regulators are increasingly favouring low-carbon materials, particularly in export markets and sustainability-driven infrastructure projects. Carbon pricing accelerates the shift towards environmentally responsible sourcing, allowing Masteel to capture new market demand while strengthening investor confidence and financial resilience. This transition also enhances corporate reputation and supports alignment with global decarbonisation pathways.	Masteel is strengthening our low-carbon production pathway through continuous energy efficiency improvements, process optimisation, and adoption of cleaner technologies. The company actively monitors carbon pricing developments and integrates them into financial planning and investment decisions. In parallel, Masteel is positioning our products as lower-carbon steel solutions to access sustainability-linked procurement markets and green financing opportunities. These initiatives enable the company to monetise our lower emissions profile while mitigating future regulatory costs and supporting long-term value creation.

Strategy - Climate-Related Opportunities Transition: Technology

Risk type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Invest in low emission technology - Induction Furnace (IF)	Short-term and Long-term	It allows us to achieve cost savings of approximately 10.6% per metric tonne in billet production.	Masteel's transition from an Electric Arc Furnace (EAF) to an Induction Furnace (IF) presents a strategic opportunity to enhance cost efficiency and market resilience by significantly reducing operational expenses. This shift results in an approximately 42.87% reduction in CO_2 per metric tonne, aligning with global sustainability expectations and strengthening our appeal to environmentally conscious investors and customers. By investing in sustainable, low-emission technology, Masteel is positioning ourselves for long-term profitability, regulatory compliance, and competitive differentiation in a carbon-conscious market. This transition not only enhances cost savings but also supports our commitment to sustainable growth and responsible steel production.	To capitalise on this opportunity, Masteel is securing strategic funding and deploying advanced Induction Furnace (IF) technology to enhance operational efficiency and sustainability. This transition reduces the risk of regulatory non-compliance and potential penalties and taxes, ensuring alignment with evolving environmental standards. A dedicated operational team has been established to oversee the implementation and optimise the performance of the IF equipment, ensuring a seamless transition and long-term operational success. These efforts reinforce Masteel's commitment to sustainable growth, cost efficiency, and sustainable driven market competitiveness.

Strategy - Climate-Related Opportunities Transition: Technology

Risk type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Invest in Hi-Speed Bar Project	Short-term and Long-term	We plan to allocate an estimated CAPEX budget of RM64 million for the Hi-Speed Bar Project, aiming to enhance production efficiency and cost optimisation. This investment is expected to lower bar production costs by approximately 4.0% per metric tonne, while significantly increasing steel bar production capacity, more than doubling annual output.	Masteel's adoption of Induction Furnace (IF) technology presents a significant opportunity to enhance profit margins by reducing bar production costs, overhead expenses, and logistics costs. These operational efficiencies strengthen our competitive position in the market. Additionally, the transition to low-emission technology supports a substantial reduction in CO_2 emissions, aligning with sustainability priorities. This enhances Masteel's attractiveness to environmentally conscious investors and customers, driving long-term market growth and reinforcing our commitment to sustainable steel production.	Masteel's strategy to capitalise on this opportunity involves securing strategic funding and deploying the most efficient Induction Furnace (IF) technology for the Hi-Speed Bar Project. This initiative is designed to enhance production efficiency, reduce costs, and lower emissions, aligning with both financial and sustainability objectives. To ensure a successful implementation, Masteel is evaluating optimal financing options, including internal capital allocation, debt financing, or strategic partnerships, to support the deployment of this technology. By integrating advanced manufacturing processes, we aim to maximise output, improve energy efficiency, and strengthen our position in the sustainable steel market.

Strategy - Climate-Related Opportunities Transition: Technology

Risk type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Increased in water usage saving - Rainwater harvesting system	Short-term and Long-term	We invested RM200,000 in installing a rainwater harvesting system at our Petaling Jaya plant, enabling us to reduce annual water withdrawal and lower overall water costs.	This opportunity aligns with Masteel's commitment to integrating sustainability principles into our core business strategy, reinforcing our dedication to sustainable and responsible manufacturing. By adopting advanced technology and resource-efficient processes, Masteel can significantly reduce water withdrawal, contributing to improved environmental stewardship and compliance with evolving sustainability regulations. Additionally, these improvements will drive operational cost reductions, enhancing overall financial resilience while strengthening our market position among sustainable conscious investors, customers, and stakeholders. This initiative supports Masteel's long-term strategy of balancing profitability with sustainability, ensuring continued growth in an increasingly climate-conscious business environment.	Masteel is actively leveraging this opportunity by implementing a rainwater recycling system to enhance water conservation and support our sustainability commitments. This initiative reduces reliance on external water sources, minimising operational costs while strengthening climate resilience in the face of potential water scarcity risks. The system is designed to capture and store rainwater efficiently, utilising the factory's roof gutters to direct runoff into holding tanks with a 20,000-gallon capacity. This collected rainwater is then filtered and distributed across various operational areas, ensuring optimal water resource management within our production processes. By integrating this solution, Masteel aligns with regulatory expectations for sustainable water usage while reinforcing our commitment to responsible resource management, cost efficiency, and long-term environmental sustainability.

Strategy - Climate-Related Opportunities Transition: Market

Risk type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Access to new and emerging markets	Long-term	Our commitment to ESG practices is expected to drive a minimum 15% increase in sales in the near term, contributing to stronger financial performance and revenue growth.	By capitalising on this opportunity, Masteel is strategically positioning itself as a global leader in sustainability commitment, enhancing our competitive advantage in sustainability focused markets. This transition aligns with evolving regulatory and investor expectations, opening access to new customers and investment opportunities that prioritise high sustainability standards in their supply chains. Expanding our presence in sustainable driven markets, such as Singapore and other sustainability-conscious regions, strengthens our market differentiation and long-term growth potential. This proactive approach reinforces Masteel's ability to adapt to global market shifts, attract sustainability-focused investors, and secure partnerships with environmentally responsible stakeholders.	Masteel's strategy to seize this opportunity involves ongoing investment in sustainability initiatives and enhancing sustainability practices to strengthen our market position. A key focus is maintaining our listing on the FTSE4Good Bursa Malaysia Index, reinforcing our commitment to transparent ESG performance and long-term stakeholder confidence. By continuously aligning with global sustainability standards, we aim to attract sustainability-focused investors, enhance corporate credibility, and expand access to sustainability-driven markets. This commitment ensures Masteel remains competitive in an increasingly sustainability-conscious business environment.

Strategy - Climate-Related Opportunities
Transition: Reputation

Risk type	Time Horizon	Potential Financial Impact	Description of Opportunities	Strategy to Realise Opportunities
Achieving a net-zero strategy before 2050	Long-term	The company anticipates a positive financial impact, with projected annual gains of RM6.5 million.	Masteel's commitment to reducing greenhouse gas emissions reinforces our position as a responsible and sustainable industry leader, enhancing our global reputation. By integrating strong sustainability practices into our operations, we align with international sustainability benchmarks, demonstrating accountability to investors, customers, and regulatory bodies. This proactive approach strengthens stakeholder trust and differentiates Masteel in the global market, attracting new customers and long-term investors who prioritise sustainability and ethical business practices. By continuously advancing our low-carbon initiatives, Masteel enhances brand credibility, ensuring long-term market relevance and resilience in an increasingly sustainability-driven business environment.	Masteel is committed to reducing greenhouse gas emissions as part of our long-term sustainability strategy, reinforcing our position as a leader in sustainable steel production. Our approach includes a targeted 10% reduction in emissions over the next four years (2023-2026), followed by achieving net zero by 2030, aligning with global climate action goals and regulatory expectations. To achieve these targets, Masteel is implementing a comprehensive sustainability roadmap, which includes investments in innovative low-carbon technologies, energy efficiency improvements, and operational process optimisations. These initiatives will not only enhance environmental sustainability but also improve cost efficiency, regulatory compliance, and investor confidence, ensuring long-term business resilience in a carbon-conscious global market.

Risk Types
Transition: Risk types in Sustainability and Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Emerging and current regulations	Relevant, always included	Masteel proactively integrates emerging and existing regulations into our risk assessment framework, ensuring that compliance remains a core component of our operational strategy. This approach is critical for mitigating financial risks associated with non-compliance, avoiding potential regulatory penalties, and maintaining alignment with evolving environmental and sustainability requirements under IFRS S1 & S2. To strengthen our environmental risk management, Masteel has deployed a computerised emissions monitoring system to track and verify that furnace air emissions remain compliant with Department of Environment ("DOE") regulations. This system enhances real-time monitoring, transparency, and regulatory adherence, reducing the risk of environmental liabilities. Masteel also adheres to strict waste management protocols, ensuring that scheduled wastes are stored in designated secure areas and disposed of in accordance with authoritative guidelines and best practices. This minimizes environmental impact and reinforces our commitment to responsible resource management. To further mitigate environmental risks, Masteel has implemented a strategic sustainability plan with time-specific targets that exceed regulatory requirements. This plan focuses on: • Reducing or eliminating pollution through cleaner production methods. • Enhancing waste management practices to minimise hazardous material disposal. • Optimising resource utilisation, ensuring sustainable and cost-effective operations. By embedding regulatory compliance and environmental risk mitigation into our enterprise risk management system, Masteel enhances operational resilience, safeguards long-term financial performance, and upholds stakeholder confidence in an increasingly sustainability-conscious regulatory landscape.

Risk Types
Transition: Risk types in Sustainability and Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Legal	Relevant, always included	Masteel proactively manages regulatory and legal risks across our Petaling Jaya and Bukit Raja manufacturing plants, ensuring strict compliance with environmental permits and adherence to evolving legislation. As part of our risk assessment framework under IFRS S1 & S2, we continuously monitor policy changes, permit enforcement trends, and regulatory developments to anticipate potential financial and operational impacts. Legal risks are integrated into our climate risk assessments, allowing us to identify and implement swift mitigation strategies in response to changes in permit conditions or regulatory enforcement. By operating strictly within permit parameters, we safeguard our operational license, maintain business continuity, and minimise financial risks associated with production constraints or regulatory penalties. Masteel remains committed to regulatory vigilance, ensuring that compliance is embedded within our enterprise risk management ("ERM") system, reinforcing long-term resilience and operational stability in an increasingly climate-conscious and regulated business environment.
Market	Relevant, always included	Masteel recognises that climate change is reshaping market dynamics, creating new business opportunities while also introducing market risks. As part of our risk assessment framework under IFRS S1 & S2, we conduct thorough market risk evaluations to anticipate shifts in demand, regulatory developments, and competitive pressures associated with the global transition to a low-carbon economy. Evolving consumer preferences in particularly the increasing demand for environmentally sustainable and socially responsible materials, may directly impact the market positioning and competitiveness of Masteel's products. To mitigate these risks and capitalise on emerging opportunities, Masteel continuously aligns its product offerings with sustainability expectations, ensuring compliance with sustainability standards and reinforcing our market relevance. By integrating market risk assessments into our ERM framework, Masteel enhances adaptability, customer engagement, and financial resilience in a rapidly evolving market.

Risk Types
Transition: Risk types in Sustainability and Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Technology	Relevant, always included	Technological advancements are a key enabler in Masteel's net-zero strategy, driving carbon emission reductions and minimising our environmental footprint. Given the rapid pace of technological change, continuous risk monitoring and evaluation are essential to ensure seamless adaptation and competitiveness. Masteel is committed to leading the adoption of advanced technologies to lower greenhouse gas emissions and enhance operational efficiency. As part of our strategic planning framework, assessing technology risks is a critical focus, particularly in relation to the modernization of production plant technologies to align with sustainability goals.
Reputation	Relevant, always included	Masteel systematically evaluates reputational risks associated with business decisions, ensuring alignment with market expectations and evolving societal emphasis on climate-conscious and environmentally responsible production. As part of our IFRS S1 & S2-aligned risk management framework, we recognise that stakeholder perceptions, regulatory scrutiny, and sustainability commitments play a crucial role in maintaining corporate integrity and long-term business. Key reputational risks considered in our assessment include: • Carbon footprint from business operations, including the frequency and necessity of air travel. • Waste management and disposal practices, ensuring compliance with sustainability regulations and industry best practices. • Employee well-being and fair treatment, emphasising workplace safety, diversity, and ethical labor practices. • Community impact of production activities, addressing environmental and social concerns to mitigate adverse effects on local communities. By integrating reputational risk management into our ("ERM") framework, Masteel strengthens stakeholder confidence, brand equity, and long-term resilience in an increasingly sustainability-driven business environment.

Risk Types
Transition: Risk types in Sustainability and Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Geographical	Relevant, always included	Masteel systematically assesses geographical risks in all business decisions, ensuring alignment with market trends toward sustainable and climate-conscious production. As part of our risk management framework under IFRS S1 & S2, we recognise that regional differences in consumer preferences, regulatory policies, and technological advancements can significantly impact business operations and strategic planning. Key geographical risks include: • Regional variations in demand for low-carbon steel, influenced by carbon footprint considerations, evolving sustainability regulations, and consumer preferences. Markets with stricter carbon policies may accelerate the transition to green steel, impacting product demand and competitive positioning. • Disparities in technological advancements across regions, affecting the adoption of innovative production methods. Companies operating in areas with slower technological adoption may face challenges in keeping pace with sustainability-driven industry shifts, regulatory compliance, and operational efficiency. By integrating geographical risk assessments into our ERM framework, Masteel ensures proactive market adaptation, regulatory compliance, and strategic resilience, strengthening our position in an increasingly sustainability-conscious global economy.
Carbon pricing & taxation	Relevant, always included	The implementation of carbon pricing mechanisms may increase operational expenditures, particularly in energy-intensive manufacturing processes and Scope 2 electricity consumption. Upstream suppliers may also pass through additional carbon compliance costs, affecting raw material pricing and supply chain stability. In addition, customers may require verified low-carbon materials, increasing compliance, reporting, and verification costs. Failure to adapt may reduce competitiveness against lower-emission producers.

Risk Types
Transition: Risk types in Sustainability and Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Acute	Relevant, sometimes included	Masteel recognises severe weather events as a key physical risk with potential implications for personnel, assets and operational continuity. In line with our IFRS S1 and IFRS S2–aligned risk management framework, we assess the impact of extreme weather conditions such as heavy rainfall, flooding and storms on business operations and supply chain resilience. Adverse weather may disrupt logistics, delay the transportation of raw materials and finished products, and increase operational costs, potentially affecting delivery performance and customer commitments. To mitigate these risks, Masteel integrates climate resilience measures into our Enterprise Risk Management ("ERM") framework, including supply chain diversification, enhanced logistics planning with contingency measures, and infrastructure reinforcement to protect critical assets. Masteel also acknowledges drought as an acute physical risk, given the importance of water in steel production. While both Bukit Raja and Petaling Jaya facilities are located in low water-stress areas, prolonged water shortages could disrupt operations and increase costs, with a potential financial impact estimated at RM150,000.00. To address this, Masteel has invested RM312,015.00 in rainwater harvesting systems at both sites, providing an alternative water source to support operational continuity during periods of reduced supply. This initiative supports our commitment to adopting advanced technologies and resource-efficient practices, enabling reduced water withdrawal, strengthened environmental stewardship, and continued compliance with evolving sustainability regulations. In addition, Masteel collaborates with Universiti Tunku Abdul Rahman under the Masteel Sustainability Grant to support research on water quality and innovative treatment solutions. These initiatives strengthen our resilience to climate-related physical risks while supporting sustainable resource management and regulatory compliance.

Risk Types
Transition: Risk types in Sustainability and Climate-related Risk Assessment

Risk type	Relevance in risk assessment	Description
Chronic	Relevant, sometimes included	Currently, Masteel's production and operations remain unaffected by persistent climate change phenomena such as sea level rise, temperature fluctuations, and increased wind intensity. However, as part of our IFRS S1 & S2, aligned risk management framework, we recognise that these long-term climate risks may pose future challenges to our operations and supply chain. One key risk is the potential impact on water resources, as rising temperatures and changing weather patterns could affect water availability for industrial use. Limited access to water may disrupt critical cooling and production processes, leading to operational inefficiencies and increased costs. Additionally, infrastructure resilience may be tested by more frequent and intense weather events, requiring proactive adaptation strategies. To address these evolving risks, Masteel is committed to continuous monitoring, scenario analysis, and long-term adaptation planning within our enterprise ERM framework. This includes: • Assessing climate-related vulnerabilities that may emerge over time. • Exploring alternative water sources, such as rainwater harvesting and water recycling initiatives. • Enhancing infrastructure resilience to withstand potential climate-related disruptions. By integrating forward-looking climate risk assessments, Masteel ensures operational stability, resource efficiency, and long-term business sustainability in an evolving climate landscape.

Metrics and Targets

Masteel has strengthened our GHG emissions reporting framework to provide decision-useful climate-related information aligned with the IFRS S2 Climate-related Disclosures and recognised international methodologies. As part of our transition towards net-zero emissions before 2050, Masteel enhanced our calculation methodologies and expanded Scope 1 reporting boundaries from FY2023 onwards to include fugitive emissions, enabling a more complete measurement of direct operational emissions.

For FY2025, Scope 1 emissions were calculated in accordance with ISO 14404-2:2024 and Department for Environment, Food and Rural Affairs ("DEFRA 2025"). Scope 2 emissions were determined using the Malaysian Energy Commission Grid Emission Factor 2024 to ensure consistency and comparability in electricity-related emission calculations. Masteel continues to disclose five material Scope 3 categories namely Category 6 (Business Travel), Category 7 (Employee Commuting), Category 8 (Upstream Leased Assets), Category 9 (Downstream Transportation and Distribution) and Category 13 (Downstream Leased Assets) that consistent with prior reporting periods.

Scope 3 emissions are calculated using a combination of the Malaysian Energy Commission Grid Emission Factor 2024, Department for Environment, Food and Rural Affairs ("DEFRA 2025") and the United States EPA Emission Factors 2025 to enhance methodological reliability where local factors are unavailable. These methodologies support transparency, comparability and completeness of climate-related metrics, enabling stakeholders to assess Masteel's exposure to climate-related risks, transition progress and performance tracking across its value chain in accordance with IFRS S2 disclosure expectations.

Metrics and Targets

GHG Emissions (tCO_2e)			
Metric	2023*	2024	2025
Scope 1 (Process)	4,943.03	3,228.77	2,196.91
Scope 1 (Diesel)	1,505.08	1,622.61	2,075.39
Scope 1 (Fugitive Gases)	346.08	492.78	634.80
Scope 2 (Energy Consumption)	325,057.23	308,400.88	330,192.39
Process Carbon Intensity (tCO_2e/mt)			
Steel Making Plant Rolling Mill Plant (Induction Heater)	0.498 0.147	0.489 0.112	0.456 0.085
Scope 3 (C6-Business Travel)	4.86	8.40	1.96
Scope 3 (C7-Employee Commuting)	467.70	457.78	308.72
Scope 3 (C8-Upstream leased assets)	358.16	435.86	232.37
Scope 3 (C9-Downstream transportation and distribution)	2,161.99	1,257.08	1,344.74
Scope 3 (C13-Downstream leased assets)	1,398.29	518.48	360.19
Total	336,242.42	316,422.64	337,347.47
Overal Carbon Intensity (tCO_2e/mt)	0.396	0.369	0.313

- *Scope 1 GHG emissions are calculated according to the ISO14404-4:2020 and the United States Environmental Protection Agency Emission Factor 2023 (FY2023 & FY2024).*
- *Scope 1 GHG emissions are calculated according to the ISO14404-2:2024 and Department for Environment, Food and Rural Affairs, Defra 2025 (FY2025).*
- *Scope 2 GHG emission is calculated according to the Malaysia Energy Commission Grid Emissions Factor 2021 (FY2023).*
- *Scope 2 GHG emission is calculated according to the Malaysia Energy Commission Grid Emissions Factor 2022 (FY2024).*
- *Scope 2 GHG emission is calculated according to the Malaysia Energy Commission Grid Emissions Factor 2024 (FY2025).*
- *Scope 3 GHG emissions are calculated according to the United States Environmental Protection Agency Emission Factor5or 2023, 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Mobile Combustion and 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 2024 , 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Mobile Combustion and the Malaysia Energy Commission Grid Emissions Factor 2022 (FY2024)*
- *Scope 3 GHG emissions are calculated according to the United States Environmental Protection Agency Emission Factor 2025 , Department for Environment, Food and Rural Affairs, Defra 2025 and the Malaysia Energy Commission Grid Emissions Factor 2024 (FY2025)*

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

Metrics and Targets

For FY2025, Masteel recorded total greenhouse gas ("GHG") emissions of 337,347.47 metric tonnes, comprising 335,099.49 metric tonnes from Scope 1 and Scope 2 emissions and 2,247.98 metric tonnes from Scope 3 emissions. To support assessment of operational performance and transition exposure, Masteel discloses emissions intensity relative to production output. During the reporting period, the steelmaking plant recorded a carbon intensity of 0.456 tCO_2e/mt, while the rolling mill plant reported 0.085 tCO_2e/mt. Masteel implements operational efficiency measures, process optimisation initiatives and renewable energy adoption to manage emissions intensity and reduce exposure to climate-related regulatory and cost risks. These initiatives form part of our broader transition approach towards lower-carbon production and are monitored as part of operational performance management.

Masteel has established a decarbonisation pathway targeting net-zero emissions before 2050. In addition to efficiency improvements, Masteel is evaluating and progressively exploring carbon capture, utilisation and storage ("CCUS") technologies as a key long-term abatement measure to address process emissions inherent in steel production. The adoption of CCUS is intended to support transition planning, manage regulatory exposure and maintain market competitiveness under tightening carbon requirements.

GHG emissions are measured and presented in accordance with IFRS S2 Climate-related Disclosures to enhance transparency, consistency and comparability of climate-related metrics. The disclosures enable stakeholders to evaluate Masteel's exposure to climate-related risks and opportunities, including potential impacts arising from regulatory developments, carbon pricing mechanisms and evolving market expectations associated with the low-carbon transition.

Metrics and Targets

Masteel has established greenhouse gas emission reduction targets as part of our climate transition planning. The Group targets a 10% reduction in Scope 1, Scope 2 and relevant Scope 3 emissions by 2026, followed by achieving net zero by 2030 against the baseline year of 2017. These targets support Masteel's long-term objective of achieving net-zero emissions before 2050 and are monitored as part of ongoing operational and strategic performance management. To evaluate the resilience of our strategy, Masteel conducts climate scenario analysis to assess the potential financial and operational implications of climate-related risks and transition developments. The assessment considers multiple temperature pathways, including 1.5°C, 2.0°C and 4.5°C warming outcomes by 2100, based on Representative Concentration Pathways ("RCPs") developed by the Intergovernmental Panel on Climate Change ("IPCC"). The scenarios are used to identify potential exposure to physical risks, regulatory changes, market shifts and operational impacts under different climate conditions.

The results of the scenario analysis support risk identification, strategic planning and capital decision-making associated with Masteel's transition towards a lower-carbon operating model. A detailed summary of the specific RCP models applied in the assessment is presented 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 2^0 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 2^0 C and 3^0 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.

Our Future Plan

To advance our sustainability objectives, Masteel has set a target to reduce total GHG emissions by at least 10% by 2026, followed by achieving net zero by 2030, reflecting our continued commitment to environmentally responsible and sustainable manufacturing practices.

To optimise operational efficiency, Masteel plans to remove the electric induction billet reheating stage and implement direct charging of billets from the Continuous Casting Machine (CCM). This process improvement is expected to enhance energy efficiency and significantly reduce electricity consumption.

To supports the development of student talent in partnership with Universiti Tunku Abdul Rahman ("UTAR") through Masteel Sustainability Grants dedicated to climate change research, particularly in Carbon Capture, Utilisation, and Storage ("CCUS").

Masteel is committed to continued embedding ESG considerations into our core business operations and decision-making processes. As a leading steel manufacturer, Masteel recognises that sustainability-related risks and opportunities may affect our financial position, performance and future prospects. Accordingly, ESG factors are systematically incorporated into corporate strategy, risk management and capital allocation to support long-term value creation while balancing economic, environmental and social outcomes. Stakeholder expectations including those of investors, customers, employees and regulators are considered in determining material sustainability-related matters and disclosures.

This approach represents a continued progression in Masteel's sustainability journey. We have identified targeted initiatives to address material sustainability-related risks and opportunities, strengthen environmental management, enhance social responsibility and reinforce governance practices. These initiatives support transparent, decision-useful sustainability-related financial disclosures and align with the principles of IFRS S1 & S2 in integrating sustainability considerations into enterprise-wide planning and performance management.

Conclusion

Sustainability remains integral to Masteel's long-term business strategy and risk management approach. Masteel continues to embed ESG considerations into operational and strategic decision-making, supported by oversight from the Board of Directors and cross-functional implementation across the organisation. Through structured governance, transparent disclosures and performance monitoring, Masteel integrates climate risk management and sustainability practices into our corporate framework in line with evolving regulatory expectations and market developments. During FY2025, Masteel adopted the IFRS S1 and IFRS S2 disclosure standards to enhance the consistency, comparability and reliability of sustainability-related information provided to stakeholders. These disclosures support a clearer understanding of how sustainability and climate-related risks and opportunities may influence Masteel's strategy, operational resilience and financial performance over the short, medium and long term.

Masteel continues to progress towards our decarbonisation pathway, including our ambition to achieve net-zero emissions before 2050. Interim targets have been established, comprising a 10% reduction in greenhouse gas emissions by 2026 followed by achieving net zero by 2030. These targets are supported by operational improvements, resource efficiency initiatives and ongoing collaboration across the value chain.

FY2025 marked a significant year of external recognition for Masteel's sustainability performance and governance practices. Masteel continued to be rated within the Top 25% of Public Listed Companies assessed by FTSE Russell, achieving a 4-Star ESG Rating — the highest rating category among Main Market companies on Bursa Malaysia. Masteel also strengthened product transparency through the issuance of two third-party Environmental Product Declarations (EPD).

Conclusion

In addition, Masteel received multiple national and regional recognitions, including:

- The Prime Minister's Hibiscus Award (PMHA) 2024/2025 — Notable Achievement in Environmental Performance
- Asia ESG Positive Impact Awards 2025 — Gold Award in Energy Efficiency and Silver Award in Innovative Partnership (Large Companies)
- The Star ESG Positive Impact Awards — Gold Winner in Energy Efficiency and Innovative Partnership (Large Companies)
- 3-Star Lister by UN Global Compact Network Malaysia & Brunei (UNGCMYB) under:
    - ESG Trailblazer
    - Future-Fit & Responsible Workforce
    - ESG Breakthrough Innovation

These recognitions reflect the effectiveness of Masteel's sustainability governance, operational controls and continuous improvement initiatives.

Looking ahead, Masteel will continue strengthening our sustainability practices, enhancing disclosure quality and implementing initiatives that support operational efficiency and climate resilience. By integrating sustainability considerations into long-term planning and capital allocation, we aim to create durable value for shareholders while contributing to responsible industry development.

Masteel remains committed to advancing a balanced approach that supports economic growth, environmental stewardship and social responsibility, reinforcing our position as a responsible steel manufacturer in Malaysia's transition towards a lower-carbon economy.

ESG Performance Data Table

Indicator	Measurement Unit	2023	2024	2025
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	2,605.04	6,103.20	6,541.70
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	2,277.11	5,781.88	6,417.67
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	327.93	321.32	124.03
Disclosure of three years of Nitrous Oxides (NOx) emissions (tonnes)	Metric tonnes	294.67	185.86	36.89
Disclosure of three years of Sulphur Oxides (SOx) emissions (tonnes)	Metric tonnes	1,332.78	2,046.40	842.00
Disclosure of three years of Volatile Organic Compounds (VOCs) emissions (kilograms)	Kilograms	0.00	0.00	0.00
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	1,190.20	5,000.50	4504.66
Disclosure of three years of non-recycled waste generation (tonnes)	Metric tonnes	327.93	321.32	124.03
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	2,277.11	5,781.88	6417.67
Total costs of environmental fines and penalties during financial year	RM'B	0.00	0.00	0.00
Percentage of sites covered by recognised environmental management systems such as ISO14001 or EMAS	Percentage	50.00	50.00	50.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	6,832.96	6,344.38	4,907.10
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	325,057.23	308,400.88	330,192.39
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	4,391.00	2,877.60	2,247.88
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	426,835.40	366,450.75	446,295.93
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	303.6020000	372,527000	283.749200
Company discloses the number and/or proportion of sites with a water management plan	Number	100	100	100
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0	0	0
Three years of total water withdrawal data is disclosed by source - Groundwater from wells, bore holes	Cubic meters	244,818.00	289,888.00	205,573.00
Three years of total water withdrawal data is disclosed by source - Municipal potable water	Cubic meters	57,545.00	62,536.00	66,250.00
Three years of total water withdrawal data is disclosed by source - Harvested rainwater	Cubic meters	1,240.53	14,293.88	11,926.20
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	303,603.53	372,527.88	283,749.20
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.07	0.00	0.41
Bursa C5(c) Number of employees trained on health and safety standards	Number	627	680	928
Percentage of sites with OHSAS 18001 certification	Percentage	100	100	100
Number of work-related employee fatalities, over last 3 years	Number	1	1	0
Number of work-related contractor fatalities, over last 3 years	Number	0	0	0
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	918.00	422.00	327.00
Executive	Hours	2,486.00	1,581.00	2,007.00
Non-executive/Technical Staff	Hours	5,667.00	5,382.00	5,420.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	62.79	59.93	59.09
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	3	3	3
Executive	Number	34	39	40
Non-executive/Technical Staff	Number	99	229	99
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	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	0.12	0.11
Management Between 30-50	Percentage	1.39	1.73	1.83
Management Above 50	Percentage	1.59	1.84	2.40
Executive Under 30	Percentage	2.09	2.42	2.41
Executive Between 30-50	Percentage	11.64	13.28	14.17
Executive Above 50	Percentage	4.76	5.35	5.83
Non-executive/Technical Staff Under 30	Percentage	28.06	26.33	24.11
Non-executive/Technical Staff Between 30-50	Percentage	42.59	40.76	40.23
Non-executive/Technical Staff Above 50	Percentage	7.76	8.25	8.91
Gender Group by Employee Category				
Management Male	Percentage	2.68	3.35	3.86
Management Female	Percentage	0.40	0.35	0.68
Executive Male	Percentage	15.82	18.83	18.06
Executive Female	Percentage	2.89	4.39	4.34
Non-executive/Technical Staff Male	Percentage	74.63	76.79	68.57
Non-executive/Technical Staff Female	Percentage	3.78	4.56	4.89
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	62.50	62.50	62.50
Female	Percentage	37.50	37.50	37.50
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	25.00	25.00	25.00
Above 50	Percentage	75.00	75.00	75.00
Percentage of global staff with a disability	Percentage	0.00	0.00	0.00
Percentage of women in the global workforce	Percentage	7.06	9.24	9.71
Number of Board Directors	Number	8	8	8
Number of independent Directors on the Board	Number	4	4	4
Number of women on the Board	Number	3	3	3
Percentage of women on the Executive committee or equivalent	Percentage	37.50	37.50	37.50
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	93.45	82.00	92.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM'B	200,000.00	431,850.00	100,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	500	1,002,851.00	2837.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	2.99	8.70	2.82
Executive	Percentage	7.86	24.62	14.96
Non-executive/Technical Staff	Percentage	9.75	66.67	82.12
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Disclosure of total amount of political contributions made	RM'B	0.00	0.00	0.00
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	0	0.00	0.00
Disclosure of cost of fines, penalties or settlements in relation to corruption	RM'B	0.00	0.00	0.00
Bursa (Corporate Governance)				
Annual General Meeting: Number of days between the date of notice and date of meeting	Number	28	28	28
Number of fines/settlements over the previous 3 years where each is valued >US $100 million	Number	0	0	0
Combined total value of fines/settlements over the previous 3 years where each is valued > US $1.00 million	RM'B	0.00	0.00	0.00

Internal Assurance External Assurance

GRI Content Index

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27(a)(i)	How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	120-125
27(a)(ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities.	22
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27(a)(iv)	How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	120-125,131-132
27(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	120-125
27(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	120
27(b)(ii)	Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	120-125,131-132

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Indicator	Indicator Description	Page Number
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30(a)	Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	107
30(b)	The time horizons-short, medium or long term-over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur.	29-30,138
30(c)	The definitions of 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	138
32(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	138-150
32(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	138-150
33(a)	How the entity has responded to and plans to respond to, sustainability related risks and opportunities in its strategy and decision-making.	138-150
33(b)	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information.	29-30,138-150
33(c)	Trade-offs between sustainability-related risks and opportunities that the entity considered (for example, in making a decision on the location of new operations, an entity might have considered the environmental impacts of those operations and the employment opportunities they would create in a community).	23-24
34(a)	The effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	138-150

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35(b)	Quantitative and qualitative information about the sustainability related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	22,32-35
35(c)(i)	Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the entity is not contractually committed to.	22,32-35
35(c)(ii)	Its planned sources of funding to implement its strategy.	22,32-35
35(d)	Quantitative and qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability related risks and opportunities.	22,32-35
41	A qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon.	22,32-35,138-150
Risk Management		
44(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes).	31
44(a)(ii)	Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks.	131-132,151-156
44(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).	160
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44(b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities.	120-125
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50(c)	Whether the metric is validated by a third party and, if so, which party.	18-19
51(a)	The metric used to set the target and monitor progress towards reaching the target.	160
51(b)	The specific quantitative or qualitative target the entity has set or is required to meet.	160
51(c)	The period over which the target applies.	160
51(d)	The base period from which progress is measured.	160
51(e)	Any milestones and interim targets.	160
51(f)	Performance against each target and an analysis of trends or changes in the entity's performance.	160
51(g)	Any revisions to the target and an explanation for those revisions.	159

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Indicator	Indicator Description	Page Number
Governance		
6(a)(i)	6(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	120-125
6(a)(ii)	How the body(s) or individual(s) determined whether appropriate skills and competencies will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	120-125
6(a)(iii)	How and how often the body(s) or individual(s) is informed about climaterelated risks and opportunities.	25,120-125
6(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	120-125
6(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies..	120-125
6(b)(i)	Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climaterelated risks and opportunities, including information about Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	25,120-125
6(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	25,120-125

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Indicator	Indicator Description	Page Number
Strategy		
9(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	138-150
9(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	138-150
9(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	20-22,138-150
9(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning.	138-150
9(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	138-150
10(a)	An entity shall disclose information that enables users of general-purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall: Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	138-150
10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climaterelated transition risk.	138-150
10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium, or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	138-150
10(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision making.	138-150

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Indicator	Indicator Description	Page Number
Strategy		
13(a)	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose: A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	138-150
13(b)	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	138-150
14(a)(i)	Disclose information about how the entity has responded to and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about: Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments).	138-150
14(a)(ii)	Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments and changes in product specifications).	138-150
14(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains).	138-150
14(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan and dependencies on which the entity's transition plan relies.	20-22,138-150

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Indicator	Indicator Description	Page Number
Strategy		
14(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	20-22,159-160
14(b)	How the entity is resourcing and plans to resource.	138-150
14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods.	138-150
15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	138-150
15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	138-150
16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	138-150
16(b)	The climate-related risks and opportunities identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	138-150
16(c)(i)	Specifically, an entity shall disclose quantitative and qualitative information about how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: Its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements), including plans the entity is not contractually committed to.	138-150

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Indicator	Indicator Description	Page Number
Strategy		
16(c)(ii)	Its planned sources of funding to implement its strategy.	138-150
16(d)	An entity shall disclose quantitative and qualitative information about How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	138-150
22(b)(i)(1)	How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including: Which climate-related scenarios the entity used for the analysis and the sources of those scenarios.	138-150
22(b)(i)(2)	Whether the analysis included a diverse range of climate-related scenarios.	138-150
22(b)(i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	138-150
22(b)(i)(4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	138-150
22(b)(i)(5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	138-150
22(b)(i)(6)	The time horizons the entity used in the analysis.	138-150
22(b)(i)(7)	What scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis).	138-150
22(b)(ii)(1)	The key assumptions the entity made in the analysis, including assumptions about: Climate-related policies in the jurisdictions in which the entity operates.	138-150
22(b)(ii)(3)	National- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources).	138-150

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Strategy		
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22(b)(ii)(5)	Developments in technology.	138-150
22(b)(iii)	The reporting period in which the climate-related scenario analysis was carried out.	160
Risk Management		
25(a)(i)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes).	151-156
25(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks.	151-156
25(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).	151-156
25(a)(iv)	Whether and how the entity prioritizes climate-related risks relative to other types of risk.	151-156
25(a)(v)	How the entity monitors climate-related risks.	151-156
25(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period.	151-156
25(b)	The processes the entity uses to identify, assess, priorities and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	151-156
25(c)	The extent to which and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	151-156

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Indicator	Indicator Description	Page Number
Metrics and Targets		
29(a)(i)(1)	An entity shall disclose information relevant to the cross-industry metric categories of: greenhouse gases—the entity shall Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO_2 equivalent	49-53,157-160
29(a)(i)(2)	Scope 2 greenhouse gas emissions.	49-53,157-160
29(a)(i)(3)	Scope 3 greenhouse gas emissions.	49-53,157-160
29(a)(ii)	Measure its greenhouse gas emissions in accordance with the greenhouse gas protocol: a corporate accounting and reporting standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions.	49-53,157-160
29(a)(iii)(1)	Disclose the approach it uses to measure its greenhouse gas emissions including: the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions.	49-53,157-160
29(a)(iii)(2)	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	49-53,157-160
29(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	49-53,157-160
29(a)(iv)(1)	For Scope 1 and Scope 2 greenhouse gas emissions disclosed and disaggregate emissions between: The consolidated accounting group.	49-53,157-160
29(a)(v)	Location-based Scope 2 greenhouse gas emissions and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions.	49-53,157-160
29(a)(vi)(1)	For scope 3 greenhouse gas emissions disclosed. The categories included within the entity's measure of scope 3 greenhouse gas emissions, in accordance with the scope 3 categories described in the greenhouse gas protocol corporate value chain (scope 3) accounting and reporting standard (2011).	49-53,157-160

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Indicator	Indicator Description	Page Number
Metrics and Targets		
29(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance.	49-53,157-160
29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	49-53,157-160
29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	49-53,157-160
29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.	49-53,157-160
29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	49-53,157-160
29(f)(i)	Internal carbon prices, including the information about: An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis).	49-53,157-160
29(f)(ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	49-53,157-160
29(g)(i)	Remuneration, including the information about: A description of whether and how climate-related considerations are factored into executive remuneration.	24,139,49-53,157-160
29(g)(ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate related considerations.	24
33(a)	An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: the metric used to set the target.	49-53,157-160

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Indicator	Indicator Description	Page Number
Metrics and Targets		
33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	49-53,157-160
33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region).	49-53,157-160
33(d)	The Period Over Which The Target Applies.	49-53,157-160
33(e)	The base period from which progress is measured.	49-53,157-160
33(f)	Any milestones and interim targets.	49-53,157-160
33(g)	If the target is quantitative, whether it is an absolute target or an intensity target.	49-53,157-160
33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	49-53,157-160
34(a)	Whether the target and the methodology for setting the target has been validated by a third party.	49-53,157-160
34(c)	The metrics used to monitor progress towards reaching the target.	49-53,157-160
34(d)	Any revisions to the target and an explanation for those revisions.	49-53,157-160
36(a)	For each greenhouse gas emissions target disclosed and an entity shall disclose: which greenhouse gases are covered by the target.	49-53,157-160
36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	49-53,157-160
36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	49-53,157-160

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