

Sustainability Statement

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1. INTRODUCTION



1.1 Who We Are

Southern Steel Berhad (the “Company”) is an investment holding company, established in 1963, primarily involved in the manufacturing, selling and trading of steel bars and related products. The Company and its operating subsidiaries (the “Group”) produce a variety of steel products including billets, wire rods, mild steel round bars, high yield deformed bars, steel pipes, steel welded wire mesh, prestressed concrete strand and wires. These products find applications in various industries such as construction, infrastructure, manufacturing and engineering. The Group also operates steel fabrication centres, offering customised cutting and bending services for construction needs.

The Group remains committed to its core values of excellence, integrity and innovation. With a strong foundation and forward-looking approach, the Group will position itself to seize new opportunities, overcome challenges and achieve sustainable growth in the dynamic business landscape of Malaysia and beyond.

1.2 Memberships and Associations

The Group is affiliated with the following associations and actively engages as senior leaders, representative and committee members.

Industry Association	Functions	Key Personnel	Role
Malaysian Iron and Steel Industry Federation (“MISIF”) 	MISIF’s primary mission is to assist and support members in carrying out their business efficiently and successfully. One of the major services is representation to government of members’ problems and concerns through submission of papers and memoranda, direct meetings and dialogues with the relevant Ministries, departments or agencies.	Mr Yeoh Choon Kwee Mr Cheong Khai Kong	Vice President Vice President
Malaysia Steel Council (“MSC”) – Technical Committee*	Supporting Malaysia Steel Council to oversee, develop and continuously align the implementation milestones and roadmap including governance mechanism, towards ensuring the competitiveness of the iron and steel industry in Malaysia.	Mr Yeoh Choon Kwee	MISIF representative
South East Asia Iron and Steel Institute (“SEAISI”) 	The Technical Committee ascertains and resolves the technical direction and specific activities of the Institute. The Environmental and Safety Committee was set up in early 1992 to ensure that sustainable development is integral to the development of the South East Asia Iron and Steel Industry.	Mr Tang Siew Chuan Mr Chiam Kok Leang	Technical Committee Member – Malaysia Environment and Safety Committee Member – Malaysia

* MSC is an agency under the Ministry of Investment, Trade and Industry (“MITI”)

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1.3 About this Report

The Group is pleased to present our Sustainability Report for the Financial Year 2024 ("FY2024"). We strive to protect the environment and is committed to comply with laws and regulations, enhance safety and health of employees, respect cultural diversity and make positive impact on the lives of people in the communities where we conduct business.

This report enunciates a clear outline of what sustainability means to us and the details of managing significant sustainability issues in terms of governance, economic, environmental and social sustainability. We continuously implement, sustain and expand further the initiatives to strengthen sustainability commitment throughout the organisation.

For a comprehensive overview of the Group's performance for FY2024, this report should be read in conjunction with the other statements in this Annual Report.

Reporting Scope

This report covers the financial year period from 1 July 2023 to 30 June 2024 ("FY2024"). There have been no changes in the scope of reporting as compared to prior year, unless otherwise specified. As for selected indicators that have only been tracked recently, the reporting duration would be mentioned within this report.

All initiatives and performance data disclosed in this report are derived from our operating manufacturing divisions as below:

Company	Division	Location	Abbreviations
Upstream:			
Southern Steel Berhad	<ul style="list-style-type: none"> Steel bar Wire rod Billet 	Prai	SSB
Downstream:			
Southern Pipe Industry (M) Sdn Bhd	Steel welded pipe	<ul style="list-style-type: none"> All sites Butterworth Nibong Tebal 	<ul style="list-style-type: none"> SPIM SPIM Butterworth SPIM Nibong Tebal
Southern Steel Pipe Sdn Bhd	Steel welded pipe	Butterworth	SSP
Southern Steel Mesh Sdn Bhd	<ul style="list-style-type: none"> Wire mesh Cut & Bend bar 	<ul style="list-style-type: none"> All sites Prai Klang Prai Rawang 	<ul style="list-style-type: none"> SSM SSM Mesh Prai SSM Mesh Klang SSM C&B Prai SSM C&B Rawang
Southern PC Steel Sdn Bhd	Prestressed concrete strand and wire	Shah Alam	SPC

Reporting Standards

The Group's FY2024 sustainability report has been prepared in reference to the following reporting guidelines:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia")
- Bursa Malaysia's Sustainability Reporting Guide
- Bursa Malaysia Illustrative Sustainability Reporting Guide
- FTSE4GOOD Bursa Malaysia ESG Indicators
- United Nations Sustainable Development Goal
- Global Reporting Initiative Standards ("GRI")
- Task Force on Climate-Related Financial Disclosure ("TCFD")

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This report also reflects the Group's activities in relation to the below standards or framework:

- ISO 9001 International Standards for Quality Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 14001 Environment Management System
- ISO 37001 Anti-Bribery Management System
- ISO 50001 Energy Management System
- ISO 31000 Risk Management
- Other standards where applicable

In addition, the Group operates business in a responsible and fair manner with adherence to the corporate values as defined in the Hong Leong Manufacturing Group ("HLMG") Code of Conduct and Ethics, which sets a high standard of professionalism, ethics and integrity for our employees in the conduct of business and professional activities.



Qualification
ISO 9001



Qualification
ISO 45001



Qualification
ISO 14001



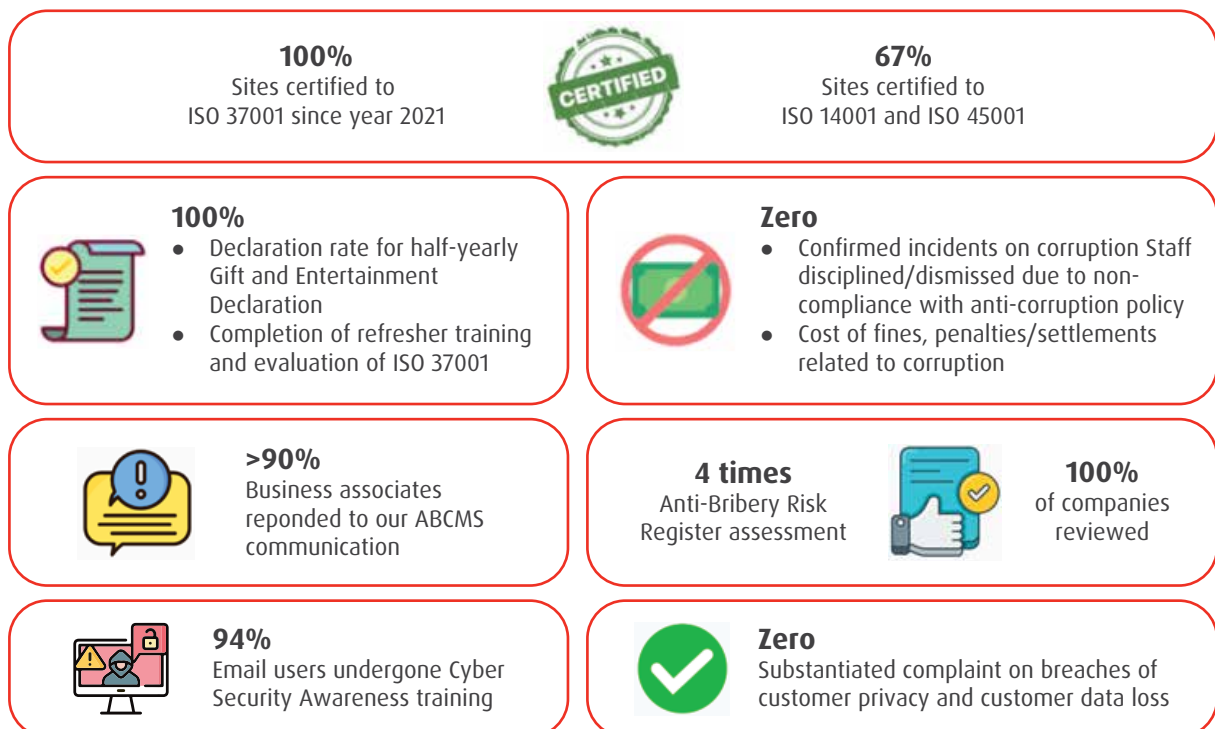
Qualification
ISO 37001



HLMG Code of
Conduct and Ethics

1.4 Key Sustainability Highlights

These sustainability highlights in FY2024 represent the collective efforts and progress made by the Group in creating a more sustainable future. While challenges persist, these achievements provide aspiration and motivation to continue working towards a harmonious coexistence with our earth.



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Non-Hazardous Steel
SIRIM ECO 032:2020
License No.: EL000245



Non-Hazardous Steel
SIRIM ECO 032:2020
License No.: EL000246



Non-Hazardous Steel
SIRIM ECO 032:2020
License No.: EL000250



MyHijau Mark

8 products of SSM

Certified with SIRIM Eco Labelling Scheme and attained MyHijau mark



ESG Assessment
Initiated on vendors



Zero
Environmental fines and penalties



TCFD Disclosure
According to the 4 pillars

Scope 3

Disclosure for both
upstream and downstream
employee commuting



↓9%
GHG emissions
intensity in upstream

↓57%
GHG emissions
intensity in downstream
(SPC)



50% or lower
than the regulation's
air emission limit



1 completed
Water management
project

17 completed
Energy saving projects



**1,517kWh (upstream)
679kWh (downstream)**
Annualised energy savings per employee



85 megaliters
Cumulative reduction in
water use since FY2020



Zero
Water quality/quantity,
standards and regulations
non-compliance incident

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94.7%
Recycled content
used in EAF



0.6%
Waste diverted
to disposal



Zero
Discrimination, harassment
or violation of child labour
or forced labour case



19,544 hours
Trainings to employees

RM53,253
Community investment

**491 employees &
1,060 hours**
Participation in various
CSR projects

108
No of beneficiaries



3 festive programs
for the underprivileged

100,600ml
of blood donated

300 trees
planted in conjunction
with Penang State's
1M Tree Planting event

**SSB received
4 Stars**

**The Highest band in ESG Rating
from Bursa Malaysia's index
partner, FTSE Russell**

**We are also proud to be included in the
FTSE Bursa Malaysia Fledgling index.**

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1.5 Message from Group Managing Director

Dear Stakeholders,

As we continue to navigate the complexities of our business landscape, it is imperative that we remain committed to our core values and responsibilities. One of the most critical areas of focus in our organisation today is the commitment to Environmental, Social, Economic and Governance ("ESEG") principles. The FY2024 Sustainability Report serves as a vital tool for us to measure, track and communicate our status and performance to our stakeholders. We are also pleased to announce that we have achieved a 4-star ESG rating for our FY2023 Sustainability Report as assessed by the FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology.

To implement a robust sustainability reporting framework, the Group has established a governance platform led from the top, with the Board of Directors having an oversight and responsibility. In addition, the senior executives' remuneration is linked to the Group's ESEG performance, which showcase our commitment to responsible and ethical practices.

A strong governance is fundamental to the success of an organisation. We are committed to promoting accountability, transparency, efficiency and ethical conduct. We will continue to enhance our governance framework to mitigate risks and achieve long-term sustainability.

We recognise the impact our operations have on the environment. As a result, we are committed to implementing various sustainable practices across all facets of our business. This includes reducing our carbon footprints, optimising resource usages and minimising waste. We continue to use our Electric Arc Furnace ("EAF") technology for our steel making, which is a greener option as compared to the other iron and steel making technologies. In addition to the record of being the first steel mills in Malaysia to successfully obtained the MyHijau green marking for steel bar and wire rod, we are proud to extend the MyHijau green marking to 8 other products of one of our subsidiaries, SSM.

To uphold our commitment to ESEG principles, we have also initiated and implemented the Vendor ESG assessment to encourage our suppliers to evaluate their current ESEG status. Thus far, we have received good responses from our vendors.

Our success is deeply connected with the well-being of the communities we serve. We are dedicated to fostering a diverse, inclusive and equitable workplace where every team member feels valued and respected. Our social initiatives extend beyond our workforce to include meaningful contributions to the communities around us. We will continue to support education, health and welfare programs that drive positive social change.

Our commitment to ESEG is not just a strategic priority but a moral imperative. We believe that by integrating ESEG principles into our business strategy, we can create lasting value for our stakeholders and contribute to a better world. Together, we can make a significant impact and drive our organisation towards a sustainable and prosperous future.

Mr Yeoh Choon Kwee
Group Managing Director

Sustainability Statement

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2. SUSTAINABILITY FRAMEWORK

2.1 Sustainability Approach

The Group embarks on its journey towards long-term sound and sustainable growth by adopting this framework to further improve the Group's culture and performance via operational excellence. As an integral part of the Group's business strategies and decisions, we focus on continuous improvement to deliver the targeted operation outcome, care for safety and health to enhance moral, productivity and efficiency, observe corporate compliance to ensure business is conducted ethically and responsibly, elevate our range of green products as green initiative, increase engagement on issues related to climate change to assist in addressing global warming and develop our human capital for economic and social growth. The Group believes in the theme "Together we can do it".

2.2 Sustainability Governance

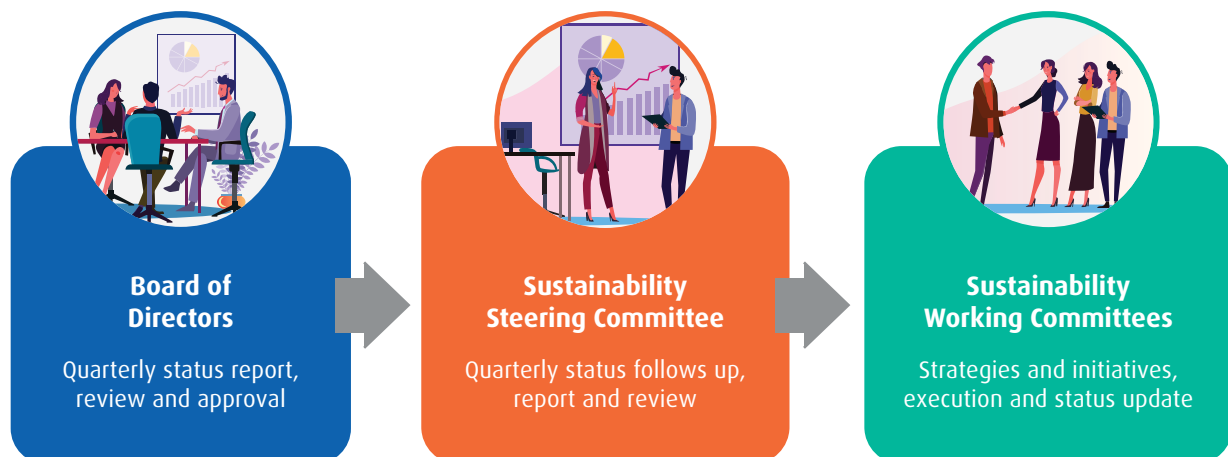
The Board of Directors has oversight on sustainability and climate related matters of the Group. The Sustainability Steering Committee ("SSC") assesses the potential impact of governance, environment, economic and social in the setting of sustainability and climate related goals. The SSC reviews the strategies and manages processes, initiatives, targets and performances in relation to sustainability and climate related matters while the Sustainability Working Committees ("SWC") execute and report status of the initiatives. This fosters team culture, enabling the setting of integrity culture and overall accountability across the Group, along with building stakeholders' trust on the ground that the Group is working towards delivering sustainable stakeholders' value.

2.3 Governance Structure

The Group has a well-established governance led from the top, with clear accountabilities for continual implementation of sustainability initiatives with the objective of striving for sound and sustainable growth.

The Group's SSC comprises senior Head of Department of the relevant operations and is chaired by the Group Managing Director ("GMD"), with the Chief Financial Officer as deputy. The GMD plays the role of the Chief Sustainability Officer, reporting directly to the Board on any sustainability matters. The SSC oversees the implementation of the Group's sustainability initiatives and climate related strategies to ensure that key metrics targets are being monitored.

The SSC is assisted by the SWC comprising key staff from various departments of the operating companies nominated by the SSC. The SWC's reporting duties include provision of information, collection of feedback from stakeholders, addressing material sustainability issues and driving initiatives approved by the SSC.








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3. STAKEHOLDER ENGAGEMENT





The Group continues to emphasise that stakeholder engagement is a cornerstone of our sustainability strategy. We understand that our business operations have far-reaching effects on a diverse group of stakeholders, including customers, employees, shareholders, suppliers, communities and the environment. Consequently, we are committed to prioritising stakeholder engagement as a means to foster meaningful dialogue and collaboration, ensuring that we meet the needs and expectations of all our stakeholders.

Our stakeholder engagement process remains inclusive, transparent and responsive. We maintain regular communications with our stakeholders through various channels such as surveys, interviews, visits, meetings, town hall meetings and online platforms. These interactions enable us to gain valuable insights into the perspectives, concerns and aspirations of our stakeholders. Their feedback is instrumental in guiding our decision-making processes and driving our sustainability initiatives.

Key Stakeholders	Engagement Channels	Areas of Interest or Concerns	Our Response
Board of Directors 	Board meetings	<ul style="list-style-type: none"> Strategic directions Risk management Financial performance Sustainability performance 	Regular updates on strategic initiatives, risk assessments and financial performance reporting.
Employees 	<ul style="list-style-type: none"> Corporate announcements Intranet Employee engagement programs and events Workshops and trainings Virtual meetings Physical meetings Surveys Newsletters Emails Employees' appraisals 	<ul style="list-style-type: none"> Job security Career development Workplace condition 	<ul style="list-style-type: none"> Implement trainings, workshops, development programs and enhanced internal communication. Regular feedback mechanisms so that employees' concerns are promptly addressed.
Customers 	<ul style="list-style-type: none"> Email communications Phone calls Virtual meetings Site visits Customers' satisfaction survey 	<ul style="list-style-type: none"> Product quality Customer service Sustainability practices 	Regularly gathering customers' feedback, improving product quality, enhancing customer service and communicating our sustainability initiatives.
Suppliers 	<ul style="list-style-type: none"> Email communications Phone calls Virtual meetings Site visits Vendor audits Vendor ESG assessment 	<ul style="list-style-type: none"> Partnership stability ESG compliance 	Improve procurement processes, conduct regular audits and carry out ESG assessments to maintain sustainable practices.
Union 	<ul style="list-style-type: none"> Meetings 	<ul style="list-style-type: none"> Labour rights Working conditions Welfare 	Regular dialogues to address labour concerns, safe working conditions and adherence to labour agreements.

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Key Stakeholders	Engagement Channels	Areas of Interest or Concerns	Our Response
Shareholders 	<ul style="list-style-type: none"> Annual General Meeting Annual report Announcements 	<ul style="list-style-type: none"> Financial performance Corporate governance 	Provide detailed financial reports, maintain strong corporate governance and practise transparency in communications.
Government Agencies & Regulators 	<ul style="list-style-type: none"> Email communications Phone calls Consultations Dialogues Audits and inspections 	<ul style="list-style-type: none"> Compliance Regulatory updates Environmental standards 	Ensure compliance with regulations and implement measures to minimise environmental impact.
Trade Associations 	<ul style="list-style-type: none"> Active participation in steel associations Conferences Meeting 	<ul style="list-style-type: none"> Industry best practices Policy advocacy 	Actively participate in industry discussions, sharing best practices and advocating for favourable policies.
Communities 	<ul style="list-style-type: none"> Events and campaigns 	<ul style="list-style-type: none"> Community development Environmental impact Corporate social responsibility 	Organise community development programs, minimise environmental impact and engage in corporate social responsibility initiatives.

4. MATERIAL SUSTAINABILITY ISSUES

4.1 Materiality Assessment

The Group continues its commitment to materiality assessments to ensure timely identification of key material issues and integrate them into our strategies effectively. Building upon the foundation laid in our previous assessment, the material issues discussed in this report are based on the review conducted by the Sustainability Steering Committee ("SSC") of our most recent assessment in FY2022. The review's findings are consistent with those of the previous year.

Our materiality assessment process remains robust, involving a comprehensive analysis of stakeholder perspectives gathered through surveys, meetings, email communications and dialogues. These insights are invaluable in prioritising efforts, allocating resources and monitoring progress. Our dedication to transparency and inclusivity in the materiality assessment underscores our commitment to sustainability and stakeholder engagement.

Materiality Analysis Process



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Materiality Analysis Result



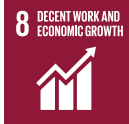







4.2 Driving Sustainability through Global Reporting Initiative Standards and Sustainable Development Goals Alignment

The Group continues to align our sustainability initiatives with the Global Reporting Initiative (“GRI”) Standards and Sustainable Development Goals (“SDGs”), promoting transparency and accountability. By collaborating with stakeholders and leveraging these frameworks, we address global sustainability challenges and enhance our impact in environmental, social, economic and governance areas. Our commitment to these standards drives collective progress towards a sustainable future.

Category	SSB's Sustainability Material Issues	Reasons	GRI Indicators	Alignment with SDGs
Governance	Risk Review	Risk management is vital in today's global business environment. The Group must prepare for the uncertainties relating to climate change, technological disruption, geopolitical risks and cyber threats. Our risk management structure involves oversight by the Board and its subcommittee, the Board of Audit and Risk Management Committee (“BARMC”). The adoption of the ISO 31000 Risk Management framework helps identify and allocate resources effectively. The Group's risk management process is ongoing and addressing goals relating to ethics, cybersecurity, quality, environmental, climate, occupational health and safety.	GRI 2-12 : Role of the highest governance body in overseeing the management of impacts	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>



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Category	SSB's Sustainability Material Issues	Reasons	GRI Indicators	Alignment with SDGs
Governance (cont'd)	Ethics and Integrity	Recognising the expectations of employees, stakeholders and communities, the Group is committed to fostering a culture of ethics and integrity throughout our organisation. We prioritise integrity, accountability and transparency, adopting the HLMG Group Code of Conduct and Ethics. The Board of Directors observes the Code of Ethics for Company Directors, while the BARMC oversees policy implementation, including the ISO 37001 Anti-Bribery Management System.	GRI 205 : Anti-corruption 2016 GRI 2-26 : Mechanisms for seeking advice and raising concerns 2021	 
	Data Privacy and Security	Ensuring data privacy and security is fundamental in our digital landscape. The Group adheres to ISO/IEC 27001:2013 standards, safeguarding critical systems and stakeholders' data. Through robust security measures and employee awareness, we mitigate risks and preserve customer trust.	GRI 418 : Customer Privacy 2016	 
Economic Sustainability	Supply chain management	Ensuring the sustainability of our supply chain is a fundamental aspect of our commitment to environmental and social responsibilities. The Group prioritises sourcing materials and products from suppliers who adhere to sustainability standards. This includes assessing suppliers' environmental practices and sustainability performance to mitigate risks and ensuring compliance with our sustainability goals.	GRI 2-6 : General Disclosure on organisation's activities, value chain and other business relationships 2021	
	Innovative culture	Fostering innovation is integral to our corporate identity. We cultivate a culture of creativity and experimentation, empowering employees to explore new ideas and solutions.	-	
	Product and quality	We prioritise excellence in our products and services, ensuring adherence to quality standards. Through innovation and continuous improvement, we deliver products that meet customers' needs while upholding our commitment to quality and reliability.	-	 

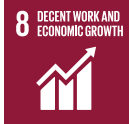







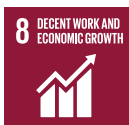
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Category	SSB's Sustainability Material Issues	Reasons	GRI Indicators	Alignment with SDGs
Environment Sustainability	Environment management	<p>Environmental responsibility is a cornerstone of our corporate philosophy. We are committed to compliance and improvement.</p> <p>The Group prioritises obtaining ISO 14001 certification across its companies, emphasising our environmental sustainability efforts. We share our Environmental Policy Statement with employees and undergo regular audits to ensure effective implementation of our environmental management system.</p>	GRI 2-27 : Compliance with laws and regulations 2021	
	Response to climate change	<p>Climate change is critical, especially with high emissions from industries like steel manufacturing. We are committed to reducing our environmental footprint.</p> <p>The TCFD Working Committees were established to assist the SSC by identifying, assessing and addressing climate related risks and opportunities, as well as proposing strategies.</p> <p>Air emission is a significant concern in the iron and steel industry. We are committed to environmental compliance and continual improvement, the Group ensures adherence to the Malaysian Environmental Quality (Clean Air) Regulations 2014.</p> <p>ESG linked remuneration aligns the remuneration of selected senior management, including the Group Managing Director with our ESG targets. We believe this will not only keep us on track for sustainable growth but also a demonstration of our commitment to sustainable business practices.</p>	<p>GRI 305 : Emissions 2016</p> <p>GRI 2-19 : Remuneration policies</p>	









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Category	SSB's Sustainability Material Issues	Reasons	GRI Indicators	Alignment with SDGs
Environment Sustainability (cont'd)	Circular economy, waste & Life Cycle Perspective	Effective waste management is essential for minimising environmental impact and promoting resource efficiency. The Group is dedicated to reducing waste generation, enhancing recycling efforts and ensuring responsible disposal of hazardous materials. We aim to implement circular economy principles to reduce landfill usage and encourage sustainable consumption.	GRI 301 : Material 2016 GRI 306 : Waste 2020	 
	Water management	Water is a vital resource and its sustainable management is crucial for environmental preservation and operational efficiency. The Group focuses on optimising water usage, reducing water wastage and improving water recycling and treatment processes to contribute to sustainable water supply for future generations.	GRI 303 : Water and Effluent 2018	 
	Energy management	The Group acknowledges the critical impact of energy consumption on climate change. As part of our commitment to environmental sustainability, we focus on enhancing energy efficiency and reducing emissions across our operations. An established Energy Management Committee plans, monitors and executes energy saving initiatives in alignment with the Group's Energy Policy.	GRI 302 : Energy 2016	  
Social Sustainability	Occupational safety and health	Our approach to managing occupational safety and health combines both top-down and bottom-up strategies. The Board is responsible for reviewing compliance and safety risk management, with oversight provided by the Group Managing Director. Additionally, employees actively engage in reporting potential safety hazards and contribute to implementing safety related Kaizen ideas.	GRI 403 : Occupational Health and Safety 2018	 

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Category	SSB's Sustainability Material Issues	Reasons	GRI Indicators	Alignment with SDGs
Social Sustainability (cont'd)	Our People	We communicate our Labour Standards Statement to stakeholders, which includes our human rights commitments to support the labour rights of employees. Additionally, we enhance employees' engagement through various channels, including sports activities and festive season events.	GRI 401 : Employment 2016 GRI 404 : Training and Education 2016	  
	Community	Our community investment focuses on three key areas: Social Wellbeing and Development, Education, and Environment. As a core aspect of our social sustainability efforts, the Group is committed to positively impacting the communities in which we operate through various initiatives. These include community development programs, volunteer activities and partnerships with local organisations, as well as specific activities like tree planting, e-waste and 3R waste collection.	GRI 413 : Local Communities 2016	    

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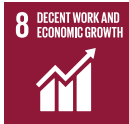

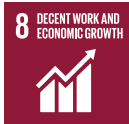



5. DISCLOSURES ON IDENTIFIED MATERIAL SUSTAINABILITY ISSUES



5.1 Governance

The Group affirms that good governance is one of the important cornerstones of sustainability. The governance structure and framework of the Group aspires to cultivate a culture of integrity, promote accountability, transparency, efficiency and abide to the rule of laws to ensure that we are acting prudently, ethically and legally as well as operating in the best interest of stakeholders.

The Board of Directors meet quarterly and maintain effective oversight on the development, implementation and maintenance of the Group's governance.

SDG	The Group's Efforts
 	<ul style="list-style-type: none"> • There are a total of 8 Risk and Opportunity Registers. • Conducted ongoing review of registered risks. • Identified potential new risks and opportunities, including respective mitigations.
 	<ul style="list-style-type: none"> • Completed ISO 37001 Anti-Bribery Management System recertification audit and continued certification. • Procedures and policies were in place to address the identified high risks. • Achieved 100% declaration rate for half-yearly Gifts and Entertainment declaration for all employees except those on prolonged hospitalisation leave. • ABCMS communication to business associates including contractors attained response of more than 90%. • Enhanced due diligence for potential vendors/contractors by using Malaysian Anti-Corruption Commission's Corruption Offender Database as a key reference to check if the directors of the potential vendors/contractors have any record of bribery and corruption. • Conducted 4 times of Anti-Bribery Risk Register assessments and reviewed 100% of the companies in the Group. • Registered zero confirmed incidents of non-compliance (corruption), zero staff disciplined or dismissed due to non-compliance with anti-corruption policies and zero cost of fines, penalties or settlements in relation to corruption. • 100% of management, executives and non-executives in the Group completed the refresher training and evaluation of ISO 37001 Anti-Bribery Management System via E-Training Portal and classroom training.
 	<ul style="list-style-type: none"> • Established and published the Hong Leong Group Privacy Notice. • Adhered to 15 policies pertaining to information security. • 94% of email users in the Group have undergone Cyber Security Awareness training. • Practised authorisation control to prevent data leakage. • Registered zero substantiated complaint concerning breaches in customer privacy or data loss.

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5.1.1 Risk Management

The Group understands that risk management is vital in global business environment in which volatility continues to increase. There is a need to prepare for an uncertain and volatile future that includes climate change, technological disruption, geopolitical risk, threats to the global supply chain and issues relating to cyber-crime, data protection and privacy. Risk management helps to caution the Group on the uncertainties and predict their impact, thus providing the Group a basis for decision making. Risk management also provides the Group the opportunities to proactively manage the unexpected by mitigating or minimising the impacts of risk rather than reactively. This effective management of risk is crucial for long-term sustainability of the Group.

Risk Management Structure

The Board and its subcommittee, BARMC is responsible in overseeing and maintaining a sound risk management system to ensure smooth business operation. The chairman and committee members of BARMC are directors from the Board. The BARMC chairman is a Non-Executive Director/Independent Director who is entrusted to present the audit and risk management report of the Group for the Board's consideration on quarterly basis. The Head of Finance, Head of Internal Audit, GMD and senior management may attend the committee meetings, at the invitation of the committee, to provide information and clarification required on items of the agenda.

The GMD, as the chairman of SSC, is responsible to report the climate related risks and opportunities of the Group for the Board's consideration.

Risk Management Framework and Process

The Group adopts ISO 31000 Risk Management as its risk management framework to improve the identification of opportunities and threats, and effectively allocates and uses resources for risk treatment. The management is accountable for the effective internal control and implementation of risk management within the Group whilst the Group Internal Audit Department ("GIAD") facilitates the maintenance of the risk management framework on an ongoing basis.

The GIAD also applies appropriate auditing standards in assessing the integrity and effectiveness of internal controls, and compliance with the established policies and procedures. In FY2023, the Institute of Internal Auditors ("IIA") Malaysia was engaged as the external assessor to conduct Quality Assessment Review on GIAD to ascertain that its activities and performances are in conformance with the requirements of the International Professional Practices Framework issued by the IIA, Inc., USA.

The risk management of the Group is a continual process. The risk management process, as illustrated below, enables us to timely manage risks and opportunities that could impact the achievement of our business operation goals and strategies, including long-term sustainability goals in relation and not limited to ethics and integrity, cyber security, quality, environmental, climate, occupational safety and health.



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Risk and Opportunity Register

The Risk and Opportunity registers of the Group are listed in the table below:

Risk Exposure	Risk and Opportunity Register	Frequency of review	Outcome
<ul style="list-style-type: none"> Strategic Operations Compliance Cyber/IT Climate 	Control Self Audit with ICQ	Half yearly	<ul style="list-style-type: none"> Value creation to business, stakeholders and material sustainability. Enhance stakeholders' confidence and trust. Support ESG performance.
	Company Risk Register including Quality Risk Register and Cyber Security	Quarterly	
	Anti-Bribery Risk Register	Quarterly	
	Safety and Health Risk and Opportunity Register	Yearly	
	Environmental Risk and Opportunity Register	Yearly	
	Climate Related Risk and Opportunity Register	Half yearly	
	Register of Environmental Aspect and Impact (EIA)	Yearly	
	Safety and Health Hazard Identification, Risk Assessment and Risk Control ("HIRARC")	Yearly	

The Group is certified to several risk-based ISO Management Systems such as ISO 9001, ISO 14001, ISO 45001 and ISO 37001. One of the key requirements in these management systems is managing risks. The audit by certification bodies benefits the Group, whereby it assists in ensuring that the management systems have been properly implemented and maintained, as well as identifying opportunities for improvements and potential risks that may have been missed out.

Approach to Non-Compliance

The approach of the Group to non-compliance is stated in 5.1.2 Ethics and Integrity under Anti-Bribery and Corruption ("ABC") Policy and Whistleblowing Policy.

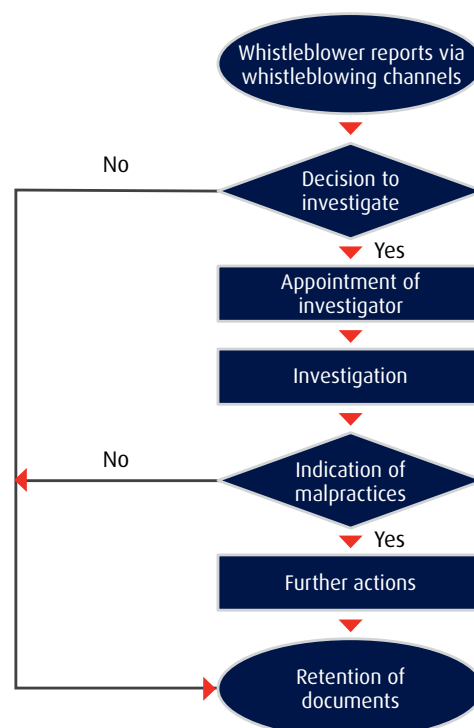
The Whistleblowing Policy of the Group encourages raising of genuine concerns on improper or wrongful conduct involving the Group through whistleblowing channels. The whistleblower will be protected from adverse employment actions and where feasible, from disclosure of identity, to the extent permitted by law.

The procedures to investigate non-compliance are summarised in a flow chart as shown on the right. The number of incidents of non-compliance is tabulated in 5.1.2 Ethics and Integrity under Whistleblowing Policy.

Major ESG catastrophic events

The business, financial condition, results of operations, access to capital markets and borrowing costs of a business may be adversely affected by ESG catastrophic events, such as flood, pandemic and cyber-attack.

Whistleblowing Investigation Procedures



Sustainability Statement

(Cont'd)

The Group has identified from our Company Risk Registers, including Quality Risk Register and Cyber Security, Safety and Health Risk and Opportunity Register and Environmental Risk and Opportunity Register. The list of risks that may potentially lead to major ESG catastrophic events which will adversely affect the Group. They include:

- Spreading of infectious disease (pandemic/endemic)
- Impact of climate change
- Cyber-attack

The Group has established existing control measures for the above identified risks.

5.1.2 Ethics and Integrity

The Group recognises that maintaining high standards of ethics and compliance are the expectations of the employees, stakeholders and communities in which we operate. We are committed to upholding integrity, promoting accountability and transparency as our way of doing business and transactions. The Group adopts procedures which are guided by the HLMG policies.

The Board of Directors of the Group is committed to observing the Code of Ethics for Company Directors. The management team and employees of the Group are committed to good business ethics and integrity. The Group adopts the HLMG Group Code of Conduct and Ethics, which was last reviewed in October 2018.

The BARMC is the governing body for the Group's Anti-Bribery and Corruption Management ("ABCMS"), approving related policies and has oversight over their implementation. The Group's Anti-Bribery and Corruption Management System ("ABCMS") Compliance Function Officer is responsible for the overall implementation of ABCMS and ensuring that the objectives of ABCMS are met. The Group is certified with ISO 37001 Anti-Bribery Management System, which defines the expectation in the way the stakeholders' act, so as to ensure that the decisions made are lawful, ethical and honest in line with our policy.

An overview of the Group's key policies, codes, procedures and activities are listed as below:

ISO 37001 Anti-Bribery Management System

100% of the companies in the Group are certified to ISO 37001 Anti-bribery Management System. The Group has completed the recertification audit by SIRIM QAS and the certification is continued.

Anti-Bribery and Corruption Policy

The Group is committed to conducting business ethically in compliance with applicable anti-bribery and corruption laws of every country in which we operate. We do not condone any form of bribery and corruption.

The stakeholders can report any bribery and corruption related concern or suspicion to the Head of Internal Audit or Head of Human Resources as stated in the policy.

Gifts and Entertainment Policy

The Group adopts a "No Gift Policy" whereby all employees are prohibited, save as expressly permitted by the Policy, from giving and/or receiving gifts and entertainment.

Effective from 1st January 2021, the Group's policy requires all employees to make half-yearly declaration on giving and/or receipt of gifts and entertainments.

The declaration rate of the Group is shown in the table below. Those under long hospitalisation leave during the period of declaration were excluded.

Financial year	FY2022 2 nd half	FY2023 1 st half	FY2023 2 nd half	FY2024 1 st half	FY2024 2 nd half
Declaration rate (%)	100	100	100	100	100

Sustainability Statement

(Cont'd)

In August 2023, the policy was further enhanced by providing guidelines on festive gifts and permitted entertainment threshold and approval for each employee category. Approvals from higher level must be obtained when the value of the gift and permitted entertainment breached the threshold.

Donation Policy

The Group adopts the Donation policy of HLMG. The scope of the policy includes corporate donations made to charities, non-profit organisations, and/or causes of greater good by an operating company. The Group prohibits all forms of political contributions.

Refer to FY2024 Annual Report pages 85 to 90 for Community Engagement details on donation.

Conflict of Interest

To avoid any potential conflict of interest during tendering process, the tender committee members are required to make self-declaration on whether there is potential conflict of interest with the tenderers. During the recruitment interview, the interviewee is also required to declare if he/she has any family members or relatives who are currently working in the Group.

Refer to FY2024 Annual Report page 96 for Statement of Declaration by the Board members.

Due Diligence

The Group conducts due diligence for potential vendors/contractors and employees prior to further engagement. We use the Malaysian Anti-Corruption Commission's Corruption Offender Database as key reference to check if the directors of the potential vendors/contractors have any record of bribery and corruption. We also engage third-party service providers to perform background check on the potential employee prior to issuing employment letter.

Annual ABCMS Awareness Program

The Group has conducted slogan and quiz competition as annual awareness program for FY2024. Infographics have been designed and communicated to employees prior to quiz competition to reinforce their awareness and understanding of bribery and corruption.



Sustainability Statement

(Cont'd)

Communication of ABC Policy to Business Associates

The Group communicates our ABC policy to business associates including contractors by email. In addition, suppliers are also provided with the Suppliers' Code of Conduct and Ethics. We have been actively following up with the business associates for their acknowledgement.

For FY2024, the cumulative business associates' responses for the Group were above 90%, achieving the target set for FY2024.

Our Performance

ABCMS Risk Assessment

In addition to the requirements of ISO 37001, the Group adopts the practice of HLMG to identify, maintain and review ABCMS risk on quarterly basis. In FY2024, all the companies in the Group have undertaken the ABCMS risk assessment.

	FY2022	FY2023	FY2024
% of operations that underwent corruption risk assessment	100%	100%	100%

In the risk assessment process, the respective risk owner will establish a mitigation plan to address the identified risks, particularly the high (significant) risks accordingly.

The Group has procedures and policies in place to address the identified major or significant risks to lower the potential bribery and corruption risks to minor and trivial. Procedure of Tender, Procedure of Recruitment, and Gift and Entertainment Policy are examples of procedures and policies to prevent corruption including bribery, false claim, fraud and/or abuse of power.

Whistleblowing Policy

The Group promotes and supports the culture where people (staff, contractors, joint ventures, parties working with the Group, external stakeholders and members of public) feel comfortable to raise genuine and legitimate concerns about inappropriate conduct and behaviour. We encourage our employees and staff to speak up if they become aware of any improper or wrongful act involving the Group.

The Group publishes Whistleblowing Policy together with Whistleblower Form to facilitate the reporting by whistleblower. The Group accepts anonymous reporting, however, it will be disregarded if the complaint is found to be frivolous, vexatious and/or an abuse of the process. The Group is also committed to protecting the confidentiality of people or whistle-blower who make genuine and legitimate disclosures from adverse employment action to the extent permitted by law.

The Group has Whistleblowing Communications Plan and Investigation Procedures which lay down the mode of communicating Whistleblowing Policy to employees as well as investigation procedures to follow up any non-compliance.

For FY2024, there was one whistleblowing disclosure reported through one of the whistleblowing channels. The case was investigated, and no malpractice was identified.

	FY2022	FY2023	FY2024
Number of confirmed claims or incidents of non-compliance (corruption)	0	0	0
Staff disciplined or dismissed due to non-compliance with anti-corruption policies	0	0	0
Cost of fines, penalties or settlements in relation to corruption (RM)	0	0	0

Sustainability Statement

(Cont'd)

Training

The Group continues to enhance the understanding of ABCMS and policies. We have set up e-training and evaluation portal for employees to go through refresher training once in every three years.

The contents of the refresher training include overviews of:

- Anti-Bribery Management System
- Anti-Bribery and Corruption Policy Statement
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Gifts and Entertainment Policy
- Certification on ISO 37001
- Type of Bribery Risk (Legal Risk, Reputation Risk, Financial Risk, Safety and Quality Risk, and Business Risk) and potential damage.

All employees in the Group with exception of new recruit have attended the e-training and evaluation for the first cycle which commenced in FY2022 and ended in FY2024. All the newly recruited employees have undergone onboarding program with inclusion of ABCMS.

The Group's two years program, which briefed and refreshed the Gift and Entertainment Policy and Whistleblowing Policy to employees has ended in FY2023.

The refresher training includes:

- Detailed explanations of Gifts and Entertainment Policy as well as Whistleblowing Policy.
- The use of Declaration Form and Whistleblower Form.
- Relevant Laws of Malaysia, ACT 711 Whistleblower Protection ACT 2010 Part III, Section 6 to 11 to enhance employees' understanding on available protection to the whistleblower.

The percentage of employees in the Group that attended the training at the end of FY2024 was 100%.

Employee Category	2 Years Online Training Program		E-Training and Evaluation + Classroom Training
	Gift and Entertainment Policy and Whistleblowing Policy Refresher Training		ISO 37001 Anti Bribery Management System Refresher Training (1 st cycle FY2022 – FY2024) + Onboarding ABCMS Program
	FY2022	FY2023	FY2024
Management	100%	100%	100%
Executive and above	95%	100%	100%
Non-executive	48%	100%	100%

5.1.3 Data Privacy and Security

A business cannot operate without the processing of some personal data. The Group understands the concerns of stakeholders on the collection, use and storage of their personal data. The Group manages personal data in accordance with the Hong Leong Group Privacy Notice.

The Group recognises that with the increased use of digital technology, the importance of data privacy and security cannot be understated.

Sustainability Statement

(Cont'd)

Cyber security is important to protect the data and information of the company, business associates and stakeholders. Cyber threats can originate from anywhere either from the inside or outside of the Group. One single security breach that aims to disrupt normal business operations can lead to a disaster which has a strong financial impact on the Group and the loss of trust of our customers.

We are working on a comprehensive cyber security strategy governed by the best practices benchmarked from ISO/IEC 27001:2013 Standard. Our cyber security efforts are with the objective to defend against cyber-crime effectively in order to protect our critical systems and sensitive information from digital attacks.

Area	The Group's Efforts
Policy and Procedure	Adhered to: <ul style="list-style-type: none"> 15 policies pertaining to information security. 11 policies which were developed based on COBIT 5 framework.
End users' education and training	Built security awareness across the Group to strengthen cyber security: <ul style="list-style-type: none"> Guided all end users on how to identify potential threats and respond appropriately via email. Performed phishing drills and testing regularly. Conducted cyber security briefing as part of new employees' onboarding program. 94% of email users in the Group have undergone Cyber Security Awareness training.
Data leakage prevention	On customer data security: <ul style="list-style-type: none"> Maintained data in Enterprise Resource Planning ("ERP") system. Practised authorisation control to access data.
Threat intelligence	Strengthened the sensitivity of employees on phishing email through awareness campaign. On end point security: <ul style="list-style-type: none"> Installed Endpoint Protection, Detection and Response ("EPDR") for each IT-managed computer and window server. Prohibition on the use of illegal software through frequent checking. Security patching is scheduled and regularly applied for IT-managed computers and servers. On application security: <ul style="list-style-type: none"> Installed Virtual Private Network ("VPN") to access applications. Implemented Multi-factor Authentication ("MFA") for all email users. Password aging control. Reviewed users' authorisation.

Our Performance

The Group has established a channel at our website for the stakeholders to raise complaints pertaining to breaches of customers' privacy. For FY2024, the Group registered zero substantiated complaint of such nature from our customers.

	FY2023	FY2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0

Sustainability Statement

(Cont'd)

5.2 Economic Sustainability

We have made significant progress in our economic sustainability efforts last year. Through responsible resource management, continuous innovation and obtaining key certifications, we are on track to achieve our long-term sustainability goals. The Group remains committed to delivering sustainable value to our stakeholders and looks forward to building our successes in the coming years. Additionally, we are committed to continue pursuing our products to be certified under the Eco-Labeling scheme of SIRIM QAS International and MyHijau certification. These certifications demonstrate our efforts in producing environmentally friendly products and provide assurance to our stakeholders about our commitment to sustainability.

SDG	The Group's Efforts
	<ul style="list-style-type: none"> Maintained ongoing engagement with customers through meetings, visits and surveys to gather feedback, which enabled us to develop plans to enhance our services to better meet customer needs.
	<ul style="list-style-type: none"> Performed due diligence on all suppliers before qualifying them under our approved suppliers' list. The Group also conducted annual performance assessments on existing suppliers. This year, we initiated our vendors' ESG assessments.
	<ul style="list-style-type: none"> Innovation has been vital to our business continuity. We held an Annual Innovation Competition and rewarded employees to recognise their efforts in driving the Group forward.
 	<ul style="list-style-type: none"> To achieve our goal that product is consistently meeting local and international standards as well as customers' expectation, we hold and maintain certified product licenses. We upheld our commitment to deliver excellence in the products by adhering to quality standards and procedures. Continued the certifications of 8 SSM products under the Eco-Labeling Scheme of SIRIM QAS in FY2023. SSM further attained MyHijau Mark certification from the Malaysian Green Technology and Climate Change Corporation ("MGTC") for the same 8 products in FY2024.

5.2.1 Supply Chain Management

The Group believes that supply chain management is important for us to remain agile. We aim to manage the supply chain, such that the practices can secure stable supply of materials and services at competitive prices with quality and prompt delivery of the products to meet the customers' expectation and products' specifications.

Our Initiatives

Supplier Code of Conduct

Our suppliers are the critical partners that influence the achievement of the Group's business objectives. Active suppliers have been communicated to adhere to the Supplier Code of Conduct and Ethics. The Supplier Code of Conduct and Ethics has been revised with additional sections on Labour and Human Rights, and Environment.

Supplier Performance and ESG Assessment

Prior to the supply of materials and services to the Group, the suppliers are required to go through New Vendor Pre-Qualification process, where due diligence is conducted to verify that the suppliers are genuine and appropriate.

Sustainability Statement

(Cont'd)

At the end of each financial year, we will also perform supplier/vendor performance assessment. The current rating criteria is based on:

- Product Application/Quality/Technical Support
- Delivery
- Service
- Packaging/Labelling

At the end of the assessment, the suppliers will be rated as "Good", "Satisfactory" or "Poor". Those suppliers under the category of "Poor" will be notified to improve on their performance.

To uphold our commitment to ESG principles, the Group has implemented Vendor ESG Assessment in FY2024. This initiative encourages our suppliers to evaluate their current status in environmental stewardship, social responsibility, economics and governance.

The Group invited both existing and new suppliers to participate in our ESG Assessment. Out of 200 existing suppliers invited, 172 responded, resulting in an 86% response rate. For new suppliers, 76 out of 76 responded, achieving a 100% response rate. The summarised assessment response rates are as follows:

Supplier Category	Number of Invited Suppliers	Number of Responses	Response Rate
Existing	200	172	86%
New	76	76	100%

The Vendor ESG Assessment highlights that there are substantial room for improvements in all key areas of sustainability. Both existing and new suppliers currently show low levels of awareness in environmental, social, economic and governance aspects. The summarised assessment results are as follows:

Key Focus	Key Survey Items	Existing Suppliers	New Suppliers
Environment	Environmental policies, climate change mitigation, waste and pollution measures	Low	Low
Social	Social, safety and health policies	Low	Low
Economic	Green product certification (MyHijau)	Low	Low
Governance	Board oversight on sustainability, governance policies and management system certifications	Low	Low

Supporting Local Procurement

The Group believes that embracing local procurement will contribute to cost optimisation and efficiency, as well as the growth and sustainability of our local economy. The support that we render to local suppliers will also help in creating job opportunities and generating income within the local community.

The Group's spending on local suppliers and overseas suppliers are listed as below:

Suppliers	Spending (%)	
	FY2023	FY2024
Local	80	78
Overseas	20	23

Sustainability Statement

(Cont'd)

5.2.2 Innovative Culture

As part of the Group's commitment to continuously cultivate an innovative culture, we aspire to use the Innovation Competition as an avenue for employees to showcase their talents while serving as a means to boost engagement and motivation. Employees are encouraged to think creatively, adopt sustainability ideas and present their ideas to a broader audience, including senior leaders within the Group. This recognition and exposure can energise and motivate employees, while instilling a sense of purpose and pride in their work.

The Innovation Competition has proven to be an effective tool in fostering a culture of continuous improvement and sustainability within the Group. By integrating ESG theme and aligning projects with the United Nations SDGs, the Group not only enhances its innovative capabilities but also strengthens its commitment to global sustainability efforts. The Group will continue to leverage such initiatives to engage employees, drive innovation and contribute to a more sustainable future.

The Innovation Competition 2024 Grand Final took place in May 2024, featuring technical presentations from 10 shortlisted teams across the Group. The finalists competed for top rankings in the competition, demonstrating a high level of innovation and commitment within the organisation.



1st Place Winner (SPC)



2nd Place Winner (SMP1)



3rd Place Winner (SSM Klang)



Consolation Prizes

5.2.3 Product and Quality

The Group is dedicated to the production of a diverse range of steel products, essential for various construction and industrial applications. The Group manufactures a diverse array of steel products, with the following core offerings:

- Steel bar for construction
- Wire rod for construction and industrial applications
- Steel mesh for construction purposes
- Pre-stressed concrete steel wire and strand for construction
- Steel pipe for construction and industrial applications

In addition, we operate steel service centres that specialise in custom cutting, bending and forming of steel bars to meet specific construction requirements.

Sustainability Statement

(Cont'd)



Steel Bar



Deformed Bar in Coil



Wire Rod



Steel Mesh



Pre-stressed Concrete Wire



Pre-stressed Concrete Strand



Conduit Pipe (Smartube)



Steel Pipes (ULTRAGAL)






Cut and Bend products

The Group continues to put in rigorous effort and care to ensure strict adherence of our products to both local and international standards agreed upon with customers. We proudly maintained 29 products licensed under the Product Certification Scheme of SIRIM QAS International, demonstrating our commitment to quality and compliance.

Sustainability Statement

(Cont'd)

<p>SSM Mesh</p>	 <p>LESEN PENSIJILAN BARANGAN Product Certification Licence</p> <p>SIRIM QAS International Sdn. Bhd. dengan ini mengesahkan kepada SOUTHERN STEEL MESH Sdn. Bhd. Batu 1.1/2, Jalan KAPAR KELANDIA, MALAYSIA</p> <p>Lisensi untuk menggunakan Tanda Pendaftaran di atas barangan a license to use the Certification Mark on</p> <p>WELDED STEEL FABRIC FOR THE REINFORCEMENT OF CONCRETE Please refer to detail in the SCHEDULE</p> <p>sebagai mematuhi keperluan as complying with</p> <p>MS 145 : 2014</p> <p>Nur Fathiah Izzah Muhammad Korpus Pegawai Eksekutif Chief Executive Officer SIRIM QAS International Sdn. Bhd.</p> <p>Tarikh Masa Pengehutan : 12 July 2022 Tarikh Tamat : 11 January 2023</p>	<p>16. Steel fabric for reinforcement of concrete (Prai) (MS145:2014)</p> <p>17. Cold worked ribbed weldable reinforcing steel (MS146:2014)</p> <p>18. Steel fabric for reinforcement of concrete (Klang) (MS145:2014)</p> <p>19. Weldable reinforcing steel fabric (Klang) (MS EN 10080:2014)</p>
<p>SSM Cut and Bend</p>	 <p>LESEN PENSIJILAN BARANGAN Product Certification Licence</p> <p>SIRIM QAS International Sdn. Bhd. dengan ini mengesahkan kepada SOUTHERN STEEL MESH Sdn. Bhd. LOT 10, 10A & 10B KAMPUNG INTAN INDUSTRIAL PARK KELANDIA, MALAYSIA</p> <p>Lisensi untuk menggunakan Tanda Pendaftaran di atas barangan a license to use the Certification Mark on</p> <p>CUT AND BEND OF STEEL BAR FOR REINFORCEMENT OF CONCRETE Please refer to detail in the SCHEDULE</p> <p>sebagai mematuhi keperluan as complying with</p> <p>MS 1438 : 1998</p> <p>Nur Fathiah Izzah Muhammad Korpus Pegawai Eksekutif Chief Executive Officer SIRIM QAS International Sdn. Bhd.</p> <p>Tarikh Masa Pengehutan : 28 November 2020 Tarikh Tamat : 26 November 2022</p>	<p>20. Cut and bend of bar for reinforcement of concrete (MS1438:1998)</p>
<p>SPIM</p>	 <p>LESEN PENSIJILAN BARANGAN Product Certification Licence</p> <p>SIRIM QAS International Sdn. Bhd. dengan ini mengesahkan kepada SOUTHERN PIPE INDUSTRIES (MALAYSIA) SDN. BHD. 4071, 4072 LOT 10, JALAN CHUAN KERRY UTAR BUTTERWORTH PULAU PINANG, MALAYSIA</p> <p>Lisensi untuk menggunakan Tanda Pendaftaran di atas barangan a license to use the Certification Mark on</p> <p>RIGID STEEL CONDUIT FOR CABLE MANAGEMENT Please refer to detail in the SCHEDULE</p> <p>sebagai mematuhi keperluan as complying with</p> <p>MS 61386-21 : 2010</p> <p>Nur Fathiah Izzah Muhammad Korpus Pegawai Eksekutif Chief Executive Officer SIRIM QAS International Sdn. Bhd.</p> <p>Tarikh Masa Pengehutan : 28 April 2020 Tarikh Tamat : 27 September 2022</p>	<p>21. Rigid steel conduit for cable management/Galvanised steel conduit (MS61386-21:2010)</p> <p>22. Welded steel pipe (Bare) (MS863:2010)</p> <p>23. Cold formed welded structural hollow sections of non-alloys steel (MS EN 10219-1:2015)</p> <p>24. Welded steel pipe (Hot dip) (MS863:2010)</p> <p>25. Non-alloy steel tube for water and sewerage (Span TS21827: Part2:2013)</p> <p>26. Carbon steel tube for general structure (JIS G 3444:2015)</p> <p>27. Welded steel tube (Nibong Tebal) (BS EN 10255:2004) (MS863:2010)</p> <p>28. Welded steel tube (Butterworth) (BS EN 10255:2004) (MS863:2010)</p> <p>29. Steel conduit for electrical wiring (BS31:1940)</p>

Sustainability Statement

(Cont'd)









The main testing laboratory at SSB is accredited by the Department of Standard Malaysia under MS ISO 17025:2017, General Requirements for the Competence of Testing and Calibration Laboratories. Additionally, SPC houses another accredited laboratory. Each laboratory specialises in various tests, including tensile, bend and re-bend tests on steel bars for concrete reinforcement and steel products; tensile and relaxation tests on strands for prestressed concrete; elemental analysis using arc spark spectrometry on stainless steel, carbon, and low alloy steel products; as well as microstructure and non-metallic inclusion identification on carbon and low alloy steel products.

SSB		<p>Schedule Issue date: 27 January 2023 Valid until: 03 September 2024</p> <p>NO: SAMM 436 (Issue 12, 27 January 2023 replacement of SAMM 436 issued 28 August 2021)</p> <p>LABORATORY LOCATION: (PERMANENT LABORATORY) SSB TESTING LABORATORY SOUTHERN STEEL BERHAD 2723 LORONG PERUSAHAAN 12 PRAI INDUSTRIAL ESTATE 13600 PRAI, PULAU PINANG MALAYSIA</p> <p>FIELD OF TESTING: MECHANICAL</p> <p>This laboratory has demonstrated its technical competence to operate in accordance with MS ISO/IEC 17025:2017 (ISO/IEC 17025:2017).</p> <p>This laboratory's fulfillment of the requirements of ISO/IEC 17025 means the laboratory meets both the technical competence requirements and management system requirements that are necessary for it to consistently deliver technically valid test results and calibrations. The management system requirements in ISO/IEC 17025 are written in language relevant to laboratory operations and operate generally in accordance with the principles of ISO 9001 (see Joint ISO-ILAC-IAF Communiqué dated April 2017).</p> <p>SCOPE OF TESTING: MECHANICAL</p>
SPC		<p>Schedule Issue date: 28 March 2023 Valid until: 6 January 2026</p> <p>NO: SAMM 289 (Issue 2, 28 March 2023 replacement of SAMM 289 issued 7 November 2022)</p> <p>LABORATORY LOCATION: (PERMANENT LABORATORY) SOUTHERN PC STEEL SDN. BHD. NO. 5, JALAN UTAS 157, SEKSYEN 15, 40200 SHAH ALAM, SELANGOR, MALAYSIA</p> <p>FIELD OF TESTING: MECHANICAL</p> <p>This laboratory has demonstrated its technical competence to operate in accordance with MS ISO/IEC 17025:2017 (ISO/IEC 17025:2017).</p> <p>This laboratory's fulfillment of the requirements of ISO/IEC 17025 means the laboratory meets both the technical competence requirements and management system requirements that are necessary for it to consistently deliver technically valid test results and calibrations. The management system requirements in ISO/IEC 17025 are written in language relevant to laboratory operations and operate generally in accordance with the principles of ISO 9001 (see Joint ISO-ILAC-IAF Communiqué dated April 2017).</p> <p>SCOPE OF TESTING: MECHANICAL</p>

The Group continues to embark on the journey of progressively certifying its products with the Product Eco-Labeling of SIRIM QAS International and the MyHijau Mark of the MGTC. In FY2023, the Group successfully attained certificates for 8 downstream products of SSM under the Product Eco-Labeling Scheme of SIRIM QAS International. In FY2024, we further attained the MyHijau Mark certification from MGTC for the same 8 products. The Group is committed to acquiring Eco-Labeling certificates for more products across the organisation.

Sustainability Statement

(Cont'd)

 <p>Non-Hazardous and Non-Radioactive Steel SIRIM ECO 032:2020 License No.: EL000202</p>	 <p>MyHP00226/22</p>	<p>Site: SSB</p> <p><u>Wire Rod:</u></p> <ul style="list-style-type: none"> • Low Carbon Mesh and Drawing Quality <p><u>Bar:</u></p> <ul style="list-style-type: none"> • Deformed bar in straight length • Plain bar in straight length
 <p>Non-Hazardous Steel SIRIM ECO 032:2020 License No.: EL000245</p>	 <p>MyHP00432/23</p>	<p>Site: SSM Mesh Klang</p> <p>Products:</p> <ul style="list-style-type: none"> • Purpose made fabric • Square mesh • Structural mesh • Long mesh • Wrapping mesh
 <p>Non-Hazardous Steel SIRIM ECO 032:2020 License No.: EL000246</p>	 <p>MyHP00431/23</p>	<p>Site: SSM C&B Rawang</p> <p>Cut and bend shape products:</p> <ul style="list-style-type: none"> • Deformed bar wire grade B500B of MS146 • Round bar Grade 250 of MS144
 <p>Non-Hazardous Steel SIRIM ECO 032:2020 License No.: EL000250</p>	 <p>MyHP00433/23</p>	<p>Site: SSM Mesh Prai</p> <p>Products:</p> <ul style="list-style-type: none"> • Purpose made fabric • Cold drawn ribbed wire • Square mesh • Structural mesh • Long mesh • Wrapping mesh





Sustainability Statement

(Cont'd)

5.3 Environmental Sustainability





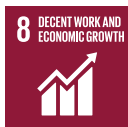

In our quest to be a supplier of choice, reducing environmental footprint is one of the key focuses in our journey. The Group believes that the needs of future generations should not be compromised and hence, we continue to strive to minimise the environmental footprint and impacts derived from the operations and products, with the efforts as listed below.

The Group initiates various environmental sustainability activities to preserve resources, such as clean air, water and biodiversity on top of observing the environmental laws of Malaysia. We continue to groom and maintain environmental competent persons for clean air, scheduled waste and industrial effluent in compliance with the Environmental Quality Act and Regulation.

SDG	The Group's Efforts and Achievement
	<ul style="list-style-type: none"> 67% of the companies in the Group are certified with ISO 14001. Zero environmental fines and penalties for FY2024.
	<ul style="list-style-type: none"> Continued to support TCFD and report climate related disclosures according to the recommendations of TCFD. Commenced the journey of quantifying Scope 3 Greenhouse Gas ("GHG") emissions for the Group. Completed and reported our first Scope 3 GHG emissions, i.e. category (7) - Employee Commuting for both upstream and downstream operations. Completed and reported the Group's energy consumption data which consisted of electricity and fuels. Achieved 9% reduction in upstream GHG intensity (Scope 1 and 2) or from 0.56 tCO₂/tsteel in FY2022 to 0.51 tCO₂/tsteel in FY2024. The target is to reach 0.49 tCO₂/tsteel by FY2025. Set another GHG emission target to reduce downstream (SPC) GHG emission intensity by 30% from 0.023 tCO₂/tsteel in FY2022 to 0.016 tCO₂/tsteel by FY2025. Achieved 52% reduction in downstream (SPC) GHG intensity (Scope 1) or from 0.023 tCO₂/tsteel in FY2022 to 0.011 tCO₂/tsteel in FY2024. The target is to reach 0.016 tCO₂/tsteel by FY2025. Established the first low carbon transition plan for the Group. Learned and acquired knowledge from seminars/webinars regarding sustainability. Linked ESG KPI to the remuneration of Group Managing Director and senior management. Continued to use electric arc furnace ("EAF") for steel making to enhance circular economy, henceforth contributing to the reduction of global GHG emissions.
	<ul style="list-style-type: none"> Checked, monitored and disclosed 3 years key pollutants emissions indicators in mg/m³ for Isokinetic dust particulate, Nitrogen Dioxide and Sulphur Dioxide. Managed to control the pollutant emissions to 50% or lower than the emission limit as stated in the regulation.
  	<ul style="list-style-type: none"> Compiled, monitored and disclosed 3 years of energy consumption of the Group which is inclusive of electricity and fuels. Measured and disclosed 3 years of annualised electricity energy savings per employee for upstream (SSB) operation and achieved electricity energy savings of 1,517kWh/employee for FY2024. Measured and disclosed 2 years of annualised electricity energy savings per employee for downstream (SPC, SPIM & SSP and SSM) operations and achieved electricity energy savings of 679kWh/employee for FY2024. Successfully completed 17 energy saving projects in FY2024.

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SDG	The Group's Efforts and Achievement
 	<ul style="list-style-type: none"> Identified operation sites in the Group that will have water stress by year 2030 and communicated the water stress to stakeholders. Compiled, monitored and disclosed 3 years' record of water withdrawal, water consumption and water discharge of the Group. Compiled, monitored and disclosed 3 years' record of onsite treated effluent (water) discharge as surface water. Completed one water management project. The recycle water treatment facility at SSB is in operation to treat, recycle and reuse the process water since Q1 in FY2024. Cumulative reduction of water use at 85 megaliters in FY2024 as compared to the target to reduce water use by 70 megaliters from FY2020 to FY2024. Zero incident of non-compliance with water quality/quantity permits, standards and regulations.
	<ul style="list-style-type: none"> Disclosed 3 years of material consumption of the Group instead of upstream (SSB) only. Complied and disclosed 3 years record of steel scrap generated by the Group, including rework/reject of EAF and LF, which were then sent to SSB for recycling in its EAF. Reviewed and revised the target of using >85% steel scrap for steel making from FY2021 to FY2025 and changed to recycled content of >85% in steel making to facilitate future benchmarking. The recycled content for FY2024 is 94.7% as compared to the target of >85%.
	<ul style="list-style-type: none"> Total waste that was directed to disposal for FY2024 is 0.6%, as compared to the target of maximum 3%. Compiled, monitored and disclosed 3 years' record of the Group's total waste and the Group's scheduled-waste generation. Identified the amount of the Group's total waste, that diverted from and directed to disposal. Listed the type of scheduled waste generated in the Group. Identified the amount of scheduled waste and non-hazardous waste that was diverted from and directed to disposal, including onsite and offsite disposal.
 	<ul style="list-style-type: none"> Considered a life cycle analysis for products and system of the Group.

5.3.1 Environmental Management

ISO 14001 is an internationally recognised framework that maps out the requirements of environment management system to guide organisation to effectively manage and improve the environment performance through efficient use of resources and reduction of waste to demonstrate compliance with current statutory and regulatory requirement and gaining the trust of stakeholders.

Our Approach

The Group believes that obtaining ISO 14001 certification is the foundation for pursuing environmental management systematically. Hence, the Group has been progressively getting all operating companies to be certified, starting from SSB in year 2011. Although the downstream operations in the Group have less impact on the environment as compared to the upstream business, we strongly believe that every single effort placed for environment sustainability will in one way or another contribute to the betterment of the environment.

Sustainability Statement

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The Group is of the opinion that protecting and conserving the environment is everyone's responsibility. We share the same Environmental Policy Statement across the Group. The Environmental Policy Statement is cascaded down to the employees via intranet, ISO 14001 training e-portal and notice boards. It is also available in the Group's website for all the stakeholders and public to view at any time.

Our onboarding program for newly recruited staff and contractors includes Environmental Awareness Training and briefing so that they are well informed before commencing their work. We also conduct periodic refresher training for ISO 14001 Environmental Management System to build long-term retention in the minds of our employees and to keep the whole environmental culture in place.

The Group undergoes annual internal audit by our internal environmental auditors and external audit by the external certification body to ensure that our ISO 14001 Environmental Management System is effectively implemented, and continual environmental improvement process is in place.

Our Initiative

In FY2024, SPIM and SSP have completed the ISO 14001 stage 1 adequacy audit by certification body, SIRIM QAS. The compliance audit shall be held in FY2025. As a result, 67% of the sites in the Group are certified with ISO 14001. Our aim is to have 100% of the sites certified with ISO 14001 in FY2025 and this reflects our persistence in pursuing sustainability journey to reduce environmental footprint.

	FY2022	FY2023	FY2024
Sites in the Group certified with ISO 14001	67%	67%	67%

Our Performance

Our dedication to environment and concerted effort was paid-off when the Group retained zero environmental fines and penalties for FY2024.

	FY2022	FY2023	FY2024
Total cost of environment fines and penalties	0	0	0

5.3.2 Climate Change and TCFD Report

Climate change is an issue of concern that needs immediate attention and mitigation actions by all stakeholders. This issue is further exacerbated by industries that emit huge amounts of carbon dioxide into the atmosphere which includes steel manufacturing activities.

Our Policy and Commitment

The Group apprehends the importance of climate change and aspires to contribute to mitigate climate change by monitoring and reducing our GHG emissions to reduce our environmental footprint as stated in our Environmental Policy statement.

The Group continues its effort to enhance and keep abreast the knowledge and skills of our employees in climate related matters by sending representatives to attend relevant seminars/webinars hosted by Federation of Malaysia Manufacturer ("FMM"), Malaysia Iron and Steel Industry Federation ("MISIF"), Bursa Malaysia, KPMG Malaysia, and etc.

SSB as the biggest GHG emitter within the Group, also participated and become a part of the global effort to mitigate climate change by consistently contributing information for the preparation of Malaysia's Biennial Update Report ("BUR"). BUR is a report which Malaysia has committed to prepare every 2 years to United Nations Framework Convention on Climate Change ("UNFCCC") as an update report, which includes information such as the status of its GHG emissions and removals by sink.

Sustainability Statement

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SSB has signed up to be an official supporter for TCFD since year 2023. The Group continues its effort to adopt the recommendations of the TCFD, which comprises of the 4 pillars, namely Governance, Strategy, Risk Management and Metrics and Targets. The Group is committed to taking actions against climate change and considering the impact of climate change on its business in the transition to low carbon emission.



Climate Governance Framework and Structure

The Group has a well-established climate governance framework and structure as defined in 2.2 Sustainability Governance and 2.3 Governance Structure with the objective of building strategic resilience and agility in the Group.

The Board of Directors has oversight on the climate related initiatives of the Group in identifying, assessing and integrating the climate related risks and opportunities, the potential impact on the business, the proposed strategies to manage and mitigate the climate related risks as well as seizing the opportunities. This nurtures the awareness and understanding of the team, enables the setting of overall accountability across the Group, along with building stakeholders' trust that the Group is working towards building strategic resilience and agility that enable the delivering of a sustainable future to the stakeholders.

The SSC is assisted by TCFD Working Committees ("TCFD WC") comprising key staff from various departments of the operating companies nominated by the SSC. The TCFD WC's duties include identifying, assessing and addressing climate-related risk and opportunities, proposing and driving strategies and initiatives approved by the SSC, providing information as well as collecting feedback from stakeholders.

Climate Related Risk and Opportunities Strategies

The Group focuses on mitigating significant and major climate-related risks as well as opportunities arising from the transition to a low-carbon economy. We evaluate our resilience to the impact of climate change and derive corresponding strategies to address them.

Category	Type	Climate related risks	Risk rating	Timeline
Transition risk	Political & legal	1 Introduction of new laws and regulations such as carbon tax, carbon tariff, Carbon Border Adjustment Mechanism ("CBAM")	S3	SML
		2 Enhance emissions reporting obligations	M2	SM
		3 Increased compliance requirement	T1	SM
		4 Exposure to legal liabilities	S3	SM

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Category	Type	Climate related risks		Risk rating	Timeline
Transition risk (cont'd)	Technology	5	Substitution of existing products and services with lower emissions options (reduce emission from delivery, selecting products with lower embedded emissions)	T1	SM
		6	Cost to transition to lower emissions technology	M2	SML
	Market	7	Increase in cost of raw materials (scrap and coke, etc) due to tight supply	M4	SML
		8	Increase in cost of energy	M4	SML
		9	Uncertainty in market signals (customers' willingness to pay green premium, regional or local demand for green steel)	M2	SM
		10	Change of customer preferences towards favouring low-emission steel	T1	SM
	Reputation	11	Stigmatisation of sector	T1	SM
		12	Increased stakeholder concern or negative stakeholder feedback	M2	SML
Physical risk	Acute	13	Increased severity and frequency of extreme weather events such as flood	M2	SML
	Chronic	14	Rising sea level	S3	L
		15	Changes in precipitation pattern and extreme variability in weather pattern	M2	L

Risk rating: T1=trivial, M2=minor, S3=significant, M4=major

Timeline: SM=short to medium term (until 2035), L=long term (until 2050)

Category	Type	Climate related opportunities		Timeline
Opportunity	Sustainable financing	1	Improved access to capital with participation in sustainable financing. Favourable terms for company with good ESG performance	SM
	Environmental performance	2	Lower embedded emissions by improving energy efficiency and utilization of renewable energy in energy mix	L
	Products & services	3	Increased demand for lower emissions steel	SM

Timeline: SM=short to medium term (until 2035), L=long term (until 2050)

Sustainability Statement

(Cont'd)

Our strategies to mitigate climate related risks with risk rating of significant (S3) and major (M4), as well as opportunities to be seized are listed as below:

Risk	Scenario	Scenario Analysis	Potential Impact	Strategy	Target
Introduction of new laws and regulations such as carbon tax, carbon tariff, CBAM	SPS	International carbon tax and carbon tariff are used as reference since Malaysia has not implemented carbon tax.	Inclusion of carbon emissions cost will increase operating cost and reduce profitability.	Continue to reduce GHG emissions via process optimisation & improvements, energy saving programs and transition to green energy.	<ul style="list-style-type: none"> Reduce upstream (SSB) GHG emission intensity (scope 1 + scope 2) by 12% from 0.56 tCO₂/tsteel to 0.49 tCO₂/tsteel by FY2025. Reduce downstream (SPC) GHG emission intensity (scope 1) by 30% from 0.023 tCO₂/tsteel to 0.016 tCO₂/tsteel by FY2025.
Exposure to legal liabilities	SPS	Tightening and enhancement of Act and regulation including but not limited to Environmental Quality Act 1974 (EQA).	Non-compliance will increase operating cost and reduce profitability.	Keep abreast of current and upcoming amendment of Act and Regulations and plan implementations if there is a gap.	Ensure compliance to the latest legal requirements and report valid information in our reporting.
Increase in cost of raw materials (scrap and coke etc) due to tight supply	SPS	Transition to low carbon emissions will result in high demand and shortage of raw material such as steel scrap.	Increased global demand for raw material such as steel scrap will result in price hike and hence high cost.	Research on and develop alternative or replacement materials in production. Review raw material purchase policy and strategy.	Aim to identify one replacement material by FY2026.
Increase in cost of energy	SPS	Electricity generation in the country still rely heavily on coal.	Carbon tax on non-renewable energy will increase operating cost and reduce profitability.	Explore green electricity to reduce dependence on coal generated electricity.	To explore various type of green electricity which is beneficial to the Group.
Rising sea level	RCP 8.5	Glaciers and ice sheets worldwide are melting and adding water to the sea.	<ul style="list-style-type: none"> Influence the on-time delivery of raw materials and export of products. Increased insurance premiums. Risk of tsunami. 	Improve the quality of nearby coastal mangrove forest to act as a natural wave breaker.	To progressively plant mangrove trees next to the existing mangrove forest.

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Opportunities	Scenario	Scenario Analysis	Potential	Strategy
<ul style="list-style-type: none"> Improved access to capital with participation in sustainable financing Favourable terms for company with good ESG performance 	SPS	Financial resources support transition to low carbon emission.	Increase of financial resources options with better terms.	Timely plan the transition to low carbon emission.
Lower embedded emissions by improving energy efficiency and utilisation of renewable energy in energy mix	SPS	EAF is significantly lower in emission among the iron and steel making technology.	Increase customer demand on SSB's products.	Capitalise on relatively low emissions and penetrate green market.
Increased demand for lower emissions steel	SPS	Transition to low carbon emission will eventually lead customers to set preferences towards low-emission steel.	Increase customer demand on SSB's products.	Capitalise on relatively low emissions and penetrate green market.

Climate Related Risk and Opportunities Management

The Group conducted climate related risk and opportunity assessment by referring to the recommendations of TCFD. We identified a range of potential issues which may arise as a result of climate change, utilising the same Risk Management framework as described in section 5.1.1.

The process for identifying material climate change risks and opportunities is as below:

a) Scenario Analysis

The Group adopts Intergovernmental Panel on Climate Change's ("IPCC") guideline and International Energy Agency ("IEA") to analyse the impact of climate-related risks and opportunities on our business strategy. Our scenario analysis has taken into consideration our operation characteristic and external factors such as market and political dynamic.

Scenario	Description	Assessed for
IPCC RCP 8.5 / 4°C	The 'business-as-usual' scenario represents a high-emissions future with significant increases in global average temperature, as no concerted effort are made to reduce emissions.	Physical risk
IEA SPS	A scenario which reflects current policy settings based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place as of the end of August 2023, as well as those that are under development. The scenario also takes into account the currently planned manufacturing capacities for clean energy technologies.	Transition risks and opportunities

b) Climate Related Risk and Opportunities Identification

The Group adopts the recommendations of TCFD and refers to international reports on the steel industry to identify risks and opportunities that we might face due to a climate change. A total of 12 transition risks, 3 physical risks and 3 opportunities were identified.

The Group classifies the identified climate related risks into transition risks, physical risks and opportunities over the period of short to medium term and long-term. Transition risks are further categorised into Policy and Legal, Technology, Market and Reputation while physical risks are categorised into Acute and Chronic types. Opportunities are assessed in terms of sustainable financing, environmental performance and products & services.

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c) Material Risks and Opportunities Identification

Based on the identified climate related risks and opportunities, the Group rates the risks according to a metric that consists of likelihood and consequences, and determine level of risks/opportunities before taking necessary measures to address and monitor the risks. Currently, we are focusing on addressing the identified significant and major risks.

d) Risk Mitigation

The Group establishes mitigation for the identified significant and major climate related risks follow by implementation of mitigation as well as tracking the metrics and targets. The identified risk and opportunities are then included in the register of SSB's Environmental Management System Manual.

Metrics and Target

In FY2023, the Group managed to expand its GHG emissions scope of reporting to cover 100% of its operating sites in Malaysia. For FY2024, we have taken another step forward by reporting our first Scope 3 emissions which is for Category 7, Employee Commuting. The Group's continuous efforts in improving its GHG reporting is in alignment with the government's policy, such as the New Industrial Master Plan (NIMP) 2030.

The Group refers to ISO 14404 (Calculation method of carbon dioxide emissions intensity from iron and steel production) and World Business Council for Sustainable Development and World Resources Institute ("WBCSD/WRI") GHG Protocol to calculate the GHG emissions. Both standards are internationally accepted standards with credible emission factors and are recognised (parts as applicable) by certification programs, such as ResponsibleSteel.

For upstream operation, the Group uses ISO 14404 to measure Scope 1 and Scope 2 emissions while for downstream operations, the Group uses GHG protocol to quantify Scope 1 and Scope 2 emissions. Scope 3 emissions are calculated by referring to the GHG Protocol for both upstream and downstream.

For the calculation of Scope 2 emissions, the Group utilises the Grid Electricity Emission Peninsular Malaysia which was provided by Suruhanjaya Tenaga ("ST"). The Group will not be revising previous year's calculations by using the updated GEF but using the latest GEF to calculate the emission for the reporting year. The GEF used for our report is tabulated as below:

Sustainability report	FY2022	FY2023	FY2024
Grid Emission Factor (Gg CO ₂ e / GWh)	0.780	0.780	0.758

The GHG emissions of the Group were summarised in the tables below:

Metrics	Boundary	Unit	FY2022	FY2023	FY2024
Absolute emissions					
Scope 1 emissions	Upstream	tCO ₂ e	98,203	94,213	83,071
Scope 1 emissions	Downstream	tCO ₂ e	3,673	3,060	2,917
Scope 2 emissions	Upstream	tCO ₂ e	224,413	247,521	198,752
Scope 2 emissions	Downstream	tCO ₂ e	23,888	24,629	27,796
Scope 3 emissions	Upstream	tCO ₂ e	-	856	815
Scope 3 emissions	Downstream	tCO ₂ e	-	628	618

In FY2024, our upstream's absolute emissions decreased by 60,157tCO₂e due to lower production tonnage from our steelmaking plant and rolling mills. On the other hand, the increase in upstream emission intensity can be attributed to several factors such as unfavorable scrap quality and off-peak operational mode. There are no significant changes to the absolute emissions for downstream.

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In FY2024, we started to calculate our Scope 3 emissions by calculating our employees' commuting emission. Since we calculated the emissions using FY2023 data, we will be reporting the figure for both FY2023 and FY2024 this year.

The GHG emission intensity of the Group were as below:

Targets	Location	Unit	Baseline			Target Year
Upstream			FY2022	FY2023	FY2024	FY2025
Reduce upstream (SSB) GHG emission intensity (Scope 1 + 2 emissions) by 12%	Prai	tCO ₂ e/tsteel	0.56	0.46	0.51	0.49
Downstream			FY2022	FY2023	FY2024	FY2025
Reduce downstream (SPC) GHG emission intensity (scope 1) by 30%	Shah Alam	tCO ₂ e/tsteel	0.023	0.020	0.011	0.016

SSB sets the target to reduce its GHG emissions intensity to 0.49 tCO₂e/tsteel by FY2025 with FY2022 as the baseline. This translates to an intensity reduction of 12% in 3 years. We achieved the target in FY2023 but were unable to maintain such performance in FY2024 due to unfavourable scrap quality and off-peak operational mode.

We have decided to add a GHG emission target for our downstream operations whereby we aim to reduce one of our subsidiaries, SPC's scope 1 emission intensity. FY2022 is set to be the baseline and the target is to reduce the emission intensity by 30% by FY2025.

The Group recognises the need to be a sustainable steel manufacturer and has set multiple ESG targets which are disclosed in the table below:

No	Topic	Company	Location	Target	Timeframe
1	Response to climate change	SSB	Prai	Reduce upstream (SSB) GHG emission intensity (scope 1 + scope 2) by 12% from 0.56 tCO ₂ /tsteel to 0.49tCO ₂ /tsteel	FY2022 to FY2025
2		SPC	Shah Alam	Reduce downstream (SPC) GHG emission intensity (scope 1) by 30% from 0.023 tCO ₂ /tsteel to 0.016tCO ₂ /tsteel	FY2022 to FY2025
3		The Group	All sites	Scope 3 emission. Complete the calculation for category 7 - Employee commuting	FY2024
4		The Group	All sites	Scope 3 emission. Build data inventory for category 6 - Business travel	FY2024 to FY2025
5	Air emission	SSB	Prai	Control and reduce the emissions of pollutants as much as possible	FY2006 to FY2028
6				Control the emissions rate from the reheating furnace at the level of 30% below the limit stated in the regulations	FY2021 to FY2025
7	Water	SSB	Prai	Reduce water use by 70 megaliters	FY2020 to FY2025
8	Circular Economy and Resource	SSB	Prai	Enhance circularity through maximisation of steel scrap usage in EAF whilst ensuring product quality meets customers' requirement	FY2021 to FY2025
9		SSB	Prai	Recycled content of >85% in steel making	FY2021 to FY2025

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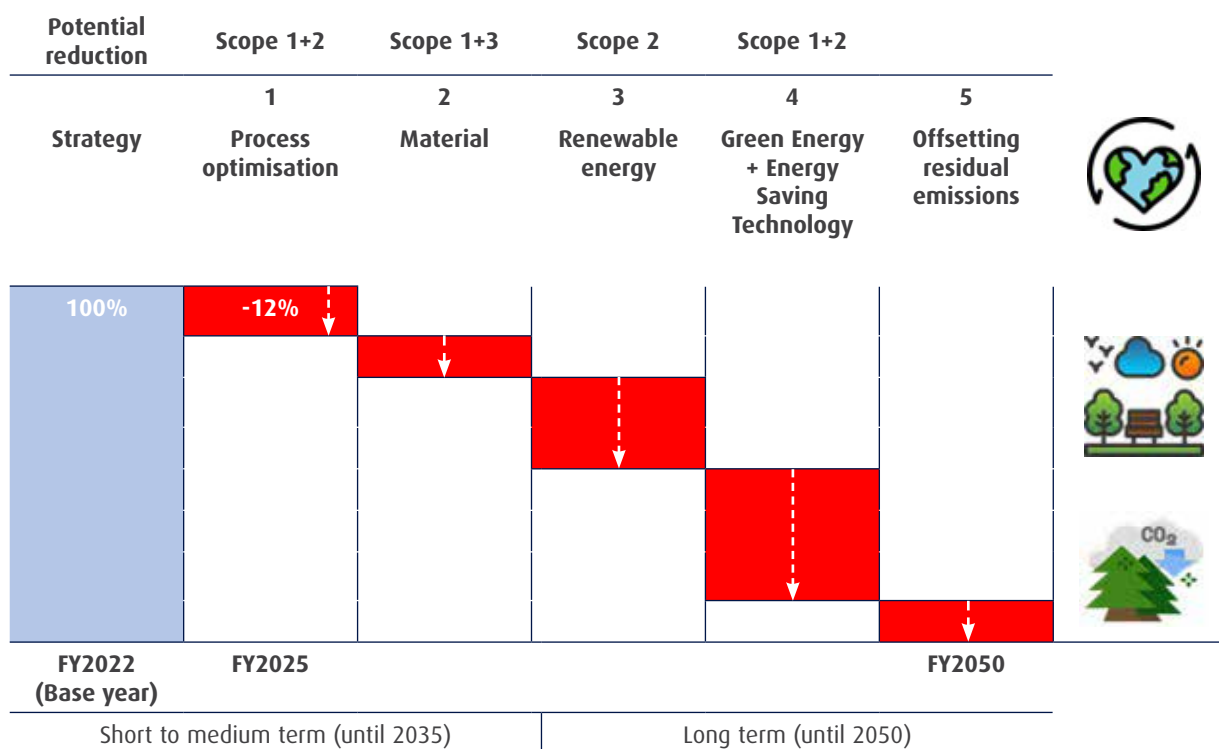
No	Topic	Company	Location	Target	Timeframe
10	Waste Management	The Group	All sites	Recycle, reuse and recover waste as much as possible	FY2021 to FY2025
11		The Group	All sites	Total waste that is directed to disposal at a maximum of 3%	FY2021 to FY2025
12		SSB	Prai	Closing inventory of EAF dust at a maximum of 15Mt	FY2021 to FY2025
13		SPIM	Butterworth, Nibong Tebal	Control maximum quantity of zinc dross and zinc ash to 20Mt with storage duration not exceeding 100 days	FY2023 to FY2025
14	Safety	The Group	All sites	Target LTIR below 1.00	FY2023 to FY2025

Low Carbon Transition Plan

The Group has drafted its low carbon transition plan based on the current circumstances and currently available information as well as data and assumptions including but not limited to, EAF technology is the greener option among iron and steel making technologies with significantly lower carbon emissions and currently is the preferred option for decarbonisation drive and strategy of iron and steel industry around the globe.

Low Carbon Transition Plan

The waterfall chart FY2026 to FY2050 breakdown is for illustrative purpose only



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The Group has planned 5 strategies to address its transition plan whereby a list of initiatives has been identified for each strategy.

a) Process Optimisation

The Group actively considered reducing its GHG emissions intensity via process improvement and process optimisation. We introduced automation and digital technology in the production lines. The technology coupled with in-depth experience of our people in steel making, hot rolling and downstream processes will support us to achieve our short to medium term target of reducing SSB's GHG intensity by 12% by FY2025. The Group is currently continuing its effort in both upstream and downstream process.

b) Material

The Group has initiated the study and sourcing of potential replacement material which can reduce our emission intensity. We aim to have partial replacement in view of various case studies that has pointed out that full replacement is hindered by the availability of the replacement material.

c) Renewable Energy

As renewable electricity is increasingly readily available in the market at reasonable prices and higher efficiencies, the Group is exploring the use of renewable energy.

d) Green Energy and Energy Saving Technology

The Group keeps abreast of the development of various type of green energy and energy saving technology. The Group explores, adopts and implements progressively.

e) Offsetting residual emissions

For residual emissions that remains hard to abate, the Group may consider offsetting via carbon credits.

Important point to note:

This Low Carbon Transition Plan is intended to align the Group's business model in regards to the Group's climate commitment to reduce its carbon footprint. This Low Carbon Transition Plan contains forward looking statements which may include but not limited to future events, trends, plans or expectations relating to the Group's business, results of operations, performance and strategies. Such forward looking statements are based on current circumstances and currently available information, data and assumptions, and are not a representation or guarantee of future performance or developments. This Low Carbon Transition Plan and its forward-looking statements are subject to continuous review according to evolving policies, acts and regulations and is not intended to have any legal binding effect although the Group has every intention to use reasonable efforts to abide by the same in good faith. As such, the Group shall not be responsible or liable in any manner, whether at law or in equity, for any loss or damage whatsoever, howsoever arising (whether for breach of contract, tort (including negligence), misrepresentation, warranties, indemnity, statutory or strict liability) arising from or in connection with this Low Carbon Transition Plan and its forwarding looking statements, or for any loss or damage (whether direct or indirect, consequential, incidental, special or exemplary damages), howsoever incurred or suffered by any person (whether direct or indirect), arising from or in connection with this Low Carbon Transition Plan and its forward looking statements.

ESG KPI-Linked Remuneration for GMD and Senior Management

The Group recognises the importance of ESG factors in shaping our long-term success. We believe that aligning our ESG targets with executives' remuneration especially for the senior management will not only keep us on track for sustainable growth, but also as a demonstration of our commitment to sustainable business practices.

Our ESG-linked remuneration aligns the remuneration of selected senior management, including the GMD with our ESG targets. The ESG targets will be adopted as part of their KPIs for the reporting year and will be included in their performance evaluation.

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5.3.3 Air Emissions

The Iron and Steel is a heavy industry in which air pollution is an important environmental concern. The Group, as an environmentally responsible corporation has expressed our commitment to fulfill environment compliance obligations and pursue continual improvement to enhance environment performance in our Environmental Policy Statement.

Our Approach

SSB complies to the Malaysian Environmental Quality (Clean Air) Regulation 2014. In respect of the Third Schedule (Regulation 13), Table B – Production and Processing of Ferrous Metals (Iron and Steel Mills), the sources of air pollutants emission and the key monitoring pollutants are listed as below:

Company	Location	Sources of pollutants	Pollutants limit value (mg/m ³)		
			Iso kinetic dust particulate (PM)	Nitrogen dioxide (NO _x)	Sulfur dioxide (SO _x)(*)
SSB	Prai	Chimneys	50	500	500

Note:

(1) 11% of the sites in the Group are obliged to comply to Malaysian Environmental Quality (Clean Air) Regulation 2014.

(2) (*) adopt limit value for sinter plant for monitoring. No limit value specified for electric arc furnace and rolling mill.

The approach of the Group is to engage accredited laboratories to perform isokinetic stack and air emission measurement with the target to ensure that the emissions are independently monitored for compliance with the regulation. The isokinetic stack and air emission measurement is performed at predetermined intervals and the results are being monitored.

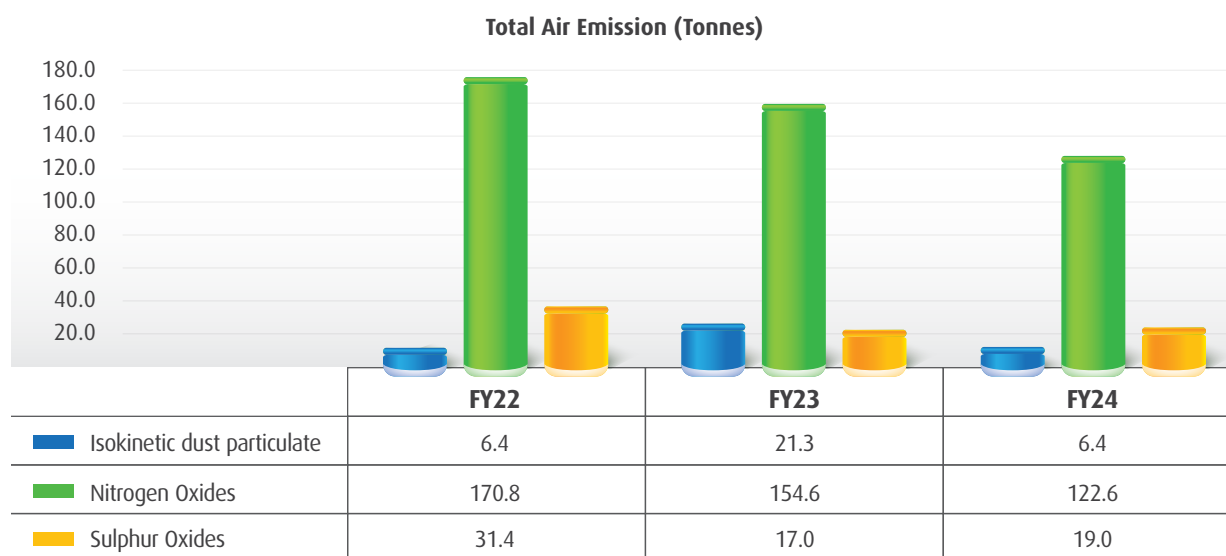
SSB performs the measurement and monitoring of isokinetic stack and air emission in accordance to the Environmental Quality (Clean Air) Regulations 2014, Third Schedule (Regulation 13), Table B – Production and Processing of Ferrous Metals (Iron and Steel Mills). Volatile organic compounds ("VOC") are not listed in Table B – Production and Processing of Ferrous Metals (Iron and Steel Mills), as one of the required pollutants to be monitored for iron and steel mills.

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Our Initiatives

SSB Prai or 11% of the sites in the Group are obliged to comply to Malaysian Environmental Quality (Clean Air) Regulation 2014. The total significant air emissions of SSB are illustrated below:



As part of the move to further protect the environment, the Group has set the following targets:

Company	Location	Target	Timeframe
SSB (11% of sites)	Prai	To control and reduce the emissions of pollutants as much as possible	FY2006 to FY2028
		Control the emissions rate from the reheating furnace at the level of 30% below the limit stated in the regulations	FY2021 to FY2025

SSB has taken various proactive steps throughout our many years of operations to control the emissions of pollutants as much as possible. The measures taken enabled SSB to comply to regulatory requirements as well.

Company	Location	Environmental care investment	Purpose	Year
SSB	Prai	Convert the reheating furnace fuel from medium field oil to natural gas in rolling mills	Use cleaner fuel with reduced pollutants emissions	2006 and 2007
		Installed Continuous Emission Monitoring System (CEMS) in steel making plant	Enable continuous monitoring	2013
		Installed wind breaker netting at ladle slag storage area	To contain ladle furnace dust within the storage area to minimise fugitive dust in the environment	2022

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The reheating furnaces in hot rolling mills in SSB emit pollutants from fuel burning. The reheating furnaces are equipped with recuperator system to recycle part of the heat energy from the hot waste gas prior to releasing the gas to ambient via chimney. The conversion of the fuel from medium fuel oil to the cleaner fuel of natural gas enables SSB to consistently emit pollutants lower than the emission limit as stated in the regulation.

The Continuous Emission Monitoring System ("CEMS") in steel making plant samples, analyses and records the pollutant at the interval of 3minutes. The concentration of the pollutant can be visualised at both steel making plant and the Department of Environment, enabling continuous monitoring against requirement of the regulation. The trend of pollutant concentration also enables the certified competent person of our steel making plant to analyse, predict and plan the maintenance of the bag house dust removal and collection system.

The rate of key pollutant emission as illustrated shows that from FY2021 to FY2024, SSB is able to control the pollutants emissions rate to 50% or lower than the emission limit as stated in the regulation. SSB will retain the same target until FY2025.

Target of SSB Prai	Pollutants	Limit value (mg/m ³)	70% of limit value (mg/m ³)	Maximum value (mg/m ³)			
				Target time frame			
				FY2021	FY2022	FY2023	FY2024
Control the emissions rate from the chimneys at the level of 30% below the limit stated in the regulations	Iso kinetic dust particulate (PM)	50	35	17.7	0.8	14.2	2.1
	Nitrogen dioxide (NOx)	500	350	133	26	23.7	23.7
	Sulfur dioxide (SOx)	500	350	86	5.7	3.0	3.7

5.3.4 Energy Management

The iron and steel industry is one of the most energy intensive industrial sectors. According to a study by the International Energy Agency ("IEA"), the steel industry alone accounted for 7% of global energy consumption in 2019. Steel production is also responsible for 2.6 gigatons of CO₂ emissions, or about 7% of man-made greenhouse gas emissions.

Our Approach

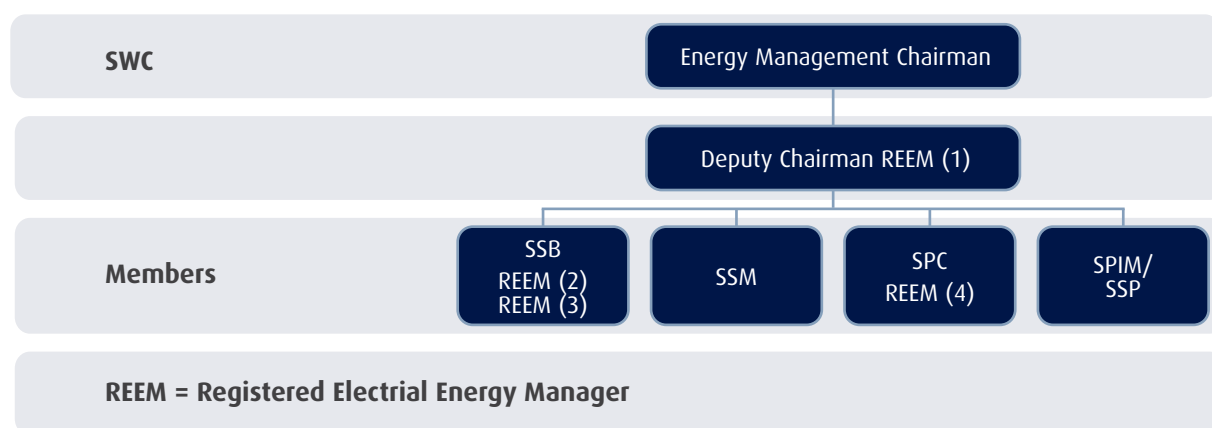
As a diligent corporation, it is imperative for the Group to pragmatically manage energy utilisation and improve energy efficiency. The Group has an Energy Policy statement which demonstrates the commitment of the Group to improving energy efficiency, performance and consumption while complying with the applicable legal, regulatory and other requirements.

Electricity, natural gas, diesel and coke are the key non-renewable energy resources of the Group. Reducing energy consumption reduces the demand for fossil fuel. This in turn, lowers the carbon emission to the atmosphere. In view of this, the Group recognises the importance of dedicated energy management to abate GHG emissions and reduce our energy costs.

The Group has an established Energy Management Committee to focus on energy efficiency. The objective of the committee is to conserve resources by improving efficiency in energy consumption through utilisation of technology, which then contributes to abatement of GHG emissions and as well as reduction in utility costs. The Energy Management Committee is tasked to plan, monitor, execute and review the energy management activities in accordance with the Group's Energy Policy.

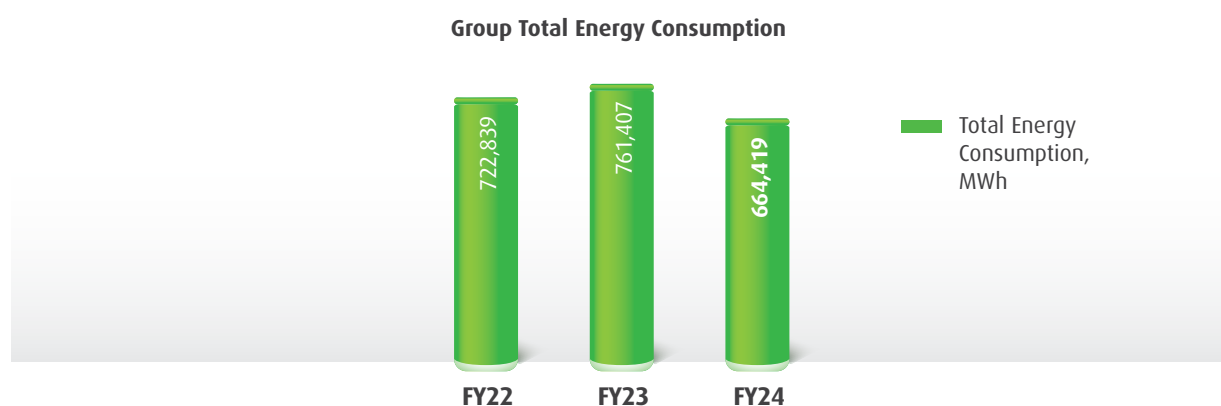
Sustainability Statement

(Cont'd)



The Group refers to 2006 IPCC Guidelines for National Greenhouse Gas Inventories (net calorific value of diesel oil) to calculate the diesel consumption in steel production, and ISO 14404 Calculation Method of Carbon Dioxide Emission Intensity from Iron and Steel Production (energy consumption factor of EAF coal) to calculate coke consumption in steel production. Both references are internationally recognised with credible net calorific value and energy consumption factors.

The total energy consumption (electricity, natural gas, diesel and coke) of the Group is as shown below:



Energy Resources	Associated Sites (%)	Energy Consumption, MWh		
		FY2022	FY2023	FY2024
Electricity	100	322,913	355,236	304,223
Natural Gas	33	293,298	311,410	276,136
Diesel	11	1,269	1,281	1066
Coke	11	105,359	93,480	82,994
Total		722,839	761,407	664,419

The total energy consumption of the Group is mainly attributed to upstream operations, SSB. EAF steel making and hot rolling are the key processes that consume large amount of energy. The total energy consumption in downstream operations is significantly lesser, about 7% out of total energy consumption for FY2024.

Sustainability Statement

(Cont'd)

As a huge electricity consumer, SSB has appointed REEM in line with the requirements of Efficient Management of Electrical Energy Regulations (EMEER 2008) to ensure efficient management of electrical energy. The REEM submits energy report to Energy Commission of Malaysia on half-yearly basis.

Our Initiatives

Energy management system ("EMS") is a computer added system that enables visualisation and monitoring of electrical power consumption of key equipment and machinery used for production. The Group has invested in EMS over the years, starting with steel making plant and hot rolling mills at SSB, followed by SPC. EMS facilitates steel making plant and hot rolling mills to optimise electrical energy consumption, avoidance of high maximum demand and identification of energy improvement opportunities thus reduce environment impact.

The EMS in the Group is listed as below:

No	Topic	Company	Location	Target	Implemented
1	Energy management system	SSB	Prai	Optimisation of electrical energy consumption, avoidance of high maximum demand and identification of energy improvement opportunities	FY1999 to FY2024
2		SPC	Shah Alam		FY2024

As illustrated in the topic of Response to Climate Change, the Group has set specific target in FY2023 for SPC to reduce natural gas consumption so that its Scope 1 GHG emission intensity can be reduced by 30% from FY2022 to FY2025.

The Group's effort in energy management for both upstream (SSB) and downstream (SSM, SPC, SPIM & SSP) operations are as below:

	Operations	FY2021	FY2022	FY2023	FY2024
Annualised energy savings per employee (kWh/employee)	Upstream operations	673	176	1,924	1,517
	Downstream operations	*	*	1,288	679

* Energy saving projects of downstream were not captured in the past

The Group has actively executed 17 energy projects in FY2024. The list of projects and respective energy savings achieved in are as below:

Project	Company	Location	Description	Estimate /Actual savings in kWh/month
LED High Bay Lighting	SSB	Prai, Penang	Upgraded water treatment plant high bay lighting sodium bay light 400W to LED type 200W 12 unit with timer control system	864
Inverter Control	SSB	Prai, Penang	Upgraded Mill Return Flash Pump 2 30KW star delta starter to inverter control system	3,494
LED Spotlight for crane	SSB	Prai, Penang	Reduced Energy Consumption for Crane Spotlight 400w(HID) by using 150W LED which total is 24 unit	2,385
LED High Bay Lighting	SSB	Prai, Penang	Reduced energy consumption for highbay light by using 150W LED replace 400W sodium bay light 25 unit	4,500

Sustainability Statement

(Cont'd)

Project	Company	Location	Description	Estimate /Actual savings in kWh/month
Inverter Control	SSB	Prai, Penang	Upgraded 700kW main fan 2 motor starters to inverter control.	80,515
LED Spotlight for crane	SSB	Prai, Penang	Replaced billet crane 6&7 400w spotlight by using 200W LED spotlight (Each crane 4 units of spotlight)	1,152
LED High Bay Lighting	SPIM	Butterworth, Penang	Changed 40 units of 400W Mercury Vapor High Bay Light to 200W LED High Bay Light for BW SPIM Bay 5, HT and PL Area	1,612
LED High Bay Lighting	SPIM	Butterworth, Penang	Changed 68 units of 400W Mercury Vapor High Bay Light to 200W LED High Bay Light for BW SPIM Bay 6	1,898
LED High Bay Lighting	SSM	Klang, Selangor	Upgraded energy saving high bay lights to LED high bay lights (51 units completed from total 286 units)	4,223
Auto power pack system	SSM	Klang, Selangor	Auto off all power pack motors at welder during lunch hour (1.5hour/day)	14,625
AC motor to Mechanical Roller	SSM	Prai, Penang	Removed AC Descaling motor at Koch Machine and replaced with mechanical rollers	10,390
Automation	SSM	Prai, Penang	Installed timer system for auto - OFF hydraulic motors at all welders during rest hour	3,774
Automation	SSM	Prai, Penang	Installed timer system for auto - OFF air compressor Ganey during recess time	4,464
Automation	SSM	Prai, Penang	Installed of timer system for auto - OFF air compressor 100HP during recess time	6,087
Automation	SSM	Prai, Penang	Installed of timer system to regulate ON OFF for 30kW motor at LEV ducting system	10,483
Energy Monitoring System (EMS)	SPC	Shah Alam, Selangor	Established Energy Monitoring system for energy savings analysis	N/A
Maximum Demand Control System	SPC	Shah Alam, Selangor	Established new system for MD to prevent overshooting the target of below 2.5MW	N/A
Total				150,466

5.3.5 Water Security

Malaysia's historical abundant water resources have served as the foundation for the country's socioeconomic development. However, over time, the water quality and ecosystem have degraded. Concerted effort is required to address and enhance water security and to achieve environmental sustainability.

Water stress is a condition where an imbalance occurs between water demand and water availability. Malaysia is classified as one of the countries with low to medium water stress by year 2040 (Source: World Resource Institute via The Economic Intelligent Unit). The projection done by National Water Research Institute Malaysia shows that coastal area along the west coast of Peninsular Malaysia will have water stress by year 2030.

Sustainability Statement

(Cont'd)

Our Approach

The Group believes that communication can change people's behaviour in consuming water, from the position of unaware of water security issue to that of consuming water more efficiently.

The Group is located at the coastal area along the west coast of Peninsular Malaysia, where water stress is projected. 100% of the operating companies of the Group are expected to be affected by high water stress in year 2030. The greatest impacts will be on SSB and SPIM due to their nature of operations that require vast water usage.

The Group engages and communicates the commitment on conservation and usage of water efficiently along with reclaim, recycle and retreat approach to secure water supply and minimise the impact of water stress in the future in our Environmental Policy statement to the employees and public through intranet, website, internal trainings and meetings.

The Group analysed the water withdrawal data of the Group and noted that more than 90% of the water was consumed by SSB and SPIM. In our long-term water management plan, the key focus is on SSB, which consumes more than 70% of the water used by the Group.

Key Focus Sites of Water Management Plan

Company	Location	Priority	Sites in the Group
SSB	Prai	High	44%
SPIM & SSP	Butterworth	Medium	
SPIM	Nibong Tebal	Medium	

Our Initiatives

The Group has investigated its water withdrawal, consumption and discharge by location, sources and destination.

Water Withdrawal

Company	Location	Water stress	Water source	Water withdrawal (megaliters)		
				FY2022	FY2023	FY2024
SSB	Prai	100% of sites located in water stress state (region) in Malaysia.	Municipal potable water (100%)	742	717	658
SPIM & SSP	Butterworth			124	206	151
SPIM	Nibong Tebal			23	24	21
SSM	Prai	Projected high water stress by 2030		40	32	32
	Klang					
	Rawang					
SPC	Shah Alam			13	20	34
Total water withdrawal (megaliters)				942	999	895

Note 1:

The Group has zero (0 megaliters) water withdrawal from surface water, groundwater, used quarry water, external waste water, harvested rain water, seawater and water extracted from the sea or the ocean from FY2022 to FY2024.

Note 2:

The water withdrawal covers 100% of the sites in the Group

Sustainability Statement

(Cont'd)

Water Consumption

Company	Location	Water stress	Water Consumption (megaliters)		
			FY2022	FY2023	FY2024
SSB	Prai	Located in water stress state (region) in Malaysia. Projected high water stress by 2030	742	717	658
SPIM & SSP	Butterworth		121	202	148
SPIM	Nibong Tebal		18	21	18
SSM	Prai		40	32	32
	Klang				
	Rawang				
SPC	Shah Alam		13	20	34
Total water consumption (megaliters)			934	992	890

Note:

The water consumption covers 100% of the sites in the Group

Water Discharge

Company	Location	Discharge destination	Water Discharge (megaliters)		
			FY2022	FY2023	FY2024
SSB	Prai	-	-	-	-
SPIM / SSP	Butterworth	Surface water into river	3.6	4.5	2.9
SPIM	Nibong Tebal		4.6	3.1	2.8
SSM	Prai	-	-	-	-
	Klang	-	-	-	-
	Rawang	-	-	-	-
SPC	Shah Alam	-	-	-	-
Total Water Discharge			8.2	7.6	5.7

Note 1:

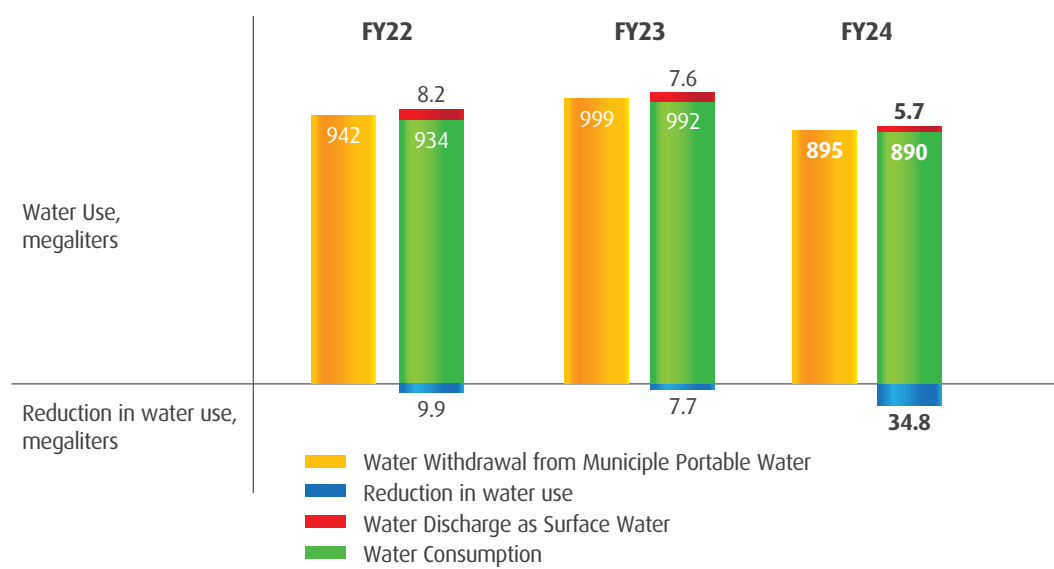
The Group has zero discharge (0 megaliters) to destinations such as ocean, sub-surface/well, off-site water treatment, beneficial or other use from FY2022 to FY2024.

Note 2:

The water discharge covers 33.3% of the sites in the Group. The balance of 66.7% of the sites do not have any water (effluent) discharge.

Sustainability Statement

(Cont'd)



Water Management Plan

Company	Location	Project	Operation	Year
SSB	Prai	Recycle Water Treatment Plant ("RWTP")	Steel making	2007
			Steel bar hot rolling	2009
			Wire rod hot rolling	2023
SPIM	Nibong Tebal	Recycle Quenching Water Pool	Auto Galvanizing	2025

In SSB, water is used mainly for the cooling of products, processes and equipment. Water is also used for other purposes, such as rinsing of products and cleaning.

The long-term water management plan of SSB is to progressively set up closed loop RWTP. SSB collaborated with the water treatment specialist to design and build closed loop RWTP to treat, recycle and reuse the processed water in steel making plant and hot rolling mills.

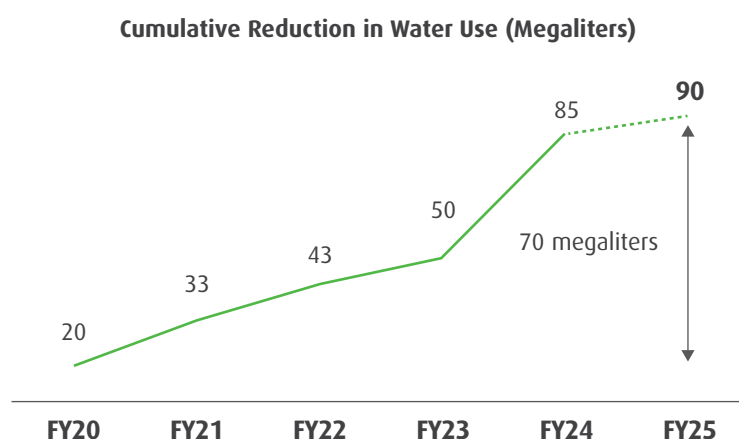
In FY2023, SSB invested RM3 million to build the third closed loop RWTP for wire rod hot rolling operation. This enables SSB to further conserve precious water resources and at the same time, reduce operational costs. The said RWTP is in operation since Q1 FY2024.

SSB also collaborates and works with water treatment contractor to treat the processed water for continuous circulation for its beneficial purposes.

The Group has set the target for SSB to reduce water use by 70 megaliters from FY2020 to FY2025. The cumulative reduction in water use at the end of FY2024 is 85 megaliters.

Sustainability Statement

(Cont'd)



The target of 70 megaliters from FY2020 to FY2025 is worked out to be an average reduction of approximately 2.0% per year of SSB's total water consumption.

Reduction in Water Consumption						
Company	Location	Water stress	Year	Water consumption (megaliters)	Reduction in water consumption (megaliters)	Reduction in water consumption (%)
SSB	Prai	Located at water stress state (region) in Malaysia. Projected high water stress by 2030.	2021	685	13	1.9
			2022	742	10	1.3
			2023	717	8	1.1
			2024	658	35	5.3
Average						2.4

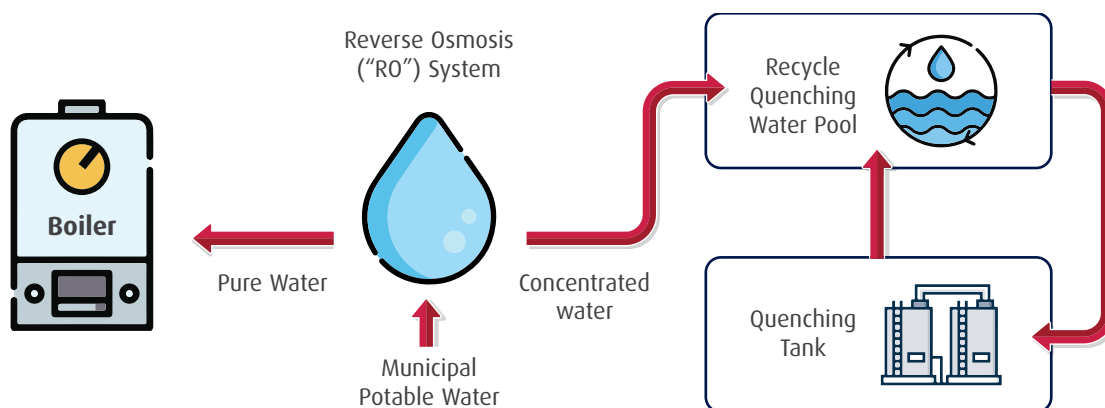
In SPIM Nibong Tebal, the Auto Galvanising Line has a quenching tank to rapidly cool down the hot galvanised pipes using water. An integrated, closed-loop water recycling system is specifically designed in such that the hot water from the quenching tank is returned back to recycle quenching water pool after cooling down the hot galvanised pipe. The returned water will be mixed with concentrated water from the Reversed Osmosis System and circulated back to quenching tank. The effective use of reversed osmosis concentrated water has reduced the needs of fresh water from Municipal Potable Water. The system is expected to be in full operation and able to capture the savings of water by FY2025.

This water recycling system supports the Group's commitment to innovate and use environmentally friendly industrial processes, ensuring high-quality production while conserving water resources and reducing operational costs.

Sustainability Statement

(Cont'd)

SPIM Auto Galvanising Line – Water Recycling System



Compliance

There was no incident of non-compliance with water quality/quantity permits, standards and regulations in FY2024.

5.3.6 Water (Effluent)

The development and growth of industries of various sectors across the world contribute significantly to the economy, but on the contrary, trigger numerous environmental challenges. One of the key challenges is the pollution of water resources by untreated wastewater. The untreated wastewater generated by industrial operations and activities contains pollutants and chemicals which are harmful to both ecosystems and human health.

Our Approach

In Malaysia, Environmental Quality Act 1974 - Environmental Quality (Industrial Effluent) Regulation 2009, among others, require the operation of the industrial effluent treatment system to be supervised by competent persons.

The Group believes that compliance is key to preventing the pollution of water resources. SPIM and SSP are the companies in the Group that produce water (effluent). The Group has a competent person to supervise the treatment of the effluent.

Our Initiative

The pipe making process in SPIM and SSP produces water (effluent). The sources of effluent are wastewater and waste coolant. The wastewater and waste coolant are treated onsite according to the Environment Quality Industrial Effluent Regulation 2009, Standard B prior to discharge as surface water into drainage and then river. The amount of treated water (effluent) discharged is tabulated below:

Company	Location	Treatment quality	Discharge destination	Source of effluent	Water (effluent) discharge, megaliters		
					FY2022	FY2023	FY2024
SPIM & SSP	Butterworth	Onsite treatment to comply to standard B, Environment Quality Industrial Effluent Regulation 2009	Surface water into river	Waste water	3.6	4.5	2.9
				Waste Coolant	0.7	0.9	0.9
SPIM	Nibong Tebal			Waste water	4.6	3.1	2.8
Total					8.9	8.5	6.6

Sustainability Statement

(Cont'd)

The quality of the treated water (effluent) is as below:

Treated water (effluent) for waste water – SPIM Butterworth and SSP

Parameter	Result			Standard B, Fifth Schedule Environmental Quality (Industrial effluent) Regulations 2009
	FY2022	FY2023	FY2024	
Biochemical Oxygen Demand (mg/l)	11	22	30	< 50 mg/L
Chemical Oxygen Demand (mg/l)	33	72	101	< 200 mg/L
Suspended Solids (mg/l)	3	7	13	< 100 mg/L
Zinc (mg/l)	0.58	0.29	0.3	< 2.0 mg/L
Iron (mg/l)	0.42	0.32	0.75	< 5.0 mg/L

Treated water (effluent) for waste coolant – SPIM Butterworth and SSP

Parameter	Result			Standard B, Fifth Schedule Environmental Quality (Industrial effluent) Regulations 2009
	FY2022	FY2023	FY2024	
Biochemical Oxygen Demand (mg/l)	8	16	7	< 50 mg/L
Chemical Oxygen Demand (mg/l)	33	43	16	< 200 mg/L
Suspended Solids (mg/l)	10	16	3	< 100 mg/L
Zinc (mg/l)	0.19	0.28	0.18	< 2.0 mg/L
Iron (mg/l)	0.36	0.35	0.44	< 5.0 mg/L

Treated water (effluent) for waste water – SPIM Nibong Tebal

Parameter	Result			Standard B, Fifth Schedule Environmental Quality (Industrial effluent) Regulations 2009
	FY2022	FY2023	FY2024	
Biochemical Oxygen Demand (mg/l)	27	7	4	< 50 mg/L
Chemical Oxygen Demand (mg/l)	12	28	27	< 200 mg/L
Suspended Solids (mg/l)	0	0	3	< 100 mg/L
Zinc (mg/l)	0.24	0.18	0.50	< 2.0 mg/L
Iron (mg/l)	0.14	0.25	0.62	< 5.0 mg/L

Sustainability Statement

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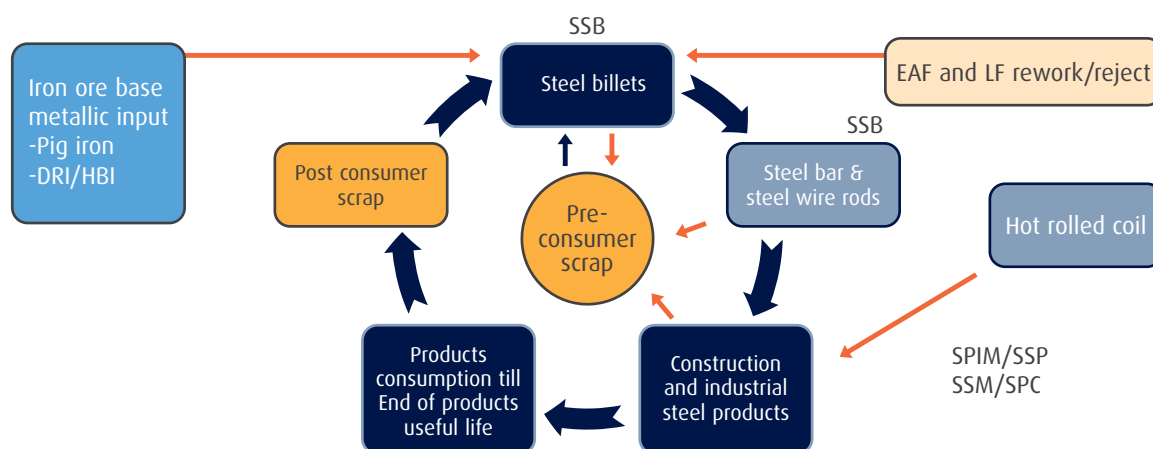
5.3.7 Circular Economy and Resource

Circular economy reduces GHG emissions, slows down the use of natural resources, reduces landscape and habitat disruption and helps to limit biodiversity loss. The circular economy of steel can mitigate the environmental impacts arising from the steel industry. Recycling of steel is one of the key focuses in achieving circular economy in iron and steel industry.

Our Circular Economy Model

The Group is an established producer and distributor of steel products. The Group utilises EAF and hot rolling technology at upstream operation.

Steel scrap is a key resource for EAF steel making at SSB. SSB recycles substantial quantity of steel scrap, which is an approach to support global circularity economy. SSB's EAF converts pre- and post-consumer steel scrap into valuable semi-finished product – billets, which are then hot rolled into steel bars and wire rods. Steel bars are supplied to construction industry while steel wire rods are further processed into construction and industrial products by steel processing industry prior to the consumption according to their intended purposes. When the useful life of construction and industrial products ends, post-consumer steel scrap is generated, recovered and recycled. Pre-consumer scrap which are generated during the casting of billet, hot rolling of steel bars and wire rods as well as processing of construction and industrial products are recovered and recycled in the EAF of SSB. The involvement of the Group in the circularity of the steel is illustrated in the figure below.



Material Consumption

Based on the circularity economy model of the Group, the material consumption of the Group is tabulated as below:

Operation	Type	Raw Material	Unit	FY 2022	FY 2023	FY2024
Upstream	Renewable	Steel and Metallic	Mt	637,730	717,881	612,480
	Non-renewable	Fuel	Mt	31,835	33,254	29,570
Downstream	Renewable	Hot rolled long and flat steel	Mt	159,115	184,062	206,090
	Non-renewable	Fuel	Mt	861	885	729

Sustainability Statement

(Cont'd)

Our Initiatives

EAF steelmaking is expected to grow as the iron and steel industry focuses on carbon neutrality and it is apparent that a dynamic shift in demand of steel scraps will take place.

SSB makes efforts to enhance circularity through maximisation of steel scrap usage in EAF while ensuring product quality meets the customers' requirements. The recycling business model of SSB is imperative for environmental sustainability, which enables preservation of natural resources.

SSB strives to enhance circularity through maximisation of steel scrap usage in EAF by setting a quantitative target to use 85% steel scrap for steel making from FY2021 to FY2025. In Q4 of FY2024, SSB has reviewed the target of using >85% steel scrap for steel making from FY2021 to FY2025. SSB has decided that the use of recycled content will facilitate future benchmarking.

Topic	Company	Target	Timeframe	
Circular Economy and Resource	SSB, Prai	To use >85% of steel scrap for steel making	FY2021 to FY2025	Existing
		Recycled content of >85% in steel making	FY2021 to FY2025	Revised

The recycled content of SSB is computed as below:

% Recycled content = $100 \times (\text{Pre and Post consumer scrap}) / (\text{scrap} + \text{iron ore base materials})$

	FY2022	FY2023	FY2024
Recycled content (%)	90.2	91.4	94.7

The Group has additionally made it a point that all the pre-consumer steel scrap generated by the Group as well as the rework and reject from EAF and ladle furnace ("LF") are to be used as part of the input material in EAF of SSB.

5.3.8 Waste Management

Waste management is one of the most important environmental protection strategies. The goal of waste management is to reduce the total amount of waste that goes direct to disposal and minimise the environmental burden through value creation, hence supporting sustainable development and the transition towards circular economy.

Our Approach

The manufacturing processes in the Group generate co-products or wastes. The Group's approach on co-product or waste is to recycle, reuse and recover the co-product or waste as much as possible.

Our Initiatives

The Group compiles and monitors the waste generation of the Group, as shown below:

Waste Classification

In Malaysia, hazardous waste is defined as any waste falling within the categories of waste listed in the First Schedule of the Environment Quality (Scheduled Wastes) Regulations 2005.

The Group identifies the waste or co-product generated based on their characteristic and potential to adversely affect public's health and environment and categorises them into:

- Hazardous waste (herein referred to as scheduled waste)
- Non-hazardous waste.

The scheduled waste is then classified according to the First Schedule (Regulation 2) (Environment Quality (Scheduled Wastes) Regulations; 2005).

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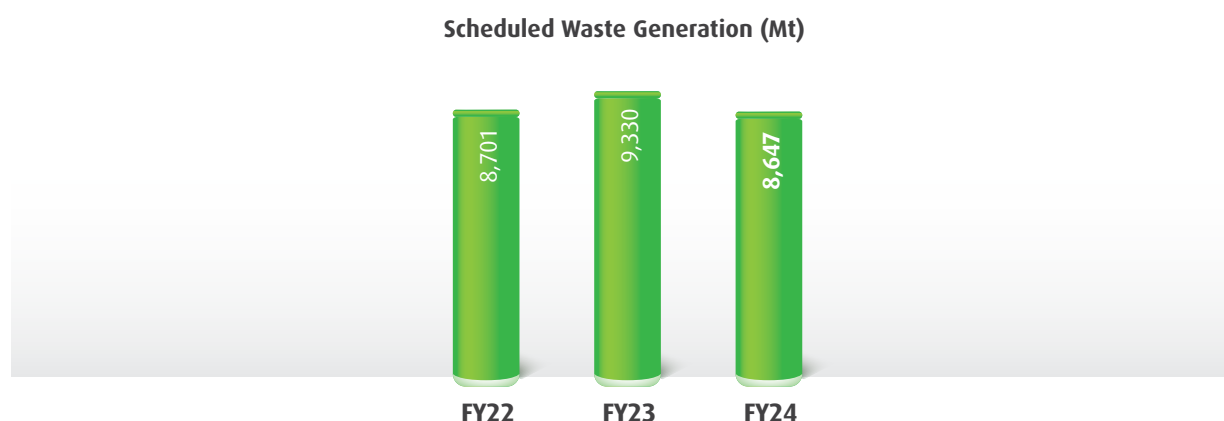
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The type of scheduled waste generated by the Group is listed according to the scheduled waste code, as below:

Scheduled waste code	Waste / Co-Product	Scheduled waste code	Waste / Co-Product
SW104	EAF dust, zinc ash, Zinc dross	SW404	Clinical waste
SW204	Sludge	SW409	Contaminated container
SW305	Spent lubrication oil	SW410	Contaminated glove, rag and filter
SW306	Spent hydraulic oil	SW417	Waste paint
SW307	Spent mineral oil - water emulsion	SW418	Off spec paint
SW311	Waste oil / sludges	SW427	Mineral sludge

Scheduled Waste Generation

The Group's scheduled waste generation is as listed below:



Scheduled Waste Disposal

The Group is always mindful of compliance to the Environment Quality (Scheduled Waste) Regulations, 2005 followed by, where possible, accomplishing beyond regulatory requirements. The Group also endeavours to maximise the resource value of co-product or waste through research and development in tandem with collaboration with external parties, as well as promotion in the recycle and reuse of both scheduled and non-hazardous waste and co-product. The efforts of the Group thus far are as elaborated below:

- a) The steel making plant of SSB generates EAF dust, a co-product under the classification of Scheduled Wastes Code, SW104. EAF dust has a high zinc compound which can be recovered. SSB has collaborated and developed a local licensed recycler, which is nearby to us to recycle the EAF dust and extract valuable zinc compound which is then processed into zinc ingot for industrial application.



SSB seeks to accomplish beyond regulatory requirements in terms of storage duration and quantity of scheduled waste. SSB collaborated with a long-term local licensed recycler and spent approximately RM1.2 million to modify the EAF dust collection facility in the 4th quarter of FY2019. The modification enabled the loading of generated EAF dust directly onto the trucks for the licensed recycler to collect for subsequent recycling in their plant. The collaboration and investment enabled SSB to set the target for closing inventory of EAF dust at a maximum of 15Mt.

Site	Target	Actual (Mt)		
		FY2022	FY2023	FY2024
SSB	Closing inventory of EAF dust at a maximum of 15Mt from FY2021 to FY2025	0	0	0

Sustainability Statement

(Cont'd)

- b) Zinc ash and zinc dross generated by SPIM is another co-product classified under the Scheduled Wastes Code, SW104. SPIM disposes zinc ash and zinc dross to licensed collectors and recyclers monthly for recycling into products, such as zinc ingot.

According to the First Schedule of the Environment Quality (Scheduled Waste) Regulations, 2005, the maximum scheduled waste quantity that can be stored at premises is 20Mt and the storage duration should not exceed 180 days.

SPIM has set the target to control its maximum quantity of zinc dross and zinc ash to 20Mt with storage duration of not exceeding 100 days. By doing so, SPIM is able to comply with the regulatory requirements as well as achieving a shorter storage time than the regulated 180 days in FY2023. In the next 3 financial years, SPIM will work on further reducing the storage time to below 60 days with a maximum storage quantity of 20Mt.

Site	Target	Actual (Days)		
		FY2022	FY2023	FY2024
<ul style="list-style-type: none"> SPIM Butterworth SSP Butterworth SPIM Nibong Tebal 	Controls maximum quantity of zinc dross and zinc ash to 20Mt with storage duration not exceeding 100 days	60	50	50

- c) The Group engages external licensed contractors to collect the waste as our obligation to comply with the regulatory requirement. The licensed contractors will treat the scheduled wastes in the following manner:

Activity	Scheduled Waste Code
Reuse	SW409, SW410
Recycling	SW109, SW204, SW206, SW305, SW306, SW307, SW311, SW312
Other recovery operations	SW104, SW110, SW204, SW408, SW417, SW418, SW427
Incineration	SW404, SW416, SW417, SW418
Secured landfill	SW204, SW427

Non-Hazardous Waste Disposal

The Group believes that effective management of waste helps to reduce waste that goes to the general waste stream and hence, reduces the potential impact to the environment. The Group puts in concerted effort in reducing waste through reuse, recycling and recovery as far as possible through research and development, as well as collaboration with external parties. The venture of the Group in waste management until now is as set out below:

- a) The steel making plant in SSB generates EAF slag in its steel scrap melting process. EAF slag is a non-metallic co-product, which is classified as a non-scheduled waste. EAF slag is used as an alternative to rock fragments, which is commonly used as an aggregate for landfill and replacement of granite aggregate. The strategy of SSB is to treat EAF slag in-house to recover the metallic waste before further processing the slag for intended applications. The metallic waste recovered will then be reused in EAF as an input material for steel making. The in-house treatment and processing process reduces the need for external transportation and hence, reduces carbon emissions. Currently, 100% of the treated EAF slag is used as alternative rock fragments.
- b) The steel making plant in SSB also generates ladle furnace slag and used refractory material, a non-metallic co-product that forms during steel refining process at ladle furnace. Ladle furnace slag is used for soil conditioning while used refractory material is crushed for reuse in EAF to improve the refractory wall lining protection of the EAF. The mixture of ladle furnace slag with used refractory materials can be disposed to bricks maker to produce cement bricks.
- c) The general waste in the Group is further segregated according to 3R (Reduce, Recycle and Reuse) prior to final disposal. Old newspapers, shredded paper, magazines, malfunctioning computers, and electrical appliances are amongst the items that are being segregated before disposal as general waste.

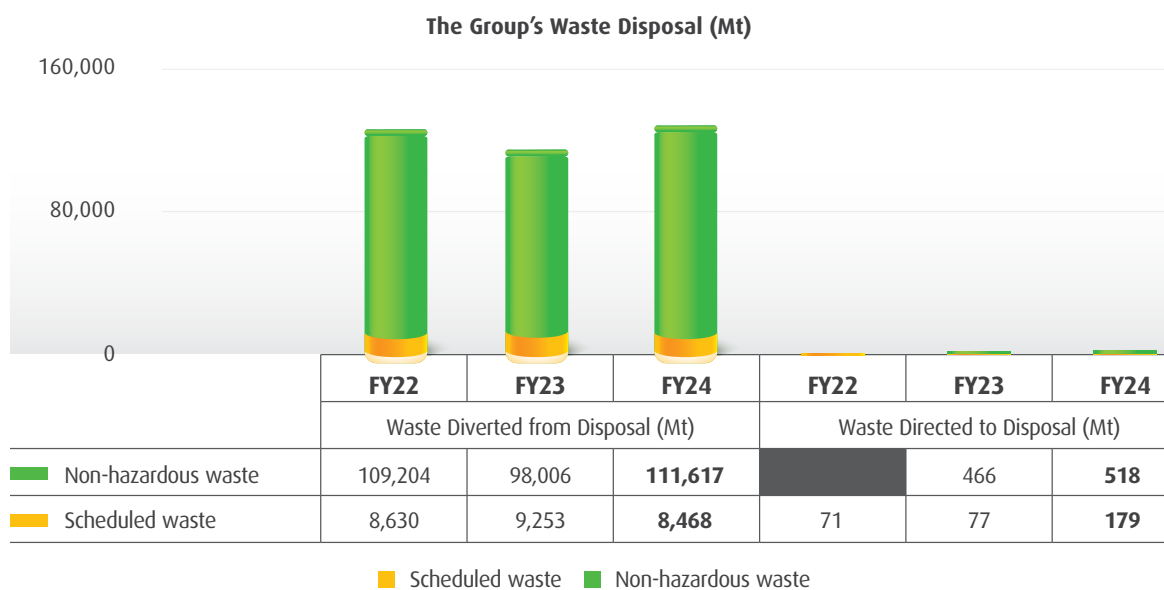
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Our Performance

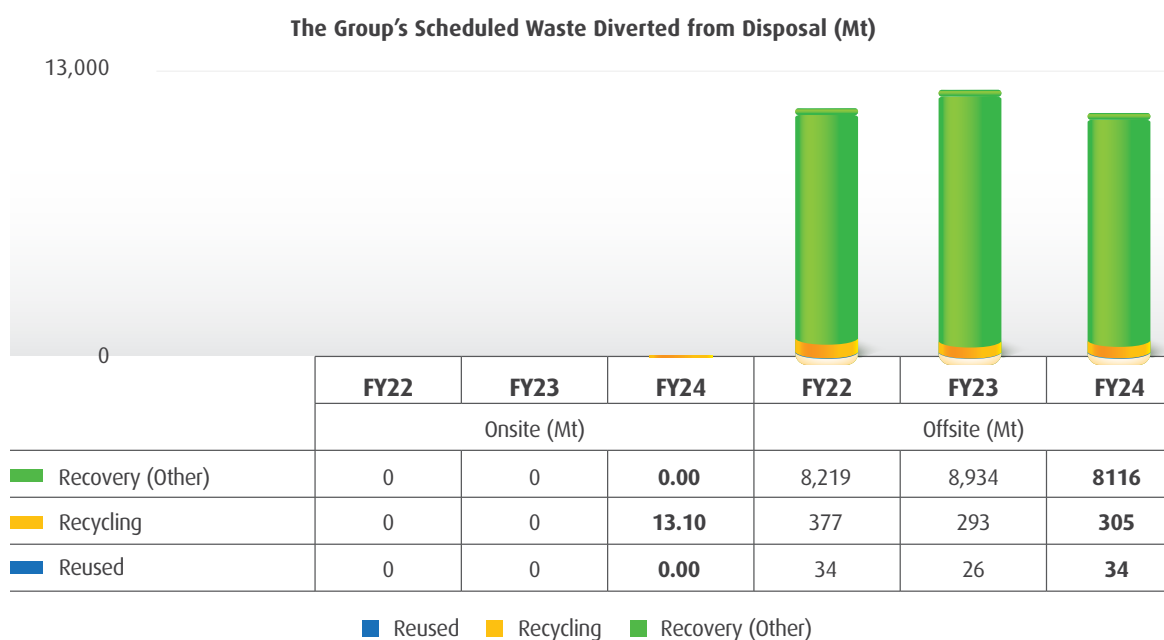
The Group's dedication and effort in avoiding direct disposal of both scheduled waste and non-hazardous waste have contributed the distinctive outcome as below:

- a) The total wastes that were diverted from disposal and directed to disposal:



Note: General waste data which is a part of non-hazardous waste was excluded in FY2022 as it was an estimation and not actual weight. For FY2023, it was captured with exclusion of SSM Rawang and SSM Klang due to incomplete weight data.

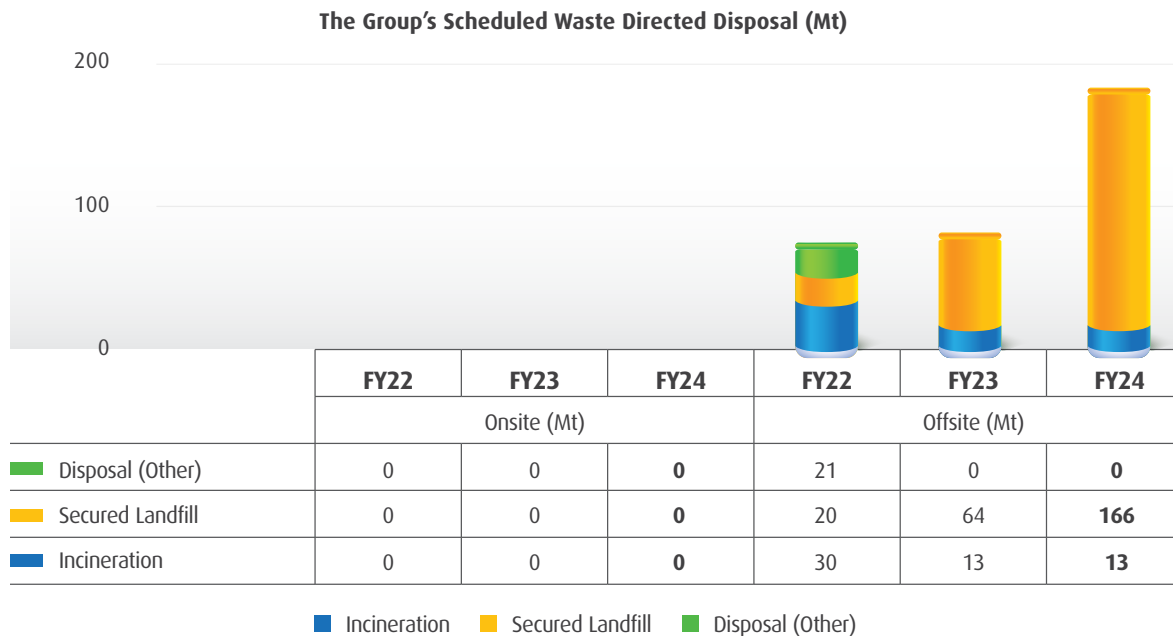
- b) The breakdown of scheduled waste diverted from disposal:



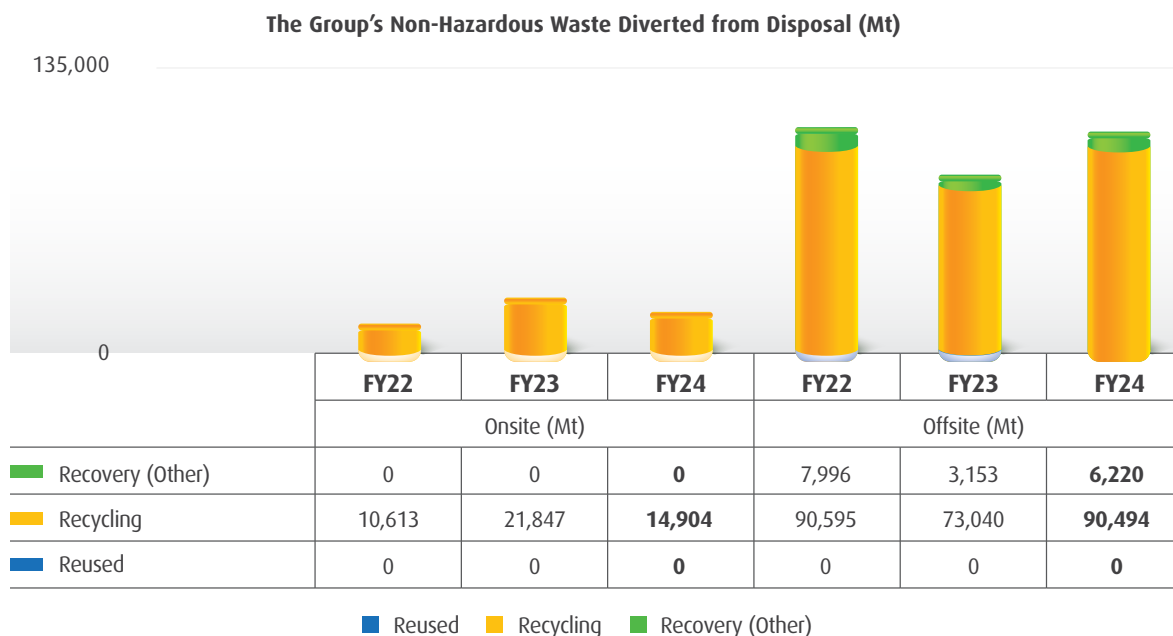
Sustainability Statement

(Cont'd)

- c) The breakdown of scheduled waste directed to disposal:



- d) The breakdown of non-hazardous waste diverted from disposal:

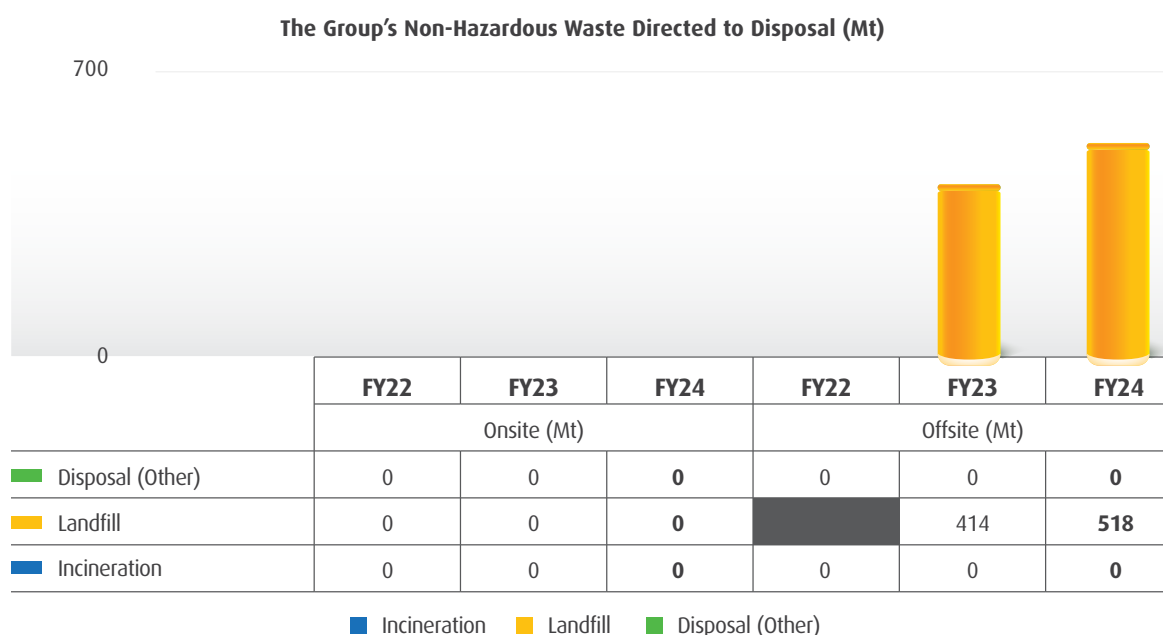


Note: We have changed the categorisation of EAF slag from 'Recovery' to 'Recycling'. The data for previous years were also subsequently amended.

Sustainability Statement

(Cont'd)

- e) The breakdown of non-hazardous waste directed to disposal:



Note: General waste data which is a part of non-hazardous waste was excluded in FY2022, as it was an estimation and not actual weight. For FY2023, it was captured with exclusion of SSM Rawang and SSM Klang due to incomplete weight data.

In support of the Group's approach to recycle, reuse and recover the waste as much as possible, the Group has set a target to avoid waste that is directed to disposal at maximum of 3%. For FY2024, the total waste diverted from disposal is 0.6%.

Target	Actual (%)		
	FY2022	FY2023	FY2024
Total waste that is directed to disposal at a maximum of 3% from FY2021 to FY2025	0.1	0.5	0.6

Steel Scrap

Steel scrap generated by the Group is sent to SSB as a resource for recycling in the EAF as described in section 5.3.6. Though steel scrap is a key resource for SSB's EAF, the Group puts in effort to reduce the generation of steel scrap through our subsidiary, SSM. SSM provides service to the construction industry by cutting the steel bar into required length or forming into the required shape prior to delivery to the construction site. With such service, steel wastage at construction sites is reduced.

Sustainability Statement

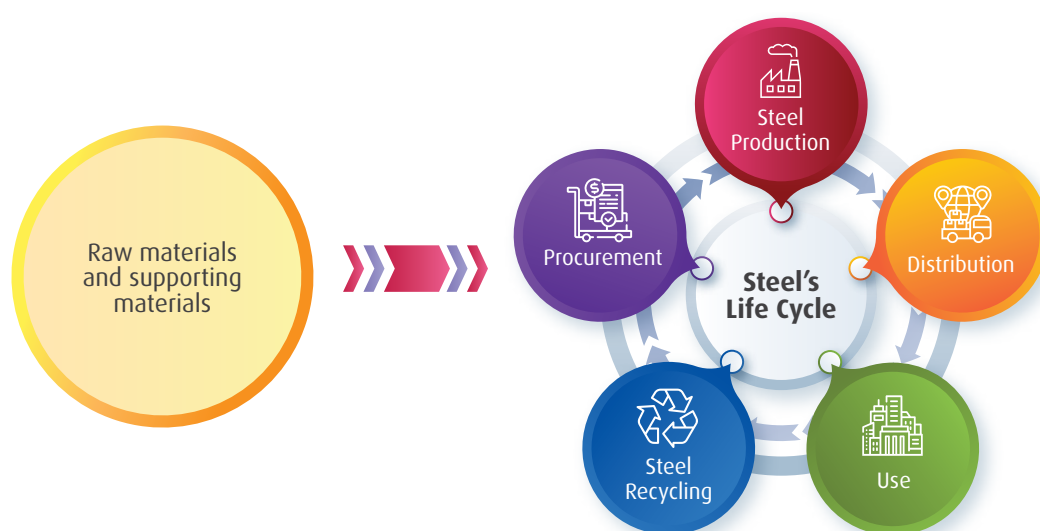
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5.3.9 Life Cycle Analysis

Life cycle analysis ("LCA") provides a holistic view of environment performance of a product. An LCA of steel covers the procurement of raw materials and supporting materials, steel production, distribution, use and recycling after the end-of-life stage.

The Group strives to reduce the environmental impact of its steel products in all phases of the life cycle, from raw material extraction to end-of-life recycling. The entire life cycle is taken into consideration in our product and system design.

The life cycle analysis provides information on how the Group controls or influences the way the products in the Group are manufactured, distributed, used and recycled to manage the environmental impacts within the life cycle, which is essential to long term sustainable development.




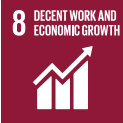








Life cycle phase	The Group's Practices	Environmental impact considerations
Procurement	<ul style="list-style-type: none"> Supports local purchase 	<ul style="list-style-type: none"> Reduces long distance transportation's GHG emission
	<ul style="list-style-type: none"> Performs periodical ESG assessment 	<ul style="list-style-type: none"> Driving forces to build a pool of environmentally responsible suppliers
Steel production	<ul style="list-style-type: none"> Maximises recycling rate in steelmaking 	<ul style="list-style-type: none"> Lower GHG emission intensity
	<ul style="list-style-type: none"> Process improvement and optimisation 	<ul style="list-style-type: none"> Lower energy consumption
Distribution	<ul style="list-style-type: none"> Uses approved transporters for local delivery 	<ul style="list-style-type: none"> Reduces transportation's GHG emission
	<ul style="list-style-type: none"> Effective delivery scheduling 	
Use	<ul style="list-style-type: none"> Facilitates the construction sector through SSM, by providing services of cutting the steel bar into required length or forming into the required shape prior to delivery to the construction site 	<ul style="list-style-type: none"> Reduces generation of steel scrap at construction site
Steel recycling	<ul style="list-style-type: none"> Recycles substantial quantity of steel scrap in EAF steelmaking of SSB 	<ul style="list-style-type: none"> Steel products are 100% recyclable Supports global circularity economy Preserves natural resources

Sustainability Statement

(Cont'd)

5.4 Social Sustainability

The Group reckons that people with a diversity of background, ideas and life experiences is the most valuable resource along our business chain. We aspire to contribute to the people within our organisation and the local communities to improve the quality of life, foster strong relationships and elevate the opportunities for people to fulfill their potential.

SDG	The Group's Efforts
 	<ul style="list-style-type: none"> Adopted a hybrid of top-down and bottom-up approach in the management of occupational safety and health. Reviewed the occupational safety and health compliance and safety risk management by the Board, with the matters closely monitored by Group Managing Director. Participation of employees in reporting of potential safety hazard at workplace, as well as contributing and implementing safety related Kaizen ideas. 67% of the Group's operating sites were certified to ISO 45001. Implemented various safety programs to enhance safety performance. Achieved LTIF rate of 1.17 in FY2024 as compared to target of 1.00
  	<ul style="list-style-type: none"> Communicated to stakeholders the Labour Standard Statement upon which human rights related commitments are embedded to support the labour rights of employees. Enhanced employees' engagement through multiple sources and touchpoints, sports and festive season activities. Recorded zero reported case of discrimination, harassment or violations of child labour or forced labour in FY2024. Maintained a healthy general workforce mix in terms of ethnic, age demographics and gender balance. Provided various types of training, which included job related trainings and soft skill trainings, with 19,544 of training hours recorded.
    	<ul style="list-style-type: none"> Focused areas of community investment were Social Wellbeing and Development, Education and Environment. Contributed a total of RM25,033 in community investment. Involved a total of 491 employees' participation from the Group and clocked in approximately 1,060 hours in community activities. Organised 3 festive programs for the underprivileged. Donated 100,600ml of blood to save lives. Recruited 11 undergraduates and fresh graduates for exposure to steel industry and 5 participations in Graduate Development Program. Planted 300 trees as part of our care for biodiversity and supporting Penang state's 1 Million Tree Planting event on Earth Day 2024. Protected environment by collecting e-waste and 3R waste followed by proper disposal via licensed collectors.

5.4.1 Occupational Safety and Health

The iron and steel industry is a highly intensive industry, in which the manufacturing of steel involves several inherent risks and hazards. Managing the inherent risks and hazards is a complex and challenging occupational safety and health task, as it involves the protection of not only employees, contractors, stakeholders but also organisational assets, communities and the surrounding environment.

Our Approach

The Group, as a socially responsible steel corporation, strongly believes that protecting the safety and health of its employees, contractors and other stakeholders, is of utmost importance. The Group practices a hybrid of top-down and bottom-up approach in the management of occupational safety and health ("OSH").

Sustainability Statement

(Cont'd)

The Board of Directors has oversight on the safety and health matters of the Group, with the Group Managing Director responsible for reporting safety and health matters to the Board. The Group Managing Director is assisted by the SSC Safety and Health Committee. The SSC Safety and Health Committee consists of safety managers and/or safety officers from all the operating companies in the Group. Such Committee spearheads the safety and health aspects which include but not limited to:

- OSH compliance
- Risk management, hazard identification and risk assessment
- Employee participation and engagement
- Safety and health training
- Safety and health performance

The management and the employees (union and non-union representatives) actively participate in the safety committee meetings conducted every 3 months to check that safety and health matters are managed meticulously. In addition, each operating company is required to update their monthly OSH performance to the Group Managing Director.

The Group believes that obtaining the ISO 45001 Occupational Health and Safety Management System certification (previously known as OHSAS 18001) is the foundation for pursuing OSH management systematically. The Group adopts the framework of ISO 45001 as a guideline to set up its safety and health framework in the Group.

The Group affirms that clear communication is vital to induce the mindset on priority of safety and health among employees, contractors and other stakeholders at workplace. Our OSH Policy Statement expresses our commitment to provide a safe and healthy working condition and continuously improve the safety and health performance of our workplace.

Our Initiatives

ISO 45001 Occupational Health and Safety Management System

In FY2024, SPIM and SSP completed their ISO 45001 stage 1 adequacy audit by certification body, SIRIM QAS. The compliance audit will be held in FY2025. As of now, 67% of the sites in the Group are certified with ISO 45001. Our aim is to have 100% of the sites certified with ISO 45001 in FY2025 and this reflects our persistence in pursuing our duty of care in the health and safety of our people.

	FY2024
Sites in the Group certified with ISO 45001	67%

OSH Compliance

The Group keeps abreast of the latest legal requirements of safety and health, and works diligently to comply with the requirements.

Risk Management, Hazard Identification and Risk Assessment

All the operating companies in the Group have established their respective registers, as stated below as part of their compliance to the requirement of ISO 45001 and Department of Occupational Safety and Health ("DOSH"):

- Safety and Health Risk and Opportunity Register
- Safety and Health Hazard Identification, Risk Assessment and Risk Control ("HIRARC")
- Chemical Health Risk Assessment ("CHRA").

The Group applies the same risk management process as described in section 5.1.1 for all the existing operating companies including potential new projects. For chemical health risk assessment, each operating company will appoint a competent CHRA assessor to perform the assessment at an interval of every 5 years.

Sustainability Statement

(Cont'd)

As part of the risk mitigation, the Safety and Health Committee of the Group has established safety visual standards for common facilities and processes within the Group. The safety officers within the Group conduct an annual audit verification on the implementation of safety visual standards to ensure standardisation of safety and health practices within the Group.

Employee Participation and Engagement

The Group strives to safeguard employees' well-being beyond adhering just to safety regulations. The Group endeavours to instill a culture of total involvement in safety and health by encouraging employee participation and engagement.

The Group encourages its employees to report any potential safety hazard in their workplace by filing a Safety Observation Report ("SOR"). SOR is also used by management during Gemba Walk to communicate and discuss health and safety subjects with the employees. In addition, the employees also contribute and implement safety related Kaizen ideas that further improve the safety and health of their working environment.

SOR and Safety Kaizen

The below shows the results of SOR raised and number of safety Kaizens recorded:

	FY2024
SOR raised by management	778
SOR raised by employees	930
Number of Safety Kaizen	336

Note: The value above covers 100% of the sites in the Group.

Training

The Group prioritises training as a tool to drive safety and health excellence.

Description	FY2024
Number of staff trained on health and safety standards	1,518 (87% of total employees)

The following are some of the major training programs conducted during the financial year:

No	Training module	Purpose
1	Hazard Identification, Risk Assessment, and HIRARC Training	Trains employees to carry out risk assessments effectively for existing and new operations and projects.
2	Hearing Conservation Training	Equips employees with the importance of knowledge in protecting their hearing in a noisy environment. The training also teaches the employees on how to use personal protective equipment ("PPE"), such as earplugs and ear muffs, effectively.
3	BOMBA Firefighting Competency Training	Enhances the knowledge and skills of employees on how to effectively respond during a fire emergency. The training also covers the effective usage of fire extinguishers during fire emergencies.
4	Forklift Safe Operation Training	Understands the proper material handling procedures and forklift preventive safety checks.
5	Chemical Spillage Preparedness Training	Educates employees on how to handle chemical spillage effectively. The training also teaches the safety procedures for handling and storing chemicals.
6	Basic Occupational First Aid, CPR with AED Training	Equips the employees with essential first aid and Cardiopulmonary Resuscitation ("CPR") skills. The training also covers methods of effectively using the automated external defibrillator ("AED") in a cardiac emergency.

Sustainability Statement

(Cont'd)

Our Performance

The Group's safety performance is measured and evaluated using Lost Time Incident Rate ("LTIR").

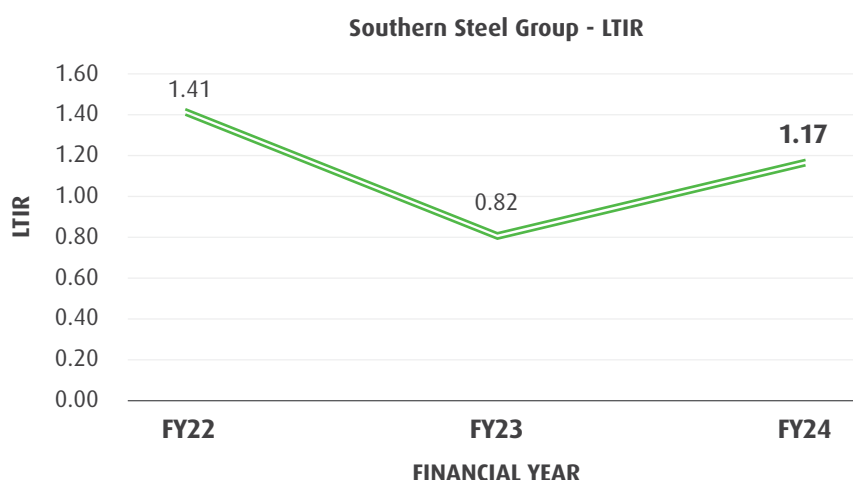
$LTIR = (LTI \text{ in the financial year} / \text{total work hours of employees}) \times 200,000$

Note: LTI (Lost time injuries) is defined as "any work-related injury or illness that results in an employee being unable to perform their regular duties and requires them to take time off from work"

The Group's LTIR target is as below:

Company	Location	Target	Timeframe
The Group	All sites (100%)	LTIR below 1.00	FY2023 to FY2025

The chart below shows the LTIR performance of the Group, which covers 100% of the operating companies (sites):



The Group has seen a minor setback from the previous financial year. In FY2024, the Group achieved 1.17 as compared to 0.82 in FY2023. The Group also addressed a regrettable incident involving a fatality in FY2024. This incident served as a reminder of the importance of prioritising safety across all facets of operations.

Company	Location	Description	FY2023	FY2024
The Group	All sites (100%)	Employee	0	1
		Contractor	0	0

The Group continues to focus on safety initiatives, such as safety drills, Gemba walks and training to mitigate industrial accidents. The Group will continue to emphasise and encourage employees to participate in identifying and mitigating unsafe conditions and practices in the workplace.

The Group continues to strive to meet our slogan of zero accidents and zero fatalities.

Sustainability Statement

(Cont'd)



5S

The Group adopted and implemented the HLMG 5S system for both office and plant since 2012 with target to prepare a conducive working environment and drive bottom-up approach of continual improvements in the areas of productivity, quality, cost, delivery, safety and moral.

The Group has an established 5S central steering committee to plan, execute and update the 5S activities of all operating companies. In FY2024, key 5S promotional and publicity activities across the Group are weekly 5S communication through email to all the office employees, 5S quiz, 5S puzzle games, Kaizen competition, rewards and recognition for the best 5S zone with the target to continue the momentum of employee participation in 5S activities. The Group also publishes Quarterly newsletter or E-newsletter to capture employees' achievement in 5S.

In FY2024, all operating companies in the Group were audited by HLMG 5S auditors and were successful in sustaining 5S performance and rating in accordance to the HLMG 5S guideline.



Sustainability Statement

(Cont'd)

5.4.2 Our People

In today's rapidly developing society, the concept of sustainability in relation to our people is deeply interconnected, forming the foundation of our ESG principles. Sustainability ensures the long-term viability of our society, while we strive to embed the relevant skills, knowledge and well-being of our people, which we recognise as essential for sustainable development. The Group is committed to fostering an inclusive and diverse work environment, recognising that this is crucial for building a resilient and sustainable organisation. By emphasising on ESG principles, we aim to create a positive impact on our community, environment and workforce, contributing to a balanced and sustainable future.

Our Approach

Every employee deserves to be treated with dignity and have their interests considered fairly. The Group maintains its commitment to continuously improve the welfare of its employees, which includes giving them a fair, respectable and safe workplace across all levels in the organisation. The Group's commitment to human rights is aligned with HLMG's Code of Conduct and Ethics, which applies to all employees.

Our approach is guided by the relevant laws in Malaysia, listed as below:

- Employment Act 1955 (Act 265)
- Industrial Relations Act 1967
- Holidays Act 1951 (Act 369)
- Children and Young Persons (Employment) Act 1966 (Act 350)
- Employment (Termination and Lay-Off Benefits) Regulations 1980
- Minimum Wages Order 2022

We maintain an environment that provides a strong sense of belonging, and being valued and respected amongst our employees and stakeholders, including our customers, business partners and suppliers. We expect our management to live by our values and demonstrate these behaviours. At Southern Steel, everyone is expected to live by our core values of honesty, integrity and respect for people in line with our Code of Conduct. We work in line with local policies, laws and regulations.

These are the major areas where our people strategies apply:



Sustainability Statement

(Cont'd)

Cultivating our Group's Core Values

To foster a healthy and sustainable workforce that values people, we continue to preserve our best practices and uphold the Group's core values as below:



The Group commits to the principles as stated in our Labour Standards Statement, which was first introduced in FY2023. The said statement is available in English and Malay language and has been communicated to our employees and stakeholders, including business partners. We foster an inclusive and diverse work environment and support the labour rights of our employees. It is our belief that all employees should be treated with dignity, respect and fairness.

In the Labour and Human Rights section of our Supplier Code of Conduct and Ethics, all forms of forced, abusive and illegal labour are prohibited. Our suppliers are expected to treat their employees (whether contractual or permanent) with fairness, dignity and respect, and do their best to provide a working environment that is free from discrimination and harassment. The suppliers shall ensure compliance with all applicable labour laws and regulations, including and without limitation, those in respect of minimum age, minimum wage and benefits, working hours and provident/retirement fund contributions.

The following principles reflect our values:

- Positive work conditions for our employees where discrimination and harassment are not condoned.
- Prohibition of child labour in our operations, where no employees are under the minimum age for employment set by the relevant laws and regulations in Malaysia.
- Denouncement of forced labour, i.e. where workers are compelled to work against their will and where they are unable to leave due to threats or penalty by their employer.
- Fair and competitive remuneration packages for employees based on their qualifications, skill sets, performance, seniority and experience, supporting equal pay for equal work and in compliance with local laws.

The Group places importance on fair working conditions. We do our best in supporting a workplace that is free from harassment and unlawful discrimination based on race, religion, gender, age, sexual orientation, disability, nationality, gender identity and expression, colour, ethnicity, political affiliation, union membership, covered veteran status, protected genetic information or marital status in our hiring and employment practices such as promotions, rewards and accesses to training. It begins with the creation and promotion of an inclusive workplace, where all employees can perform at their best while valuing our differences and diversity. This is also reflected well in our employee engagement activities.

Sustainability Statement

(Cont'd)

Employee Engagement

The Group engages with its employees to obtain valuable insights on what matters the most to them and to understand specific sustainability or employment issues through multiple sources and touchpoints, such as targeted engagement through focused groups and one-on-one interviews. Employees' engagement activities, department meetings, feedback platforms and employees' events are also some of the approaches taken.

The Group has taken action to address labour issues, including the prevention of child labour and forced labour, as well as supporting a living wage and has mechanisms to allow employee representatives to engage with company management. The Group respects the rights of workers to associate freely, join or not join labour unions, seek representation, and join workers' councils in accordance with local laws. We provide oversight responsibility and resources in support of respect for human rights and in our day-to-day responsibilities, for relevant functions, we have open communications and direct engagement between workers, union representatives and management which form effective ways to resolve any human rights, workplace and compensation issues. Workers are able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

We provide oversight responsibility and resources to ensure respect for human rights and the responsibility is assigned to the Group's Chairman of the Board Audit and Risk Management Committee. Any concerns or violations to the above can be reported directly to the Group's Chairman of the Board Audit and Risk Management Committee through the whistleblowing platform that is stated in our Whistleblowing Policy, which is widely available in our company's website.

For FY2024, there were no cases of discrimination, harassment or violations of human rights, child labour or forced labour being reported or recorded.

We prioritise employees' well-being by adhering to stipulated employment laws, ensuring statutory payments and parental leaves, which are not only compliant but also reflective of our commitment to a supportive work environment. We promote healthy work-life balance in our efforts to eliminate excessive working hours so that our employees have sufficient rest and time outside of work to focus on their families and other interests. In support of employees' health and well-being, we have also worked with a government body, PERKESO, to perform health screening for targeted age groups of our employees, to help detect and prevent any health risks on non-communicable diseases, such as diabetes, high blood pressure, and others.

To encourage people engagement within our Group, we have launched initiatives such as the Foreign Workers' Hostel Competition.

Foreign Worker Engagement

To enhance the well-being of our foreign workers, we have launched the quarterly hostel competition. The judging criteria focus on cleanliness and organisation, health and safety, 5S and Kaizen improvements. The objective of this competition is to ensure safe, comfortable and clean accommodation for our workers.



Sustainability Statement

(Cont'd)

Our Human Resources also organised grocery shopping as part of prize giving activities to the foreign worker winners.



Festive Seasons Employees' Engagement Activities

Deepavali Celebrations

The vibrant spirit of Deepavali shimmered brightly as the employees came together at each of their operating sites to celebrate this cherished festival of light and togetherness.



Sustainability Statement

(Cont'd)

Chinese New Year Celebrations

Chinese New Year 2024 is the Year of the Dragon according to the Chinese zodiac and the Group celebrated the festive occasion together to strengthen the unity among our people.



BUBUR LAMBUK in conjunction with the month of Ramadan

For the first time, the H2H Club organised a Bubur Lambuk cooking event for our employees at SSB's premises in conjunction with the month of Ramadan. A total of 1,050 parcels were distributed to our employees. With events like this, we hope to maintain the spirit of harmony and teamwork among our employees.

Hari Raya Celebrations

During this occasion, our premises were adorned with traditional Hari Raya decorations, creating a festive and welcoming atmosphere. Colourful lights, intricate patterns, and cultural ornaments transformed the space, reflecting the spirit of joy and togetherness.



Sustainability Statement

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Sports Employee Engagement Activities

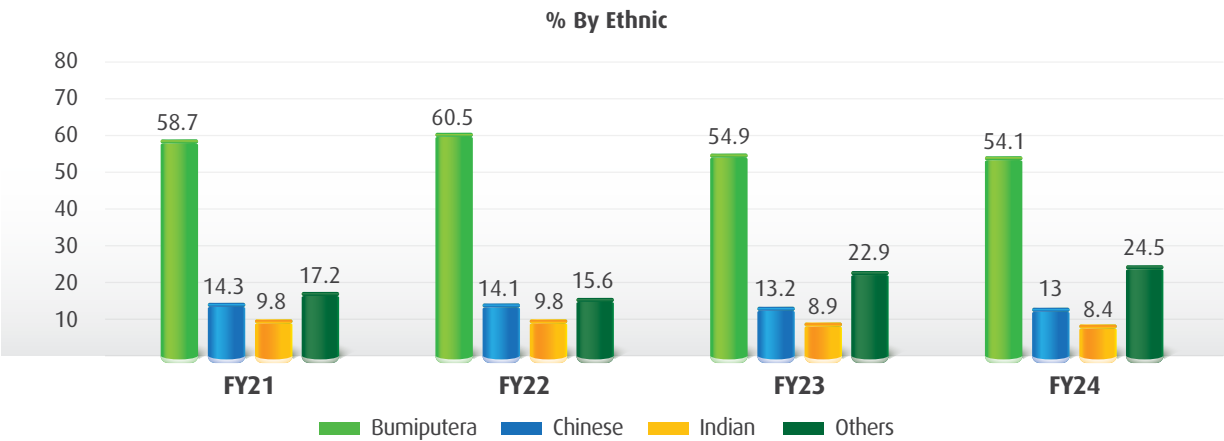
The Hong Leong Group Sports Tournament 2024 commenced with round-robin matches at Kampar in January 2024, featuring a variety of sports including volleyball, football, futsal, sepak takraw, basketball, netball, badminton, and table tennis.

The final event unfolded in Shah Alam end of March 2024. Here, the finalists vied for their ultimate rankings in the sports previously contested in Kampar. Additionally, 5km run, tug of war and track and field competitions were also organised on the same day.

Despite the hot weather in Malaysia, the sports tournament was brimming with excitement, energy and enthusiasm as colleagues from various companies competed in diverse events. The event culminated with a grand prize-giving ceremony, where senior management members presented the medals to the deserving winners.

Diversity

Workforce diversity has emerged as a key driver of success in today’s globalised and interconnected world. The Group continues to focus on employee diversity in order to bring unique perspectives, experiences and talents to the table.

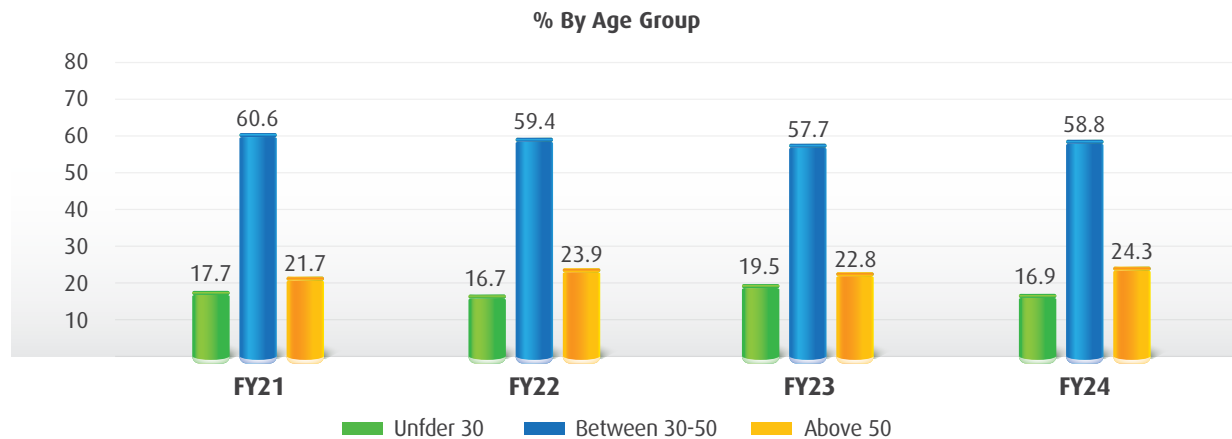


The Group has created a workforce that reflects a mix of different ethnic origins and nationalities, aiming for inclusivity and equal opportunities regardless of race or nationality. Promoting ethnic diversity requires ongoing efforts and initiatives to eliminate biases and provide equal opportunities to foster a culture of inclusivity. The Group will continue to embrace the diversity of our employees. We celebrate Chinese New Year, Hari Raya Aidilfitri and Deepavali annually, embracing the diverse celebrations of our workforce.

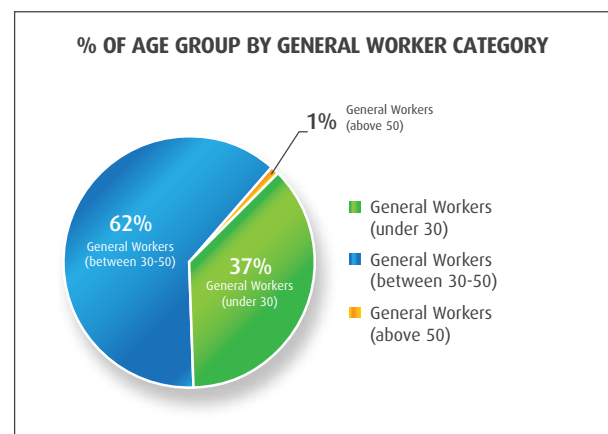
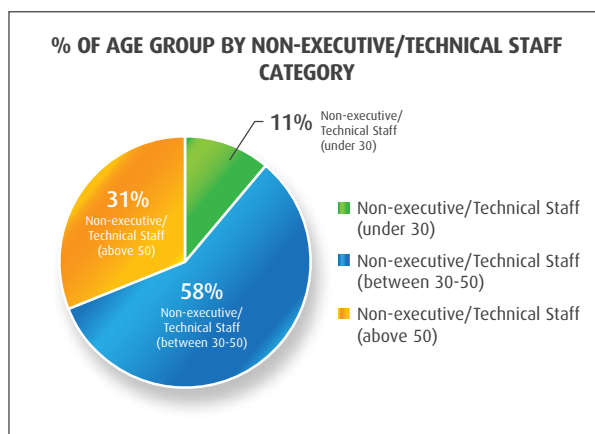
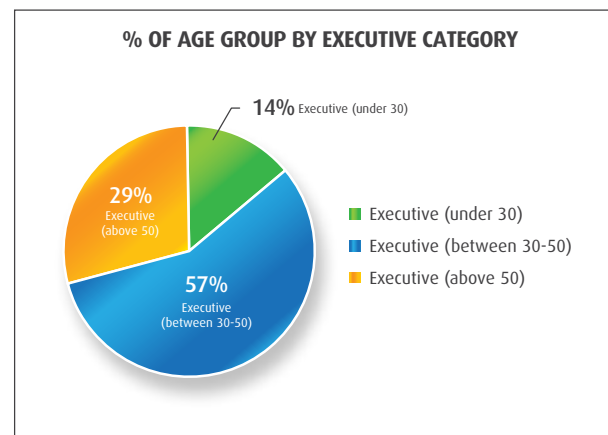
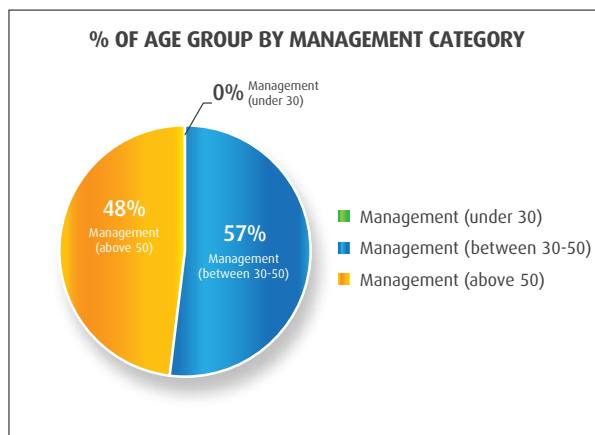
Sustainability Statement

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Generally, the Group's mix of employees at different age groups had remained fairly constant and healthy over the years:



Starting from FY2024, we further categorized our employee age information into different employee categories to understand more regarding our employee age demographic.



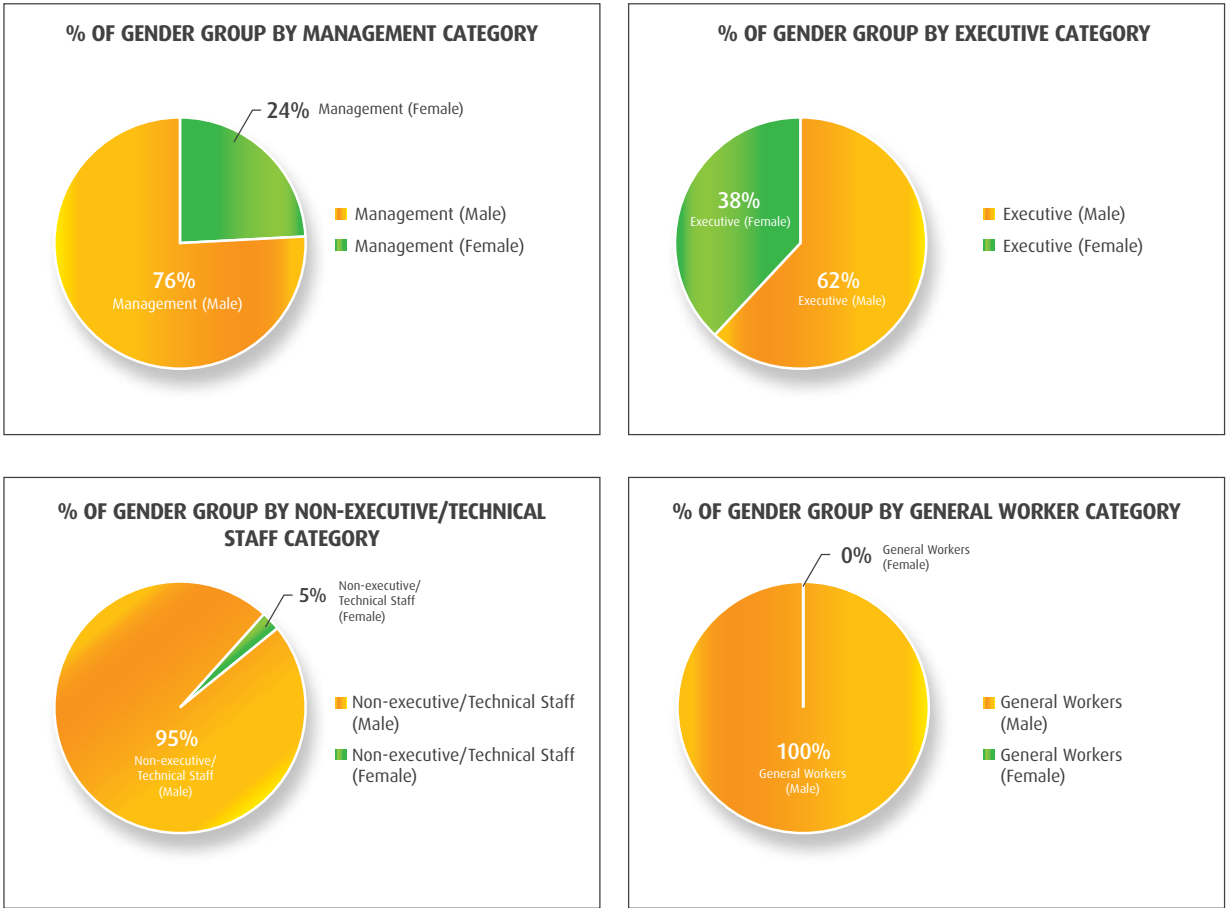
Sustainability Statement

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In terms of gender balance, we continuously strive to achieve a balance of genders at departmental and group levels. Although there are more male employees due to the nature of our business, we continue to make an effort to identify more female candidates for the executive and above levels and especially for technical positions, where female applicants tend to be fewer.

Employees by Gender	FY2022	FY2023	FY2024
Male (All levels)	90%	90%	90%
Female (All levels)	10%	10%	10%

Starting from FY2024, we further categorized our employee gender information into different employee categories to understand more regarding our employee gender demographic.



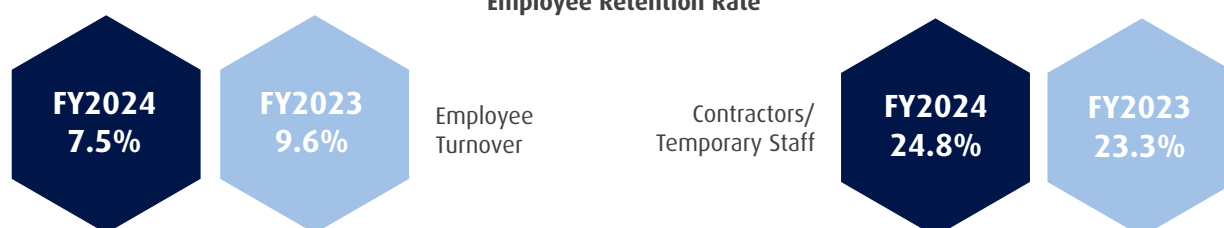
Sustainability Statement

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For FY2024, the Group expanded its age group and gender group reporting to cover the board of directors.

Percentage of Directors by Gender and Age Group	Boundary	Unit	FY2022	FY2023	FY2024
i) Gender Group					
Male	Group	%	83.3	66.7	66.7
Female	Group	%	16.7	33.3	33.3
ii) Age Group					
Below 30	Group	%	-	-	-
Between 30-50	Group	%	-	-	-
Above 50	Group	%	100	100	100

Employee Retention Rate



Employee retention is vital for sustaining a stable and productive workforce. Throughout the Group in FY2024, we achieved an improvement in the full-time staff turnover rate, reducing it to 7.5% compared to 9.6% in FY2023.

The ratio of permanent staff to contractors/ temporary staff stands at 75.2%:24.8% vs 76.7%:23.3% the previous year. Notably, we currently do not have any staff with disabilities. We remain committed to fostering a supportive and engaging work environment to retain our talent, focusing on their skills development and learning needs.

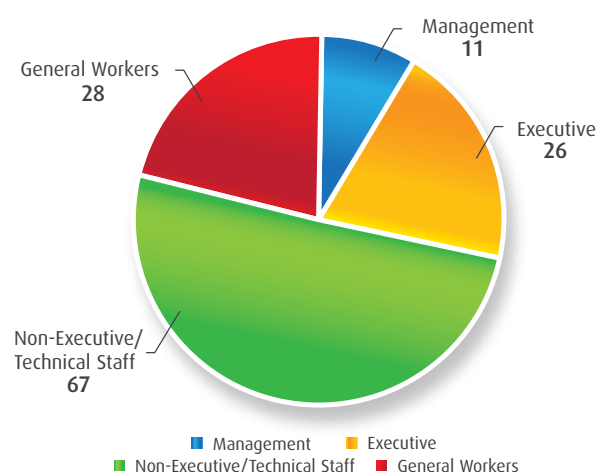
Starting from FY2024, we began recording the total number of employee turnovers by category to identify trends and patterns within specific groups, helping us enhance retention strategies and improve workforce planning.

Learning and Development

The Group actively invests time and resources in employee development and training to enhance their knowledge and skills. We recognise that systematic and continuous training is essential for maintaining the efficiency, effectiveness, and growth of the company. Our training policy aligns development programs with the broader organisational goals, while also addressing the individual development needs of employees. This approach supports the Group's strategy of building a learning organisation and sustaining a robust talent pipeline.

Additionally, the Group conducts development analyses to understand the needs of our employees. This process helps identify knowledge and skill gaps within the organisation, taking into account external factors such as industry and regulatory changes, employee expectations, future organisational needs, and the latest innovations and technological advancements.

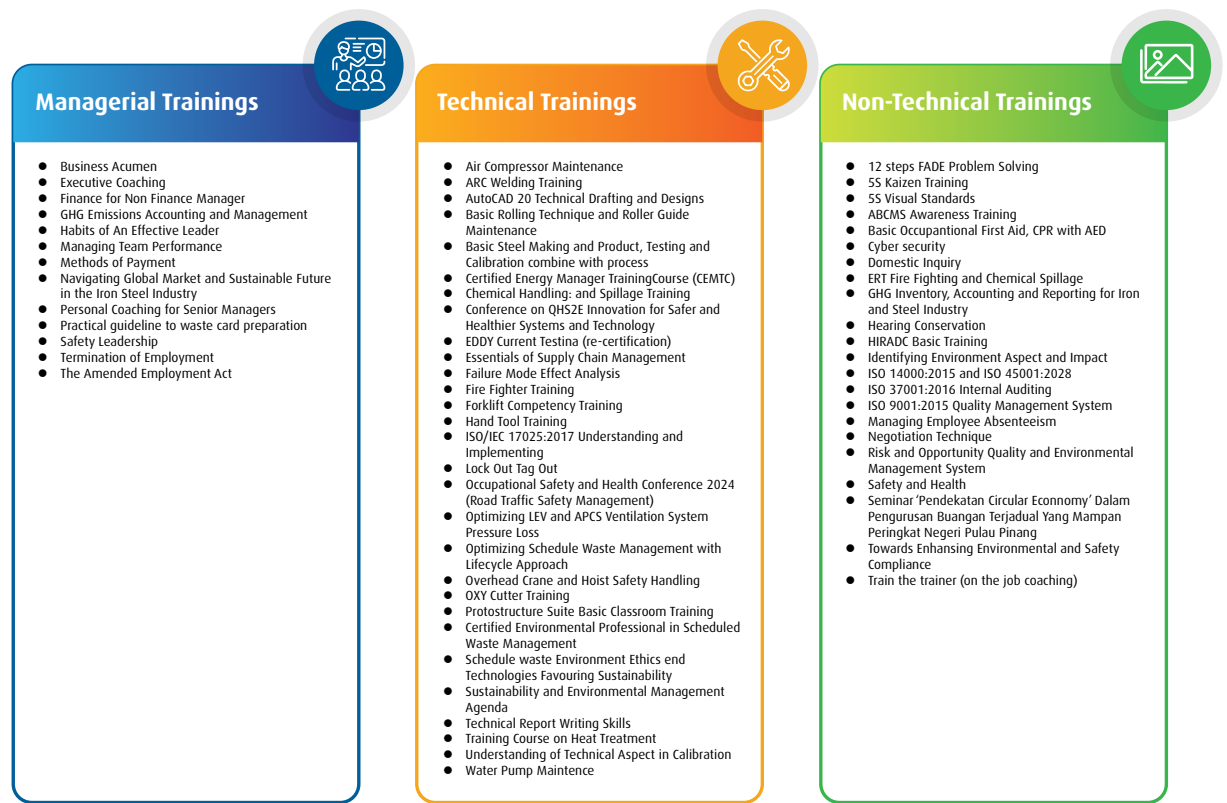
TOTAL NUMBER OF EMPLOYEE TURNOVER BY EMPLOYEE CATEGORY



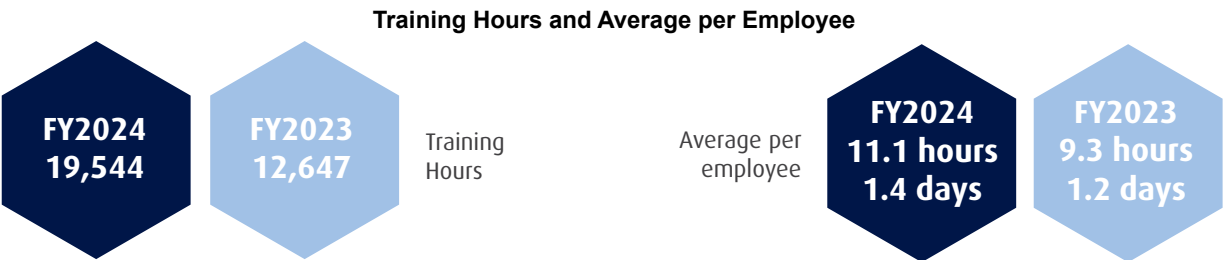
Sustainability Statement

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Below is a summary of the personal development training programs attended by employees in FY2024 to enhance their abilities and individual skills:



In FY 2024, the Group recorded an overall improvement of a total of 19,544 training hours with an average of 11.1hours per employee and average of 1.4 days per employee. We will continue to focus on people development as a continuous effort to raise the employees' service and skill levels to ensure a steady supply of talent for now and the future.

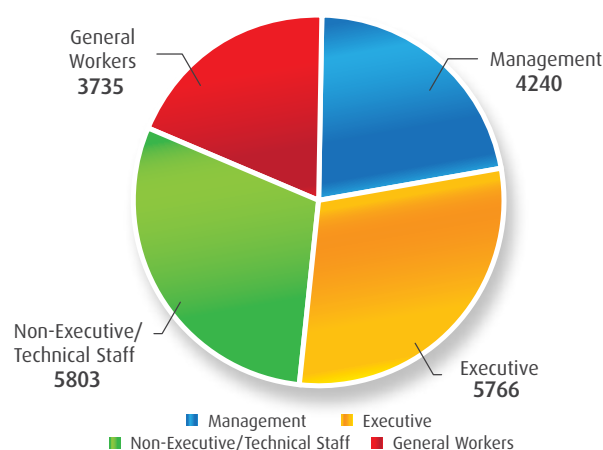


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(Cont'd)

Starting from FY2024, we began recording the total hours of training by employee category to make informed decisions about resource allocation, ensuring employees have the necessary skills to perform their duties effectively.

TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY



5.4.3 Community

The Group recognises that community is an integral part of our business. It is crucial for the Group to give back to the communities where we operate, contributing to a better and sustainable world.

Our Approach

The Group believes that every effort and initiative can make a meaningful impact in the communities we operate and serve. We respect our roles in society and strive to operate in a way that creates a more sustainable business and better shared future, making a difference and positive impact to people's lives, communities and our planet.

The Group encourages participation in community investment works and cultivates a sense of responsibility among our employees toward local communities. The Group gives back to the community through community investment in 3 focus areas: Social Wellbeing and Development, Education, and Environment.

Social Wellbeing and Development	Education	Environment
Support the underprivileged and youth for sustainable livelihood and better quality of life	Support local youth to realise their potential, develops and nurtures talent	Protect the environment and care for biodiversity
Forms of contribution: Cash/time/in-kind/management cost		
Communities where the Group operates		

The programs for each focus area are reviewed annually and the summary of community investments are listed as follows:

FY2024 Community Investment Program		
Social Wellbeing and Development	Education	Environment
<ul style="list-style-type: none"> Orphanage and old folks home festive program Bi-annual blood donation campaign 	<ul style="list-style-type: none"> Graduate development program Internship program 	<ul style="list-style-type: none"> Tree planting E-waste collection program 3R waste collection

FY2024 Community Investment				
Amount invested (RM)	Voluntary employee participation	Total time spent (hour)	No of beneficiaries	Proceeds from E-waste and 3R waste disposal (RM)
53,253	491	1,060	108	1788

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(Cont'd)

The Group's Heart-to-Heart ("H2H") club which has been established since 1995, serves as a primary vehicle for:

- Social Wellbeing and Development for the underprivileged
- Environmental initiatives.

H2H operates with the following guidelines:

- Carrying out community works in locations where the Group has operations.
- Performing community works with non-profit based organisations.
- Encouraging participation to instill the spirit of compassion and volunteerism in helping the less fortunate elderly, youth and children, both within and outside the Group.
- Protecting the environment according to the waste management strategy of the Group, namely recycle, reuse and recover waste as much as possible.

The Group's Human Resource department is responsible for:

- Social Wellbeing and Development for the youth
- Education.

The Group has a steadfast commitment to prioritising local employment and nurturing local talent, especially in the critical areas of our operations. The education programs and activities identified, not only support individual growth but also align with the succession planning strategy of the Group, whereby a steady pipeline of well-prepared, talented professionals is ready to contribute to the future success of the Group.

Our Value Creation

Here are some snapshots of the activities carried out in FY2024:

Orphanage and old folks home festive program

The Group is committed to supporting the underprivileged for sustainable livelihood and better quality of life. We visited orphanages and old folks' homes during major festivals, contributing cash donations, providing food, and organising fun activities for the residents. It was heartwarming to see their happiness despite the hardships they had endured.

The visits reflect the importance of social responsibility and demonstrate the impact that small acts of kindness could have on the lives of others.

The passion of the Group aligns with the rights outlined in the Convention on the Rights of the Child, emphasising that children have the rights to the best health care possible, access to clean water, healthy food, a clean and safe environment to live in, which translated as adequate standards of living, health care, education, and opportunities for play and recreation.



Rumah
Kebajikan
Anak Yatim
(Deepavali)



Peace &
Harmony Home
(Chinese New
Year)



Pusat Jagaan
Permata Kasih
(Hari Raya)



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(Cont'd)

Blood donation campaigns

The Group considers donating blood as the most valuable gift that we can give to save lives. The Group held blood donation campaign bi-annually to raise awareness of the need for safe blood and blood products, in collaboration with government hospitals. The Group provided refreshments, appreciation gifts, as well as lucky draws to thank our employees for voluntarily contributing their life-saving blood.

Date	Participating Organisations	H2H participant	Blood donors	Organ Pledge Donors	Collaborative participant	Blood donated (ml)
Sept'23	Hospital Sungai Petani	10	137	-	15	44,000
Jun'24	Hospital Pulau Pinang	11	132	3	15	56,600

During June 2024's blood donation campaign, we had also pledges on organ donation by three of our employees.

Our employees who donated blood also benefited from the mini health screening and blood disease screening conducted by the collaborating hospital before and after the blood donation. Donating blood also creates positive feelings to blood donors and does wonders in the mental health and feeling of well-being.



Graduate Development Program ("GDP") and Internship

The Group has a steadfast commitment to prioritise local employment and nurture local talent, especially on the critical areas in our operation. Our community investment in education provides employment opportunities to members of our community, where we not only empower them with sustainable livelihoods but also contribute to the overall economic growth and social well-being of the region.

- **GDP**

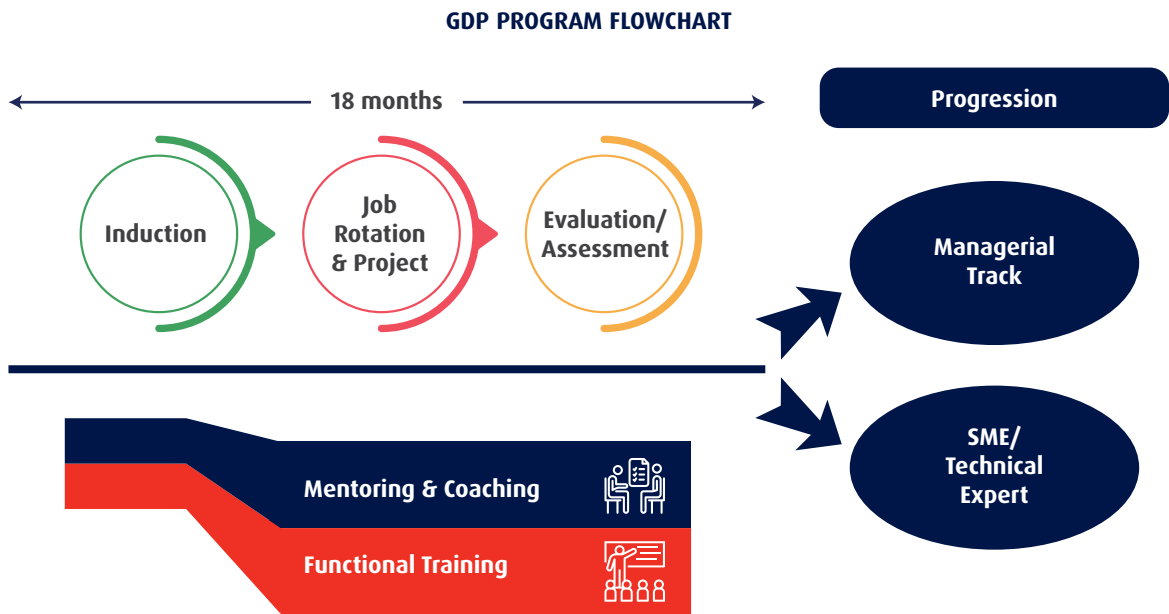
The Group renders unwavering support for local youth in realising their potential, developing and nurturing their talents. The Group participated in the GDP rolled out by HLMG. This is an 18-month development initiative designed to prepare fresh graduates for the working world and further develop their skills and capabilities.

GDP is a structured program tailored to groom recent graduates for leadership and subject matter expert roles within the organisation. Formal training sessions and opportunities to work on projects or assignments that provide exposure to various aspects of the company's operations will be given to the graduates as part of the process to mould them as potential future leaders of the Group.

The GDP offers a comprehensive curriculum that combines hands-on experience, mentorship, and professional training. Participants will have the opportunity to work on real-world projects, gain insights from industry experts, and develop essential skills that will set them up for long-term success in their careers. The participants will be assessed as part of the program.

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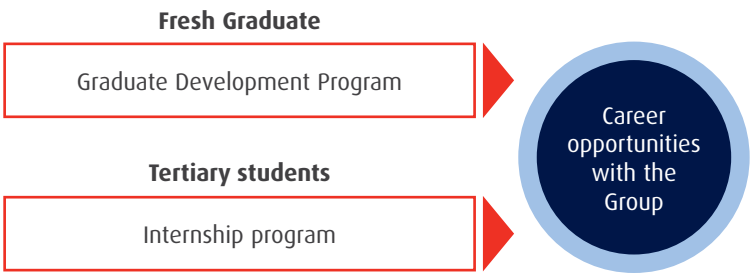
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At the end of the GDP program, the participants will be offered the opportunity to continue their career in a position that requires their capabilities, skills, and talents, while also fulfilling the needs of the Group. This aligns with our company’s strategy of building our talent pipeline, talent development and succession planning, which are essentials to the future success of the Group.

- Internship

The Group also provides internship program to tertiary students, giving them exposure to the steel industry whilst fulfilling the requirement of industrial training of their academic disciplines. Promising interns who have potential are often offered career opportunities of various vacant positions within the Group upon graduation.



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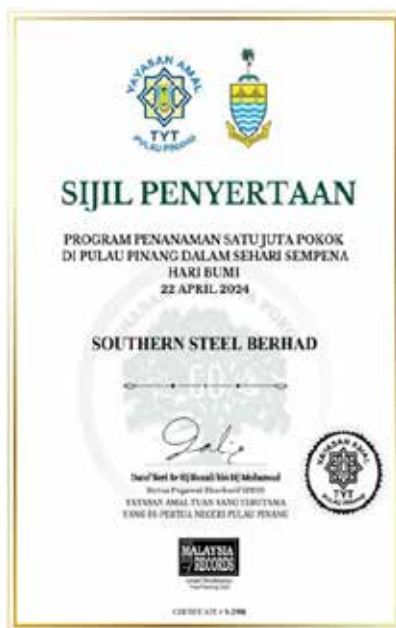
Tree Planting



The Group is convinced that caring for biodiversity and protecting the environment is vital for the survival of future generations.

On Earth Day 2024, SSB organised a tree planting event as part of our Penang state's 1 Million Tree Planting event. We planted around 300 trees inside the company's premises following a simple opening ceremony by our Group Managing Director.

This event contributed to the Malaysia's Book of Records, as Penang has successfully planted 1 million trees in a day. These collective efforts demonstrate our commitment to environmental stewardship alongside economic excellence.



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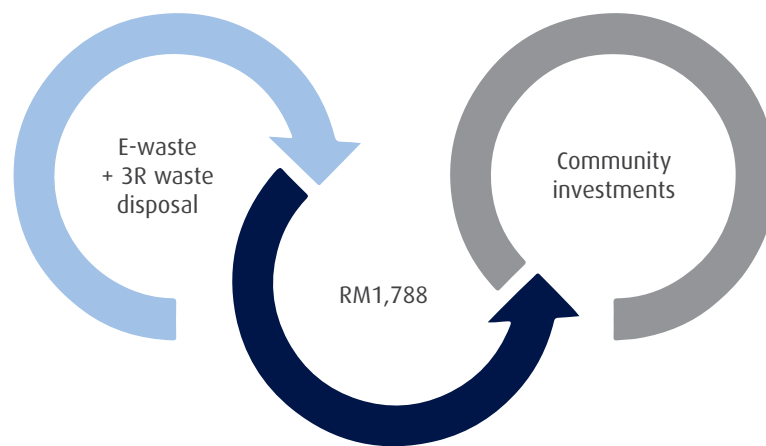
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E-Waste and 3R Waste Collection

E-waste is a broken, non-working or old/obsolete electric electronic appliance, such as television, computer, air conditioner, washing machine and refrigerator. The environment will be polluted if the disposal of e-waste is not properly managed. This will then affect human's health and endanger life.

The Group recognises that e-waste is becoming a global issue, thus in our effort to protect the environment, the Group introduces E-Waste Collection Program on top of the normal 3R waste collection practice. The Group encourages our employees to send e-wastes, including e-waste of their neighbourhoods to the Group.

The collected e-waste is then disposed to the license e-waste collectors whilst 3R waste is via 3R waste collectors. The proceeds from the disposals are channelled to H2H as part of the community investment.



Sustainability Statement

(Cont'd)

6. PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	53,253.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	108
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	0.00
Management Between 30-50	Percentage	3.65
Management Above 50	Percentage	3.37
Executive Under 30	Percentage	2.11
Executive Between 30-50	Percentage	8.96
Executive Above 50	Percentage	4.51
Non-executive Under 30	Percentage	5.77
Non-executive Between 30-50	Percentage	31.16
Non-executive Above 50	Percentage	16.32
General Workers Under 30	Percentage	9.02
General Workers Between 30-50	Percentage	15.01
General Workers Above 50	Percentage	0.12
Gender Group by Employee Category		
Management Male	Percentage	5.36
Management Female	Percentage	1.65
Executive Male	Percentage	9.65
Executive Female	Percentage	5.94
Non-executive Male	Percentage	50.46
Non-executive Female	Percentage	2.80
General Workers Male	Percentage	24.14
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.70
Female	Percentage	33.30
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00

Sustainability Statement

(Cont'd)

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	664,419.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.17
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,518
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	4,240
Executive	Hours	5,766
Non-executive	Hours	5,803
General Workers	Hours	3,735
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	24.80
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	11
Executive	Number	26
Non-executive	Number	67
General Workers	Number	28
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	890.000000

Internal assurance External assurance No assurance

(*)Restated

Note: The reported unit for Bursa C4(a) Total energy consumption is MWh instead of MW.

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(Cont'd)

7. STATEMENT OF ASSURANCE

The Group adopts a progressive approach in the assurance of our sustainability disclosures. The Group engaged HLMG Group Internal Audit Department ("GIAD") to perform internal assurance of our disclosures to verify the accuracy of our reporting to enhance the confidence level of stakeholders.

Appendix I

Statement of Assurance

In strengthening the credibility of Southern Steel Berhad’s **(SSB)** Sustainability Statement, the following selected common sustainability matters were subjected to an internal review by the Group Internal Audit department; the outcome of which has been approved by the Board Audit and Risk Management Committee.

No.	Common Sustainability Matters	Common Indicators	Scope
	Anti-Corruption	<ul style="list-style-type: none">Percentage of employees who have received training on anti-corruption by employee categoryPercentage of operation assessed for corruption-related risksConfirmed incidents of corruption and action taken	SSB Group’s * operations in Malaysia
	Diversity	<ul style="list-style-type: none">Percentage of employees by gender and age group, for each employeePercentage of directors by gender and age group	
	Health and Safety	<ul style="list-style-type: none">Number of work-related fatalitiesLost time incident rateNumber of employees trained on health and safety standards	

Note:

* SSB Group comprises:
SSB;
Southern Steel Mesh Sdn Bhd;
Southern PC Steel Sdn Bhd;
Southern Pipe Industry (Malaysia) Sdn Bhd; and
Southern Steel Pipe Sdn Bhd.

8. LOOKING FORWARD

As we move forward, the Group remains steadfast in our commitment to Environmental, Social and Governance excellence. We recognise that our role extends beyond producing high-quality steel products to making a positive impact on the environment, society and our industry.

We are dedicated to advancing sustainable practices in our manufacturing processes. Our focus includes reducing carbon emissions, optimizing energy consumption and minimising waste.

We also strive to be a responsible corporate citizen by fostering a diverse and inclusive workplace, promoting employee well-being and supporting community initiatives. Our efforts are placed on creating a safe and supportive environment for our employees and making meaningful contributions to the communities we serve.

We uphold our standards of corporate governance and ethical conduct. Our governance framework is designed to ensure accountability, integrity and responsible management practices.

We are excited about the opportunities ahead to enhance our ESG performance and make a lasting and positive impact. We look forward to working collaboratively with stakeholders to drive sustainable growth and contribute to a better future for all.