



MYCRON STEEL BERHAD

Reg. No.: 200301020399 (622819-D)

2023

SUSTAINABILITY REPORT



Our Green Certifications



SUSTAINABILITY REPORT

2023

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Requirements & References

This Sustainability report is made in compliance with Bursa Malaysia's Main Market Listing Requirements under Appendix 9C Paragraph 29, and Practice Note 9 Paragraph 6 - which have been amended in 2022 to enhance sustainability disclosure with staggered implementation dates over reporting years from 31 December 2023 to 2025. The Group has opted for early adoption of these Enhanced Sustainability Disclosures with effect from this current report.

In the making of this report, the Group applied the principles and standards specified in the updated Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia; the recommendations of the 'Task Force on Climate Related Financial Disclosure' (TCFD); and references to the Global Reporting Initiatives (GRI) standards. The Group also draws aspirations from the United Nations' Sustainable Development Goals.

Scope

This report outlines the Group's 'Environment, Social, & Governance' (ESG) commitments and activities for the current financial year ended 30 June 2023, and contains data from current and past periods. The 'Group' refers to the Company (Mycron Steel Bhd) and all its subsidiaries. This report does not duplicate general information about the Group, its businesses, and enterprise-governance practices - which are presented in other sections of the Annual Report. As such, this contextualized sustainability report should be read in conjunction with other accompanying sections (i.e. the Chairmen Statement, Management Statement, Corporate Governance Statement, Risk Management & Internal Control Statement) which together forms its integrated reporting.

Disclaimer

This Report has not been subjected to independent assurance based on recognised standards; and, contains opinions, external referenced information, and unaudited non-financial data. Routine pre-assurance audit work were carried out by the Group's internal auditors on selected 'material sustainability matters' over the current period under its normal internal audit-cycle. Whilst efforts were made by the management to ensure non-proprietary data cited are correct and accurate at the time of extraction, the actual or future outcomes may differ. This report has been reviewed by its internal 'Risk & Sustainability Committee' and executive management for consistencies, reasonableness, and compliance. Their review however does not constitute as an assurance. Users' discretion is advised.



A) INTRODUCTION

CEO's Message

This is the 5th edition of our sustainability report/statement since the inauguration of ESG coverage in financial year ended 2019. Much has changed over these five years.

Convergence

ESG awareness and expectations by stakeholders have become more pervasive. At the same time, ESG reporting requirements have become more structured and comprehensive as numerous (and often overlapping) sustainability standards and reporting frameworks compete for adoption. Organizations are expected to explain in great detail the extent and nature of their operation's impact on climate-change, on the environment, and on local communities. BURSA Malaysia's rollout of the 'enhanced sustainability reporting framework' in 2022, aligned with those widely adopted, sets the choice standards and framework for Corporate Malaysia. These are expected to further converge with the advent of the International Financial Reporting Standards (IFRS)'s 'sustainability related disclosure' in the near future.

Part of our VISION

Hence, it comes as no surprise that a survey*¹ shows organizations' top reasons for addressing ESG topics are to meet the requirements and expectations of key stakeholders (i.e. regulators, consumers, & investors). Many respondents also view ESG as an opportunity to promote growth. Our response could not have been any different. However, long before ESG topic became mainstream, our founding vision already prioritized on economic & environmental sustainability. This remains relevant today, and we constantly analyze our progress to assess how we are actually doing.

Milestones

In this regard, we are pleased to state that most of the Group's 'sustainability' efforts for the current financial year- as detailed in this report- are on track. Over the last five years (since initiating coverage), we have emphasized on strengthening our ESG foundations. Notable realizations are:

- On the 'environmental' pillar, we have optimized investments in renewable energy and in production/process efficiencies to reduce our carbon footprint (per unit output) by roughly 15-to-20%; and optimized recycling with 97% diversion of production waste from land-fills.
- On the 'social' pillar, we have closed gaps on labour practices to be on par with the International Labour Organization's 8 Fundamental Conventions; safeguarded lives and livelihood (i.e. zero life or jobs lost) during the devastating Covid-Pandemic; and supported the community with rescue and aid relief during the devastating Selangor floods of 2020.
- On the 'governance' pillar, we have deepened the immersion of ESG responsibilities at individual and functional levels throughout the hierarchy of the organization; and embedded ESG accountability & compliance throughout our internal value chain.

Reality Check

The scorching record global temperatures in recent periods validate the World Meteorological Organization's prior warning that the planet's temperature will climb above 1.5 degrees Celsius above pre-industrial levels at least once in the next five years. Whilst organizations worldwide scramble to evade an impending climate-driven humanitarian crisis, mankind is also accelerating the conditions for annihilation at the other end. The Doomsday Clock*² has been reset at 90 seconds to mid-night on 24th January 2023: the closest to doomsday since first recording in 1947. It is the ESG-elephant on global stage that don't get enough attention.

Sincerely,
Roshan Mahendran Abdullah
Group Chief Executive Officer

Reference:

- *1. McKinsey&Co, May 26, 2023, Survey
2. <https://thebulletin.org/doomsday-clock>

A) INTRODUCTION

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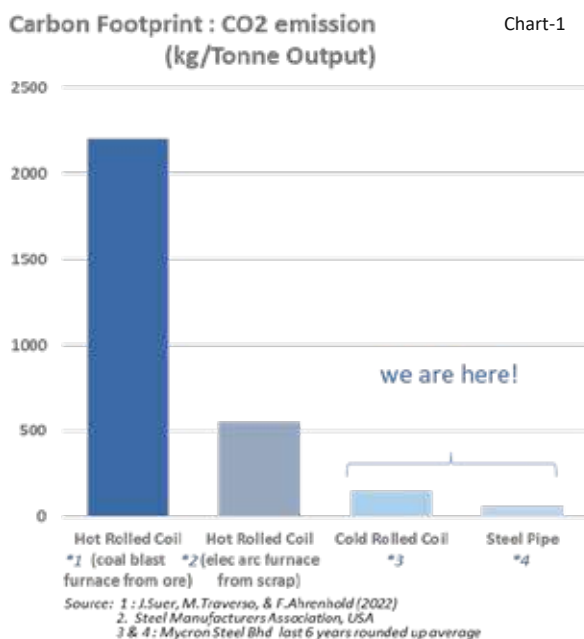
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STEEL & SUSTAINABILITY

As a manufacturer of Cold Rolled Coil (CRC) and steel Pipes & Tubes, we are often categorized in the Steel Sector which carries the stigma of being amongst the top contributors of global greenhouse gas emission.

The Steel Sector contributes to around 7% of global carbon emission or 30% of industrial carbon emission. (Source: International Energy Agency, 2021)

Although the steel value chain is long and complex, it is estimated that 90% of the sector's carbon footprint can be attributed to the upstream primary steel production (i.e. in slabs, coils or bars) from iron-ore. As it moves down the steel value-chain in value-added processing & finishing (where we are at), the carbon footprint narrows substantially—as shown in Chart-1 below.



Our CRC carbon footprint per tonne output (based on scope-1 & 2 computation) is merely around 7% of the upstream primary steel production, whilst the Pipe's is even lower at around 3%.

We manage our 'scope-3' carbon footprint through our procurement policies where we play a critical role in pressuring our raw material HRC suppliers toward decarbonization and adoption of sustainability best practices.

We also educate our customers on our responsible-sourcing of sustainable raw-materials; our decarbonization efforts; and on the option of recycled-steel that can promote a circular-economy in the long run. To support this, we provide supply-chain traceability of our steel products (which are also "eco-friendly" certified by SIRIM) to our customers.

Despite steel's carbon-emission legacy, it remains a critical com-

ponent in our infrastructure and lives. Steel is also vital to the 'green economy' with solar panels, wind turbines, dams, carbon-processing equipment, and electric vehicles. Hence, global steel demand is expected to grow 30% by 2050; and if no action is taken, corresponding global carbon emission from the sector could rise to 7.5% of total global emissions and 34% of the industrial emissions.*¹

With that expectation, pressure on steel producers (where the majority are in Asia) to decarbonize have increased in recent years. The European Union (EU) became the first regional bloc to implement a border carbon adjustment tariff on steel imports with effect from 1 October 2023; and this will compel steel exporters to EU to lower their carbon footprint towards net-zero. Similar punitive local 'carbon tax' to compel corporations to lower GHG emissions has been rolled-out in 27 countries.

Corresponding to that, global initiatives to steer the steel sector towards net-zero emission are taking shape (e.g. the Climate Group's Steel Zero, Mission Possible Partnership's Net-Zero Steel Initiative). Technical and economic challenges remain the greatest hurdle. We are closely monitoring the development of these as we finetune our own net-zero carbon roadmap.

We support NET-ZERO Steel



Reference:

*1. <https://missionpossiblepartnership.org/action-sectors/steel/>

B) GOVERNANCE

Sustainability has always been a discipline within the scope of our Corporate Governance.

Our earliest steel manufacturing factory has been in continuous operations for the last 54 years. We are amongst the pioneers in Malaysia.

1. STRUCTURE

Similar to our Corporate Governance structure, the Board of Directors is ultimately responsible for the Group's sustainability governance. The Board exercise this jointly with the C-Suite Executives through a designated 'Risk & Sustainability Committee' (RSC) led by independent directors as shown in Illustration-1 below. The RSC is tasked with the oversight on the Group's risk and sustainability encompassing its overall strategies, objectives, & policies setting. The RSC convenes every quarterly.

The executive committee (EXCO) sets the goals and targets, and work closely with the operations' management-committee (MANCO) to achieve the ESG objectives and strategies set by the RSC. Strategic management of the Group's sustainability matters are executed at these levels. The EXCO and MANCO convene monthly to deal with the full spectrum of business and operational matters.

The Audit Committee (AC) -with oversight responsibilities on both statutory and internal audit matters- also provide a critical pre-assurance and validation of the Group's ESG practices, regulatory compliances, and disclosures. The AC convenes quarterly.

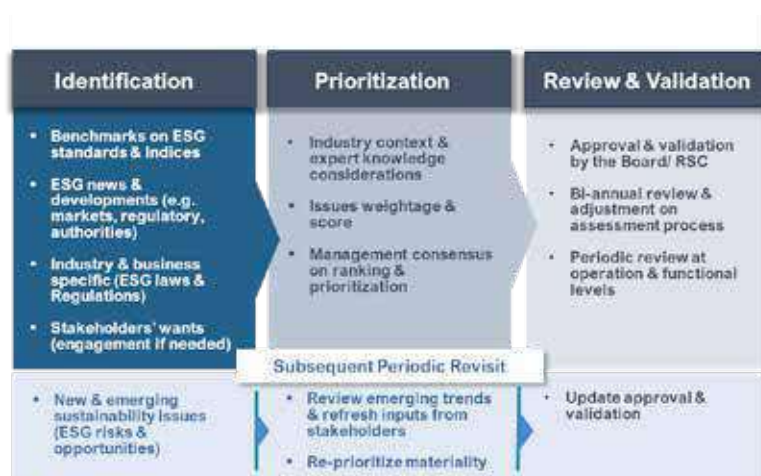


Central to all is a senior executive assigned to coordinate ESG tasks. Each level of the Group's hierarchy is empowered to execute its respective role in stakeholders management coherent with the Group's sustainability priorities and strategic response.

2. MATERIALITY ASSESSMENT & STAKEHOLDERS ENGAGEMENT

As a Group involved in light-industry manufacturing, we are subjected to comprehensive sets of laws and regulations covering the environment, health & safety, human-resource, and social responsibilities since inception; and, we have been managing such 'material sustainability matters' for years before ESG went mainstream.

To meet best-practice expectations, we had conducted a comprehensive sustainability matters identification, prioritization, and validation process (as shown in Illustration-2) during the 1st year of sustainability reporting.



In each subsequent year (including the current reporting period), we conduct periodic identification of emerging sustainability issues and revisit the prioritization of current material sustainability matters.

With BURSA's 'Enhanced Sustainability Disclosure' requirements, the authority has set eleven broad sustainability matters to be deemed as 'material and common' to all listed companies and must be covered in their disclosure (see Annexure II). Our past determined 'material sustainability matters' matched around 90% of those deemed 'common'.

Illustration 2

B) GOVERNANCE

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2. MATERIALITY ASSESSMENT & STAKEHOLDERS' ENGAGEMENT cont'd

Our current period's prioritization of identified sustainability matters (including BURSA's common material sustainability matters) are depicted in Illustration-3. Those sustainability matters in 'Quadrant 1' and bordering it are assessed to be material to the Group. These are organized into categories corresponding to the ensuing chapters of this report. All identified sustainability issues are addressed based on fitting strategies for the quadrant.

In the course of the aforesaid assessment, we have engaged key stakeholders for input to fine-tune our sustainability prioritization and strategic response. Table-1 below is an extraction of that.



Table 1

Stakeholders	What we learnt	How we may respond
Customers	- Mostly indifferent to 'greener' steel, and not prepared to pay a premium - Concern with rising cost/prices with ESG demands - Happy with our sustainability practices as disclosed - Indifferent to the steel sector's decarbonization effort	- Segmentalize along green-product lines - More education and awareness - Reinforce our management of sustainability matters - Recycled-steel origin as alternative
Suppliers	- Most declared ESG efforts and decarbonization plan (at various stages & complexity) - Incomplete or no 'carbon footprint' data. - Difficult to validate ESG progress. Lack transparency & certification. Lack origin traceability.	- Not possible to determine scope-3 carbon footprint - Need to tighten suppliers ESG risk assessment - More frequent site/operation visit of suppliers - Continue with annual assessment of ESG compliance by suppliers
Bankers	- Central Bank's push for greener financial system - Green-link financing with clients' ESG scoring and pricing - All banks expressed satisfaction with our ESG efforts and disclosure	- Frequent update and communication - Tap on green financing to back more decarbonization investments
Colleagues	- Satisfied and supportive of the Group's labor practices - No disputes, disciplinary issues, or termination in the current period - Affected by inflation and rising cost-of-living	- More extra-curricular activities for better racial integration - Expand training and other personal development programs - Expand staff-community social responsibility programs
Gov't Agencies & Authorities	- BURSA Carbon Exchange inaugurated on Mar-23 with increasing participation. Carbon-tax possibly next. - The nation's zero-carbon roadmap just rolled out in end-July 2023. - Quota on Solar net-metering scheme running out. Limitations with the nation grid's fault-tolerance of renewable energy	- Need to accelerate decarbonization in ways not constrained by national utilities. Options running out. - Close liaison & update with authorities

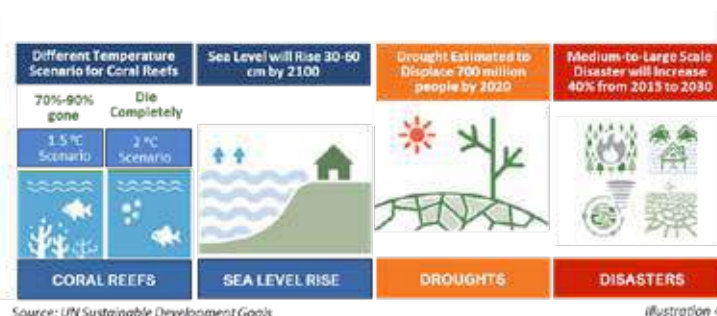
C) CLIMATE CHANGE & THE ENVIRONMENT

1. CLIMATE & EMISSIONS

1.1 Climate Issues

The top issue is that the world's largest carbon emitters are not doing enough to decarbonize and stem the rise in global temperature against set-limits of the climate Paris Agreement^{*1}. Escalating hotspots of high impact armed-conflict and geopolitical-tensions dent climate cooperation and add significantly to carbon emissions.

With our operations in the tropics, we face climate calamities associated with severe storms intermitted by severe heat-wave & drought. But climate issues are more far reaching than that. Until global climate goals are attained and issues contained, the Group faces certain climate risks.



1.2 Our Commitment

Primarily, we are committed to United Nation's Sustainable Development Goals # 13: 'To Take Urgent Actions to Combat Climate Change & Its Impact'. Its target #13.2 calls for the integration of climate change measures with national policies, strategies, and planning. In that regard, our climate goals commitment are aligned with the Nation's medium and long-term goals as shown right. The carbon neutral goal by 2050 is also consistent with the steel sector's net-zero target. How we manage these climate issues and goals are outlined in Annexure I—based on the prescribed format of the *Task Force on Climate Related Financial Disclosure* (TCFD).

MALAYSIA'S CLIMATE GOALS

Medium-Term

- To reduce GHG (as % intensity of GDP) by 45% by 2030 compared to 2005 levels

Long-Term

- To achieve Net Carbon Neutrality by 2050

1.3 Emissions & Our Carbon Footprint

Our manufacturing processes entail mainly mechanical and motorized equipment with zero to negligible gaseous or fume emission. GHG emission is mainly from the CO₂ equivalent of grid-electricity and natural gas consumed in the production process. Carbon contribution from fossil fuel consumption (i.e. petrol and diesel) to power vehicles is relatively small (at around 1%). Outline in Table-1 below is our assessment on the various possible type of emissions.

Type of Emissions	Checklist/ Remarks
GHG : CO ₂	Yes. As reported in Scope-1 & 2.
GHG : Others (CH ₄ , N ₂ O, HFC ₂ ..etc)	No. Zero or too negligible to record
Ozone-depleting Substances	No. No industrial refrigerant. No discharge of fire-extinguishers
Nitrogen Oxides, Sulfur Oxides	Negligible traces of NOx from galvanizing burners.
Biogenic CO ₂	No usage or production of biogenic materials. Negligible planting.
Fugitive	No incidence of leakage. Periodic system checks.

Table-1

We are unable to reliably ascertain our Scope-3 indirect carbon footprint due to the diversity of goods and services involved in our supply-chain, and certain suppliers inability to provide sufficient reliable GHG details. The ensuing carbon footprint data is based on Scope-1 & 2 emissions.

Reference:

*1. <https://www.iea.org/news/global-co2-emissions-rebounded-to-their-highest-level-in-history-in-2021>

C) CLIMATE CHANGE & THE ENVIRONMENT

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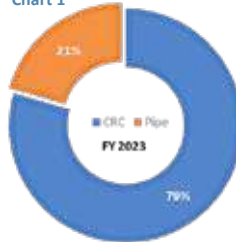
1. CLIMATE & EMISSIONS cont'd

Our CRC segment's carbon footprint is around 3.8 times of the Pipe segment. The Group's carbon footprint is mainly attributed to grid electricity and natural gas usage.

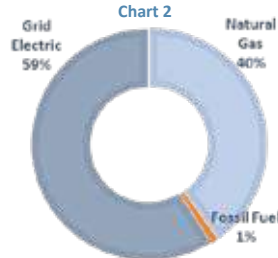
To reduce its carbon footprint, the Group has increased its renewable energy production and usage (mainly SOLAR PV) over the last three years as shown in Chart-3. Carbon reduction from renewable energy is around 17% in FY2023. This has helped reduce the Group's net carbon emission as shown in Chart-4.

Since absolute carbon emission number fluctuates with production volume, a more equitable measure is on 'per-unit-output' basis as shown in Chart-5. Overall, the Group's carbon footprint is on a reducing-trend. Its carbon footprint in FY21 was exceptionally low at 97 kg/tonne-output due to the benefit of scale from its record high production volume. The ensuing years in FY22 & FY23 recorded lower production volume; hence, higher per-unit carbon footprint. Despite that, the Group achieved a 7% lower carbon footprint per-unit in FY23 compared to the preceding period. Nevertheless, our ability to further expand SOLAR power production in the future could be confined by technicalities and limiting-policies of the sole power utility provider.

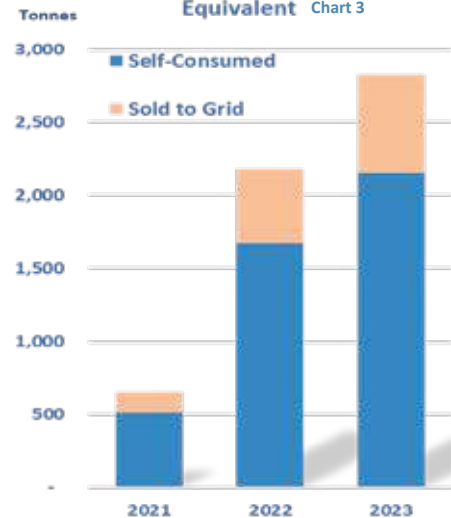
NET CARBON EMISSION
Chart 1



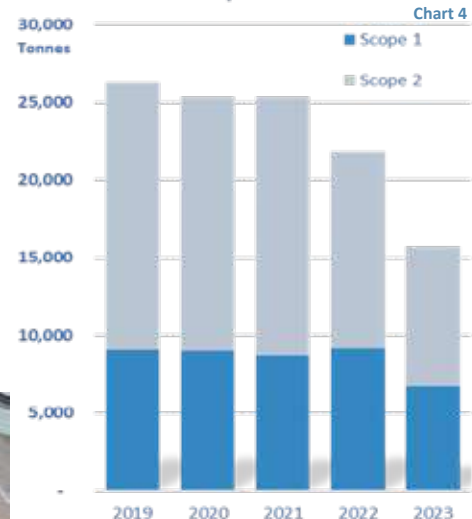
CARBON PROFILE
Chart 2



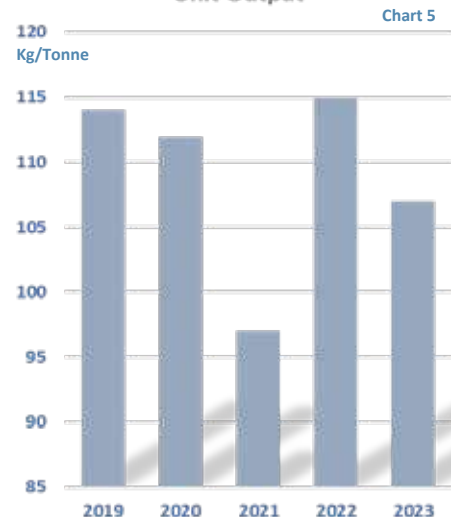
Renewables' Carbon Saved Equivalent
Chart 3



Net Carbon Equivalent Emission
Chart 4



Carbon Emission (Scope 1&2) per Unit Output
Chart 5



Our roof mounted SOLAR PV system



An emission free production-line

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1. CLIMATE & EMISSIONS cont'd

1.4 Carbon Neutrality Visualization

Our roadmap to carbon neutrality would be highly influenced by the Nation's Energy Transition Roadmap (NETR part-1 unveiled on 29 July 2023) - as our strategic responses are dependent on the Government's policies (i.e. on energy & emission cost, power tariffs & regulations,.. etc), investment incentives, and other climate-risks preventive measures.

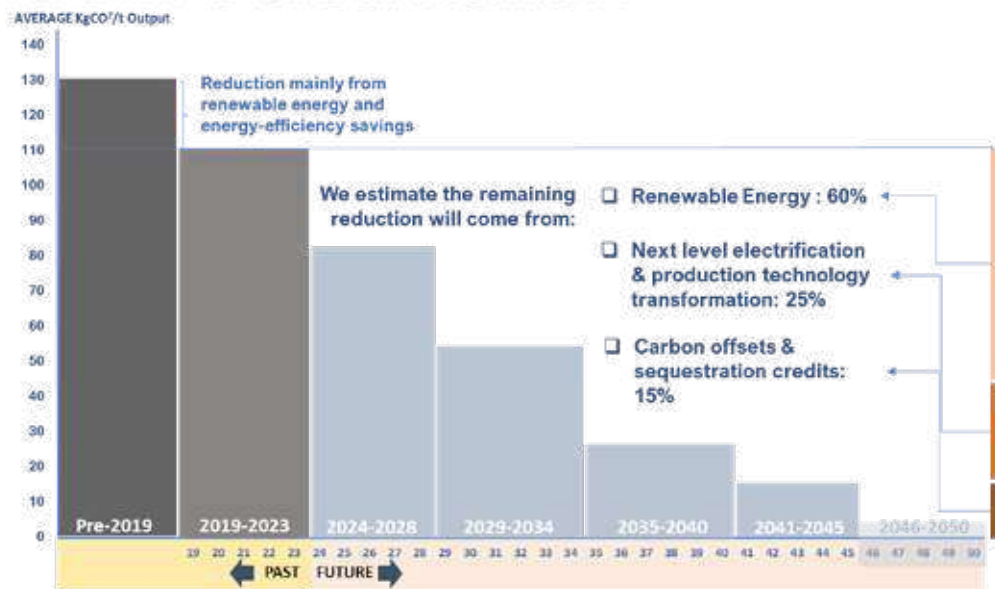
Based on the Government's unveiled plans and our 'carbon profile', we visualized our carbon-zero roadmap to entail a 3-parts strategy as shown in Illustration-5 below. The full transition to renewable energy (in-tandem with the Nation's expansion of renewable energy capacity) could address more than half of our carbon footprint. Our near-term target is to achieve an average 9% reduction every three-years to reach neutrality by 2050.

Malaysia's Renewable Energy Capacity Target Mix (currently 3.9%)

- 40% by 2035
- 70% by 2050

ROADMAP TO CARBON NEUTRALITY

Illustration 5



The journey to carbon-zero must firstly be economically sustainable. That would entail a number of 'cost-return' hurdles (such as those outlined below) which may take sometime to iron-out. The granular details of our transition plan will have to be refined along the way.

Risk Areas	Challenges
Availability of low cost renewable energy	Regardless on which decarbonization route, reliable and affordable renewable energy is an essential prerequisite. The sole power utility company must be able provide affordable renewable energy and lower the barriers for independent renewable energy production. The current trend is not conducive.
Regulatory & Policy	The Government plans to gradually remove energy subsidies and increase the cost of emissions. The needed incentives to move faster in carbon-zero transition appear lacking, other than to avoid punitive cost.
Technology	Whilst technologies behind solar, wind & hydro renewables are well established and economically viable, enterprise-level battery energy storage & management system remains expensive and inadequate. Renewable energy generated during non-operation hours by private enterprises cannot be economically stored or sold to the nation grid (unless under approved schemes which are either limited or uneconomical).
Markets	When the higher cost of decarbonization cannot be recouped through product pricing in the market, it affects the economic sustainability of the business enterprise. While we constantly engage our customers on the benefits to support sustainable products, we have to compete with cheaper imports from sources not subjected to any or similar sustainability standards.

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2. ENVIRONMENTAL STEWARDSHIP

Our environmental stewardship is driven by three principal policies:

- Compliance with environmental laws & regulations
- Consume the least amount of required resources; and
- Avert any harm to the environment

The environmental laws governing our manufacturing operations are the Malaysian Environmental Quality Act and its comprehensive set of Regulations covering emission, air, noise, scheduled waste, radioactive materials, industrial effluent & gasses, sewerage, and licensing. We are pleased to report that our manufacturing operations passed all environmental audits conducted by the Department of Environment (DoE) without any incident of violation or fines recorded in the current period. The details on our management of these material sustainability matters are outlined below.

2.1 Energy Management

The Group's guiding policy is to reduce fossil energy dependency whilst optimizing consumption efficiency to achieve carbon-neutrality in the long-run. The Group's largest energy use is in natural gas (which is the cleanest non-renewable energy) followed by grid electricity (see Chart-2).

Over the past 3 years, we have installed SOLAR PV in three of our factories with annual renewable electricity output of 4,032 MWh. Solar power now contributes to around 8% of the Group's consumption. In the current financial year, we have contracted to extend SOLAR PV output by another 575 MWh per year—to the maximum allowable by the sole-utility provider for net-metering to the national power grid.

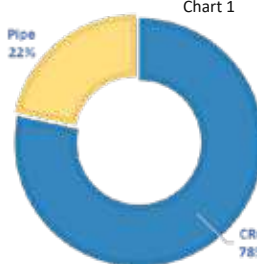
Over the current period, we subscribed for the limited Green Electric Tariff (GET) renewable electricity to supplement our target. This together with solar – power, the Group managed to significantly increase its renewable energy profile (see Chart-4 & 5). However, the Government has recently increased GET pricing by six-folds with effect from 1 August 2023—making it around 10% pricier than fossil tariff inclusive of its 'imbalance cost pass through charge'. We have since discontinued it.

Natural Gas remains an important pillar under the NETR (due to its low carbon emission & clean burning), and it will likely remain as the Group's top energy source. Our near-to-mid-term strategy is to continue expanding (i) renewable energy sources (via virtual power purchase agreements, and more SOLAR power optimization); and (ii) hardware conversion/ replacement to run on renewable energy (i.e. electric / hybrid commercial vehicles, bio-diesel mix).

The steel units will also continue to seek energy efficiency opportunities through its energy-efficiency audits under ISO 50001 to reduce energy consumption. However, the lowering of its 'net-energy consumption per-unit output' is still very much driven by utility-of-scale optimization from larger production volume. The low production volumes in FY2022 and 2023 have affected that. See Chart-6.

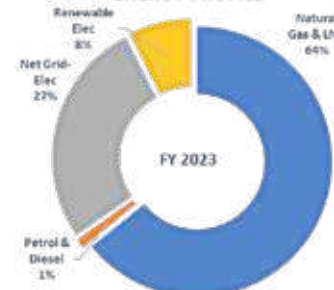
ENERGY CONSUMPTION

Chart 1



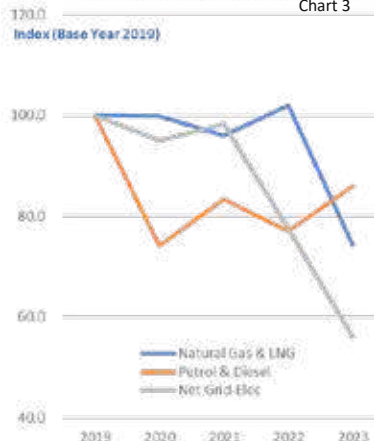
ENERGY PROFILE

Chart 2



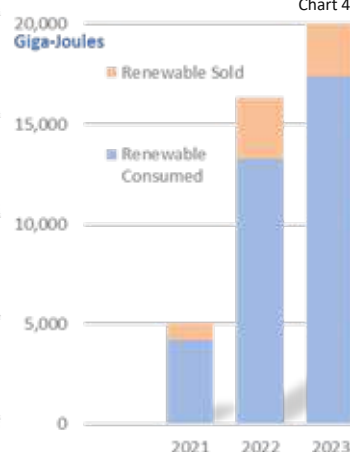
Energy Consumption Trend

Chart 3



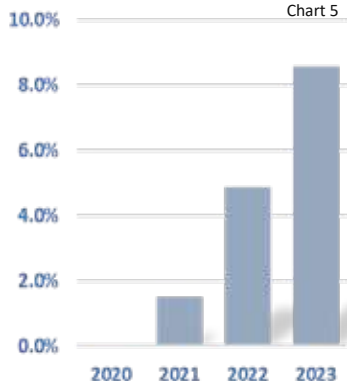
Renewable Energy

Chart 4



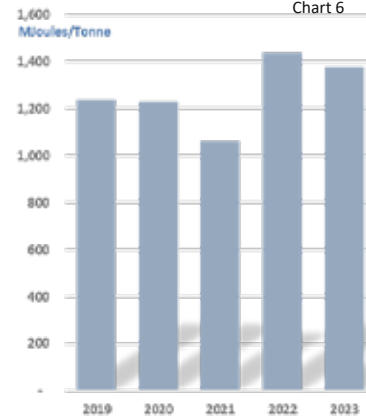
Renewable Energy to Total Consumption (%)

Chart 5



Total Net-Energy Consumed/ Output

Chart 6



C) CLIMATE CHANGE & THE ENVIRONMENT

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2. ENVIRONMENTAL STEWARDSHIP cont'd

2.2 Water Management

The Group's guiding policy is to minimize fresh water usage and optimize rainwater harvesting for dual-purpose of supplementing usage and flash-flood prevention. In this regard, the Group also supports UN's sustainable development goal #6: 'ensure availability and sustainable management of water and sanitation for all'.

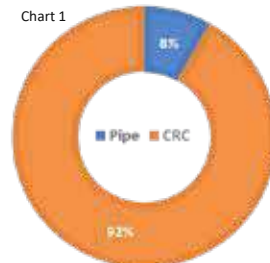
The Group's manufacturing operations require constant supply of fresh piped-in water for production processes (such as in its cooling towers, dilution of coolants & acids, and process-baths) which mostly cannot be substituted with rainwater. Where water usage can be substituted with rainwater, the Group has taken steps to optimize such usage (i.e. in sanitation flush, general cleaning, lawn watering, and effluent treatment systems). In the current FY, the Group has harvested and diverted 5 folds of its rainwater holding capacity of 310,000 liters for internal use. Waste water from production are treated on-site (to DOE regulatory standards) before being redirected for reuse with the excess discharged to drainage.

Referring to Chart-2, the Group's usage of piped-in water from water-utility provider has declined by 60% since 2019. Over the same period, the discharge of treated waste-water has declined by nearly 80%. The difference is due to the increased diversion of treated-water for reuse at the CRC's new Acid-Regeneration Plant (ARP) commissioned in Aug 2021. The ARP is water consumption intensive but it also reduces its hydrochloric acid procurement by 90% or roughly 2.6 million liters (which in-turn reduces spent-acid as a scheduled waste by a similar percentage). Consequently, the Group's net-water consumed per-tonne-output jumped 43% from base-year FY2019 (see Chart-3). However, this is also partly affected by the diminished utility-of-scale from the lower production output volume in the current FY compared to the base-year.

Despite the contrary numbers in Chart-3, we continue meeting our goals to minimize fresh water usage and to optimize rainwater harvesting & usage in the current FY. In the current FY, the Group consumed roughly 97.5 million liters of water (enough to fill 39 Olympic sized 50m swimming pools).

Water Consumption by Segment

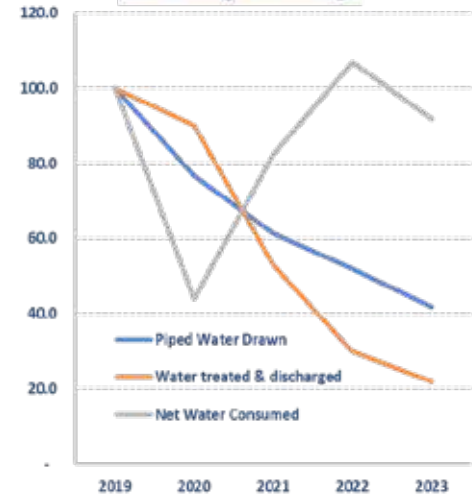
Chart 1



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WATER Usage & Discharge

Chart 2



Net Water Consumed per Output (Liter/Ton)

Chart 3



One of our Rainwater Harvesting System



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2. ENVIRONMENTAL STEWARDSHIP cont'd

2.3 Waste Management

The Group's guiding policy is to minimize waste generated at source and to embrace 5R practice (i.e. refuse, reduce, reuse, re-purpose, & recycle) to minimize direct-to-landfill and impact on the environment. In this regard, the Group separates its waste by types and aggregates them in accordance with the methods of disposal.

Outlined in Table-1 below are the Group's waste-type categorization, and their respective method of disposal. Items (b) & (c) are scheduled waste (deemed hazardous to varying degrees) under the Environmental Act and can only be disposed to entities approved & licensed by DOE. Item (b) comprises of more than ten different types of scheduled waste that are eventually incinerated, chemical-treated or processed for repurposed-use by 3rd party specialists. Item (c) is carbide-lime which is licensed for re-used by the Group in its water-treatment plants. Items (a), (d), & some in (b) have commercial value, and are monetized as a source of income. The Group have not had any incidents of leakage or spillage of hazardous waste in the last three years.

Table 1

Waste By Type	Disposal Method	2021	2022	2023
All in Tonnes				
a. Steel Scrap	Licensed 3rd Party, Recycle	11,373	8,554	7,129
b. Scheduled waste	Licensed 3rd Party, Professional disposal	4,675	1,968	651
c. Scheduled waste	Licensed own reuse, Recycle	1,732	216	163
d. Segregated waste (Paper, Plastics, Aluminium)	Licensed 3rd Party, Recycle	8	11	61
e. General waste	Refuse-collection, likely Landfill	209	206	186

Our CRC segment generates 3 times more waste than our Pipe segment. But as a group, we recycle more than 95% of our waste whilst less than 2.5% ends up in landfills.

Since absolute waste volume fluctuates with production volume, a more equitable measure is on 'per-unit-output' basis as shown in Chart-3. Over the last two years, the Group has managed to reduce its waste per-unit-output by around 20%.

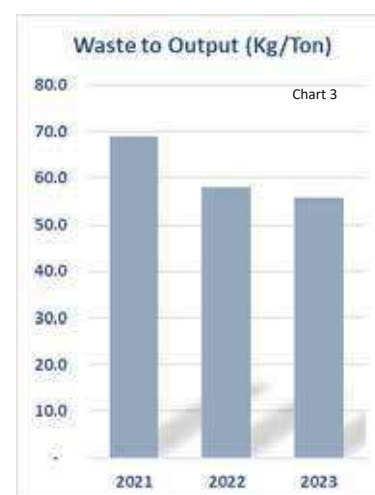
We have specific threshold target to minimize steel scraps (known as yield-loss) which is vigorously enforced. Whilst we do not set threshold targets for other wastes, we enforce strict policies to minimize them.



Decommissioned computers and printers as Scheduled Waste



Oil Sludge Filter Press Machine separating oil and metal scrap for disposal



D) PEOPLE & THE COMMUNITY

Our Social Ambitions

- i. Deliver equitable, safe, & quality working lives for our People
- ii. Make positive contributions to our communities
- iii. Manage a supply chain with like-minded priority for environmental & social responsibility

1. TEAMMATES

We view 'people'-responsibilities going beyond our workforce, to also include our suppliers, customers, and the communities within the footprint of our operations. Maintaining mutual co-beneficial existence defines our sustainability.

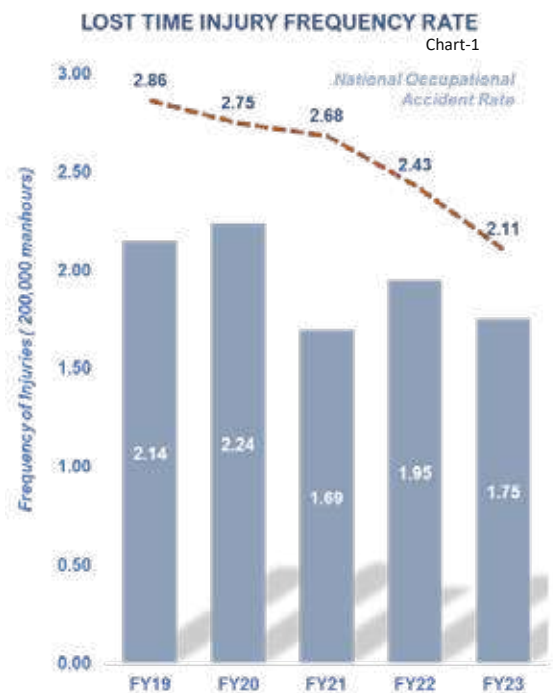
1.1 Health & Safety

The Group's guiding policy is to provide a safe and healthy workplace for all, and uphold compliance with the comprehensive rules and regulations of the Occupational Safety & Health Act.

The Group's occupational safety and health is helmed by special purpose committee at each segment with dedicated safety & health officers. The segment's Safety & Health Committee (comprising of management and worker members) oversees wide ranging responsibilities covering hazard and risk identification & management, targets setting, awareness & training, case-handling, and DOSH audit findings. All workers (full time or part-time) have equal access to health services provided by the Group's panel of approved clinics and medical-care. Personal health-related information are treated with strict privacy.

Whilst there are no specific job functions in the Group that put workers in direct exposure to uncontrolled safety and health hazards, the factory environment can be unforgiving under circumstances of carelessness or lapses in safety compliance.

Despite all the safety precautions and measures incorporated into the workplace, the Group recorded 10 'loss-time-injury' cases in the current period which work out to around 1.75 cases per 200,000 manhours worked. This is roughly 17% below the benchmarked national 3-years' average occupational accident rate issued by OSHA Malaysia. See Chart-1. Overall, the Group's frequency-of-injuries rate is on a down trend and below benchmark threshold. Most of the injury cases are minor requiring a few rest days. We do not have any fatal injury cases on record.



Areas	Table-1		
	FY 2021	FY 2022	FY 2023
Hours spent in Safety & Health Campaigns	32	985	996
Safety & Health Training hours for factory workers	118	209	220
Number of DOSH negative audit findings	1	1	2
Health care spent per employee (RM/employee)	2,270	2,912	2,918



Free health screening for workers



D) PEOPLE & THE COMMUNITY

....Continue

1. TEAMMATES cont'd

1.2 Human Rights, Labour Practices & Standards

The Group's guiding policy is to uphold the 5 principle human rights enshrined under the Malaysian Constitution (which conforms with the UN Universal Declaration of Human Rights) and strict compliance with domestic labour laws and regulations (which conform with 5 of the International Labour Organization's 8 fundamental conventions). We are firmly committed to respecting the human rights of all individuals.

1.2.1 Labour & Management Relations

The Group engages its people as a key stakeholder in the running of its operations. The management adopts an open and consultative approach with workers on essential operational matters when practical, as opposed to dictate and command. Any significant changes to operations are usually preceded with a study or survey which is then shared and discussed with workers to build consensus before implementation. Job or career progression is based on meeting team goals and individual merits.

1.2.2 Freedom of Association & Collective Bargaining.

The Group upholds workers' rights to freedom of association and collective bargaining under the provisions of the Employment Act, Trade Union Act, Industrial Relations Act and Immigration Act. Our workers are free to join or form trade unions. Despite that, only around 16% of our factory workers chose to be members of the steel industry employees' union. Negotiated compensation & benefits under the collective agreement also set the baseline for non-unionized staff. Management's relations with the workers union have been cordial without any impasses in the last decade.

1.2.3 Labour Composition & Movement

The Group is strictly against any form of involuntary, forced, or child labour, and this extends to our suppliers and business associates. Our centralized human-resource management and audits are tasked to ensure that. Whilst 'forced or child labour' is a rarity in regulated industries such as ours, preconception grows when there is some dependency on foreign labour and/or contract-workers. On this, about 22% of our workers are

foreign contract workers. To address the risk, we only work with vetted licensed

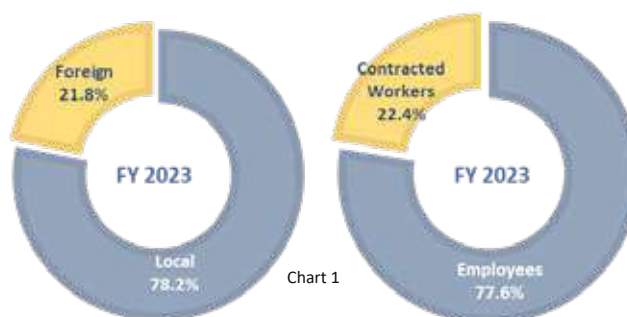
agencies to ensure benchmarked ILO's standards on migrant labors are met. Where accommodations are provided, these fully conform with the Employees' Minimum Standards of Housing, Accommodations & Amenities Act. Our workers are never indentured (i.e. tied-down by migrant-loans or withheld travel-documents) and are free to leave by serving the required notice period. Our workforce movement is driven by employment-market conditions (see Chart-2). Locals are given first priority in any hirings.

How well are we measuring up ?

- Zero labor dispute or complaint cases in the last 10 years
- 100% human resource retention rate in the last 2 years
- Annual staff turnover rate at 13.3% for FY2023 (FY 2022: 11.3%) is well below the National average for the manufacturing sector at 24% ^{*1}
- 75% of our workforce have been with the Group for four and more years
- Zero redundancy or furlough despite 18 weeks of mandatory shutdown during the Covid-Pandemic

Reference:

*1. <http://publisher.uthm.edu.my/periodicals/index.php/rmtb>



D) PEOPLE & THE COMMUNITY

....Continue

1. TEAMMATES cont'd

1.2 Human Rights, Labour Practices & Standards cont'd

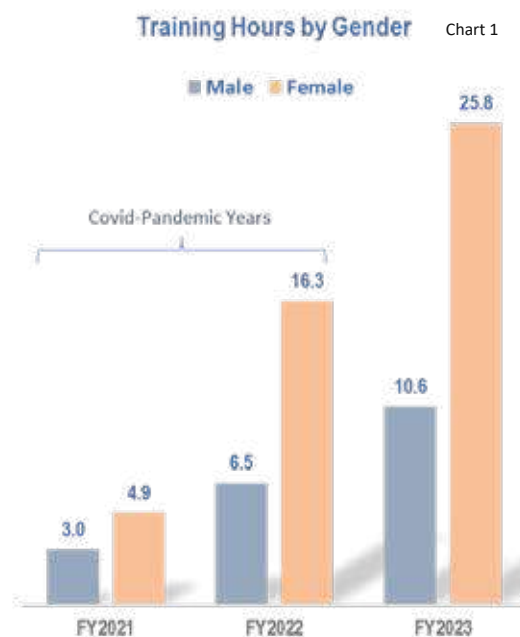
1.2.4 Training & Education

At Mycron, we firmly believe in human-resource development to meet the growth and upskilling needs of our people as well as the organization. As a contributor to the Human Resource Development Fund (HRDF), we work closely with HRD Corp as well as other institutes for access to a full range of contemporary training programs suitable for every level, from line-workers to executives. Besides courses & subject-matter training, the Group also accords job rotation opportunities to build all rounders for career progression or professional-certification.

For the current FY2023, the Group invested in 5,310 hours of training (up 21% from FY2022) which works out to around 13.3 training hours-per-worker. Even-though we do not have any affirmative policy on training, we do have more female trainees in each of the last 3 years despite being the minority. See Chart-1.

We consistently seek feedback from function-heads and workers on these training programs to ensure continued relevance and effectiveness.

To help college graduands' transition into the labor-pool, we offer paid internship in selected disciplines for on-the-job attachments to build practical experience. For the current FY2023, we took in 23 interns of various disciplines.



Typical classroom styled training sessions

1.2.5 Anti-Corruption or Fraud

The Group's labour practices mandate core values of integrity, fairness, and accountability—and is strictly against any acts of corruption or fraud. Specifically, the Group mandates strict compliance with the Malaysian Anti-Corruption Act and the various capital market rules & guidelines on conduct and conflict-of-interest. All personnel are mandated to attend indoctrination and refresher training every two to three years on this core practice. In this regard, 100% of the workforce have attended training in this area.

Zero Tolerance for Corruption

Senior personnel and those in positions exposed to such risks are encouraged to sign pledges to uphold compliance. On this, we have received 100% pledges. All significant suppliers and service providers are also notified in writing of the Group's anti-corruption practice, and the avenues to report any impropriety directly to our senior independent director. Our internal and statutory auditors are also mandated to carry out checks and red-flag gaps as part of their scope. There were no cases of complaints or allegations of corruption or fraud received, notified, or uncovered in the current period (or the past).

D) PEOPLE & THE COMMUNITY

....Continue

1. TEAMMATES cont'd

1.3 Diversity & Non-Discrimination

Notwithstanding the existence of national affirmative-action policies, our policy mandates fair and equitable treatment for all workers transcending race, religion, and gender (within social norms) - including a work environment free of discrimination and harassment.

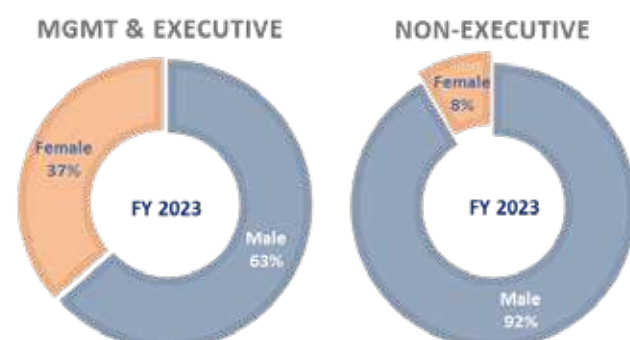
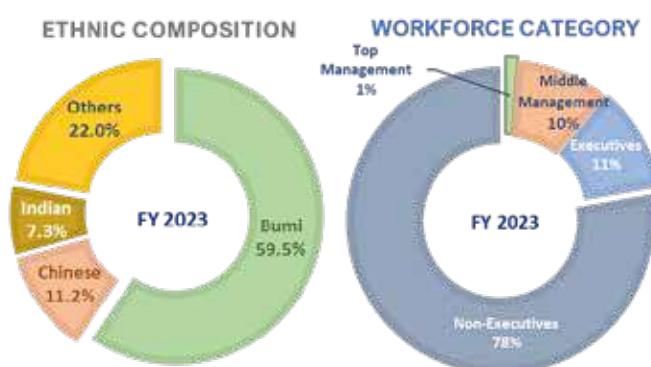
To ensure our operations function consistently at high ethical standards, the Group provides a framework for anonymous feedback and complaints. We have not had any reported incidences of discrimination or harassment in the current (or recent past) financial period.

The Group has a good mix of ethnic diversity mirroring the racial mix of the country coupled with foreign workers of three nationalities. Besides the numerous benefits of having a multi-cultural workforce, ethnic diversity also accords us flexibility in job-order planning during various festive-holidays. Race-relations are good and seamless.

The Group has a typical bottom heavy workforce categorization. Staffing in each category is almost never based on affirmative targets but on merits (i.e. experience, education, skill sets, personal attributes). Nevertheless, we have a good 37% female gender representation in the management & executive categories. Understandably, female representation in the 'non-executive' category is low since these are mainly factory jobs.

The Group's workforce have a normal 'bell' shape age-group distribution where around 26% have been with the organization for more than 20 years. We do not discriminate against aging workers with early retirement or severance options. On the contrary, we offer contracted-employment for post-retirement-age staff when circumstances merit.

Our remuneration structure is guided by a 'job-classification & pay-scale' framework benchmarked to market, and supplemented by a merit-scoring system (i.e. achievements, overall performance, certifications, ... etc). At the lower -end of the pay-scale, it exceeds the minimum-wage; whilst at the top-end, it is reviewed and endorsed by the Remuneration Committee of the Board. Annual performance appraisals are carried-out to manage progression in a fair and systematic manner.



Typical multi-racial functions



D) PEOPLE & THE COMMUNITY

....Continue

2. COMMUNITY & LOCAL STEWARDSHIP

We are an extension of the communities where we operate, as we depend on it for labor and a wide range of amenities and essential services. Based on our assessment and as evident by the absence of complaints, our operations do not have any actionable negative social or environmental impact on the local communities. Hence, our engagement with the communities is principally focused on achieving positive social outcomes rather than for remedies. Guided by that, engagement plans and activities are decentralized, and are executed by staff volunteers at the respective operations.

The general approach is to establish rapport with local community-heads, association chiefs, local councils, and alike to better understand local developments, vulnerable groups, their needs and grievances. Through that, we can better gauge and prioritize our social and environmental responses to the communities.

For the current period, we carried out eleven engagement-activities with selected local communities, vulnerable groups and organizations, expending RM62,640 in the process which directly benefited around 690 recipients. Below is an extract of those activities carried out.

What we are not.

We do not hold ourselves out on philanthropic work with shareholders' funds as we believe such activities are best left to shareholders.

Each year, we receive hundreds of solicitations for monetary donations and contributions, which largely go unfulfilled.



Visitation and donation of goods & cash to old-folks in charity-run home for the poor.



Sorting out essential goods donation for flood victims in Chaah, Johor.

Direct Donation & Sponsorship to Charitable Organizations.



Joint spring-cleaning & feast reception with local public housing residents.



Sponsored Signboards & air-conditions for a local community mosque.

Another community get together feast.



Dedicated staff-voluntary team mobilizing with goods & food donation for under-privileged children.



Task Force on Climate-related Financial Disclosure (TCFD)

TCFD is developed around four core elements and recommendations (i.e. on Governance, Strategy, Risk Management, Metrics & Targets.) Our disclosures herein are in chronological-order of those.

TCFD Recommendations	Our Response
On GOVERNANCE	
i. Describe the Board's oversight of climate-related risks and opportunities	The Board's oversight on the matter is exercised through its Risk & Sustainability Committee (RSC) led by its independent non-executive directors with sitting members from the Group's C-Suite executives (i.e. comprising of the CEO, CFO, and COOs). The RSC sets the framework and supporting policies to address climate-related issues of the Group. This include approving or reviewing strategies, objectives, and targets & goals - along with the executives. In each sitting, the RSC will review updates on climate related risks & opportunities and initiatives (on-going and to be taken) to address the aforementioned. The RSC convenes quarterly.
ii. Describe Management's role in assessing and managing climate-related risks and opportunities	Each C-Suite executive plays complementing functional role, and they meet periodically to drive the management's role in this area via an executive-committee (EXCO) and operation-level management-committees (MANCO). Together, they are responsible for setting the Group's strategies, objectives, and targets & goals in managing climate issues. The Group's Chief Executive Officer (CEO) provides overall stewardship and guidance in steering the management's direction and progress. The Group's Chief Financial Officer (CFO) provides oversight on disclosure requirements & compliance, benchmarks & best-practices, financial inputs, measurement & control on climate issues. The Chief Operational Officer (COO) leads the assessment, reporting measures & KPI-targets, projects initiation, and the day-to-day management of climate-issues at the respective operation/ business-unit level. The EXCO and MANCO convene monthly.

Task Force on Climate-related Financial Disclosure (TCFD) Cont'd

TCFD Recommendations	Our Response
On STRATEGY	
i. Describe the climate-related risks & opportunities the organization has identified over the short, medium, and long term	Climate issues are viewed in the time-frame of short (0-2 years), medium (2-5 years), and long (beyond 5 years). In our climate issues assessment, we have considered risks associated with regulations, legal, technology, market, reputation, acute & chronic physical; and their substantive financial or strategic impact (if any). In considering these risks, we have also assumed possible relevant scenarios. Transition Risks In the short-term, we do not foresee any material transition risk other than rising expectation for clarity on decarbonization path. In this regard, the Nation has just released part-1 of its net-zero carbon roadmap. We are not impacted by EU's cross border carbon tax coming into force in August 2023. However, in the medium to long-term, the following risks may arise: - Local Carbon Tax might be implemented considering that the domestic voluntary carbon exchange market inaugurated in March 2023 is growing. If our carbon footprint is not significantly reduced by then, we might be compelled to buy carbon-credits for offset or pay carbon-tax (if implemented). However, we assessed that the probability of this happening remains low. - We are near the point where all technically and economically viable initiatives/investments in renewable energy and green-energy production equipment/ machinery are being exhausted. For instance, we are reaching the point where we cannot further expand our solar energy footprint due to the domestic power utility company's limitations on the grid load-fault tolerance, its limited quota on net-metering scheme, and its limited quota on 'corporate green power programme'. The nation's Energy Transition Roadmap's outlined renewal energy projects will take some time to materialize. In the interim, consumers' access to affordable renewable energy in the medium term would be limited. The (strategic impact and financial) costs relating to these medium-long term risks cannot be reasonably quantified at this juncture due to the uncertainties on the variables involved. Physical Risks All our four factories are located in Shah-Alam district, within 18 km radius to West Port-Klang at sea-level. Our factories' lowest elevation is 8 meters above sea-level whilst the highest is at 22 meters. In the short-term, we face risks on property damage and business stoppage due to flash floods and thunder-storms. At the other extreme-end of drought and heatwave, we also face the possibility of production stoppage due to water & power-supply interruptions. Whilst none of the aforementioned physical risks had crystallized in the last 24 months, these had happened before albeit sparingly. However, these risks are covered by insurance. Nevertheless, if global warming continues with the current trajectory (breaching the lower and upper limits of temperature rise under the climate control protocol), the frequency and intensity of these risks crystallizing would increase in the medium-long term. It is also very likely that insurance coverage for these risks would be increasingly difficult or costly to procure in the medium-long term. It is difficult to forecast the strategic impact and financial costs arising from the crystallization of these risks. On a worst case scenario of 1-foot of flood-water immersing our lowest elevation factory, it could result in 20% impairment-loss on inventory and 20% damage-loss on plant & equipment. Based on the carrying value of these as at the close of the current financial period, the financial loss could total to RM 70 million. On another worst-case scenario of complete operational shutdown due to these physical risks, the Group could potentially lose around RM1.2 million per week. Opportunities In the short term, we are still optimizing the opportunities to secure more renewable energy and attain higher energy-efficiencies. In the last 12 months, we have contracted to expand SOLAR power in one of our plant to the maximum allowed of 526 kWp. We have also subscribed for the domestic Power-Utility's limited 'Green Electricity Tariff' allocation of around 180,000 kWh/month. We have also applied to participate in 'corporate green power programme' via Virtual Power Purchase Agreements; and are seeking out for more. In the medium-long term, if the authorities fail to create more renewable energy options at economically feasible prices, we may have to consider investing in external 'certified emission reduction' projects (for carbon-credits) and/or next-level energy-efficient initiatives or energy-storage-systems to reduce our carbon footprint.

Task Force on Climate-related Financial Disclosure (TCFD) Cont'd

TCFD Recommendations	Our Response
On STRATEGY Cont'd	ii. Describe the impact of climate related risks and opportunities on the organization's business, strategy, and financial planning Business & Strategy • Carbon-Zero Roadmap: Our roadmap remains preliminary and laden with assumptions until the Nation executes its carbon-neutral plans, as our strategy and approach hinges on the nation's policies, initiatives, and investments in renewable energy. The limited renewable energy offerings by the sole power utility company constrained by its legacy coal-fired powerplants and grid load-tolerance is a hurdle for businesses' pace of renewable energy adoption. As such, we expect frequent changes and adaptational in our journey towards carbon-zero. • Supply-Chain: We have lightened assessment & review of key suppliers to ensure decarbonization efforts are progressing according to their disclosed plans. We are also assessing the resources and supporting system required to capture Scope-3 carbon footprint in the future as part of our continuous vendor-assessment program. • Investments: Policy on new vehicle procurement gives priority to EV or PHEV. To meet decarbonization target, we may be compelled to explore investments in 'Certified-Emission-Reduction' projects which are beyond the scope of our business. • Operations: We have aligned our net-zero goal with the Nation's carbon-neutral target by 2050. For the mid-term target, we set to reduce our carbon footprint by 40% (from 2020 base) by 2040. Financial Planning • Revenue We have not noticed any material change in customers' buying behavior tied to concern on climate issues. We assessed that our products remain relevant in the Nation's transition to a low-carbon economy. We also noted that customers are price inelastic and are unwilling to pay any premium for greener steel products. In that regard, we do not expect any significant change in demand or pricing linked to climate-change that would impact our revenue. • Operating Expenditures & Bottomline In the Nation's carbon-neutral transition, we expect fossil-energy cost to gradually increase (as subsidies are gradually cut), whilst more green energy options would be offered to consumers at higher cost (to recoup capital investments in renewable energy which is estimated to cost the nation RM637billion up till 2050). Decarbonization will likely come at a higher operational cost that will hit bottom-line, unless these can be passed on to customers. • Assets & Capital Expenditure Whilst we do not have any carbon-intensive capital assets, we do have decades old production-equipment that are energy intensive. We estimate that more than 30% (in value) of our depreciable capital assets would be due for replacement in the years leading up to 2050, which would make room for more energy efficient alternatives. We also envisage the need to allocate CAPEX for renewable energy storage solutions (when these become economically feasible) to support long-term zero-carbon goal.

Task Force on Climate-related Financial Disclosure (TCFD) Cont'd

TCFD Recommendations	Our Response
On STRATEGY Cont'd	
iii. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In the absence of any impact assessment at the upper-limit 2°C above pre-industrial levels scenario in Malaysia, we adopted probable worse-case assumptions to stress-test the resilience of our strategies. That stress-test scenario assumes (i) frequent & intense flashfloods causing disruption to production/business (i.e. logistic cut, absenteeism, etc); (ii) sea-level rise by 1 meter; (iii) frequent & intense heatwave and drought leading to water cuts; & (iv) jump in cost-of-living (i.e. shortage in food and other essentials). Results of that analysis on the resilience of our strategies are: Physical Assets To prevent floods from occurring at our factory (which have ground-level machinery and inventory), we have installed water retention & rain harvesting systems, built embankment, and supplemented with emergency water pumps. These have been proven to be effective in dealing with the great-floods of 2020. We assessed that these measures will continue to be effective under the stressed scenario. Production Stoppage & Emergence Response Although floods on premises could be prevented, production stoppage is likely to occur if people-commute and goods transportation are immobilized by floods. Production stoppage could also occur due to prolonged water-supply cut arising from drought. However, the risk of these on the Group is mitigated by the fact that its manufacturing operations are dispersed in four locations at different sea elevation served by different routes. Based on the factories' geographic peculiarities, we assessed that it's unlikely production stoppage will occur concurrently at more than one location. The Group has built (and tested) its strategic and financial resilience to deal with similar emergencies over the COVID-Pandemic years where the entire Group and a large section of its industrial-consumers, were subjected to state-wide shutdown over two occasions totalling 18 weeks. The Pandemic's devastating impact (as experienced) could match-up to the worst of climate emergency scenario. Cost of Emission vs Cost of Carbon-Neutral Over time, we envisage the cost of carbon emission is likely to rise whilst the cost to decarbonize (e.g. renewable energy) is likely to become more economically attainable (in tandem with advances in technology & solutions, and utility-of-scale). Decarbonization would accelerate when the latter prevails. Our strategy is to maximize decarbonization where opportunities to do so economically are present; and, to close-off the remaining gap in a paced-manner in-line with external developments. We believe our carbon-neutral goal by 2050 can be met.

Task Force on Climate-related Financial Disclosure (TCFD) Cont'd

TCFD Recommendations	Our Response
On RISK MANAGEMENT	
i. Describe the organization's processes for identifying and assessing climate-related risks	Our approach to climate risks identification & assessment is similar and in-conjunction with our sustainability risk identification and materiality assessment (see page 4)- which are integrated into the Group's risk management framework. Identification Identification process is year-round, situational (i.e. based on contemporary developments), and duly embedded into our governance process. To ensure timely and comprehensive identification, we promote subject matter awareness and updates on climate change issues & developments at global level (e.g. UN's Intergovernmental Panel on Climate Change & The World Meteorological Organization) and at national level (e.g. Ministry Of Natural Resources, Environment And Climate Change, & Sustainable Energy Development Authority). In a top-down approach, the Board and Management team constantly identify and review transition and physical risks relating to climate-change. Assessment The Board and Management Team also routinely undertakes systematic assessment of material transition and physical risks relating to climate-change affecting the Group. In this regard, the management through its various committees, work-groups, and functional conducts periodic qualitative and quantitative measures and assessment (i.e. emissions, renewable energy, recycling, etc) which could include external benchmarks.
ii. Describe the organization's processes for managing climate-related risks	Climate-related risks and opportunities are prioritized based on their importance to the Group and to the relevant Stakeholders (i.e. authorities, people, investors, bankers). On opportunities or solutions (in addressing material climate risks) involving significant resource outlay, we consider the 'economics' dimension in shaping our response. The management works closely with the Board's Risk & Sustainability Committee in driving timely strategic response to managing climate issues. Responses are generally executed by internal functions along with appointed 3rd party solution providers. Progress and KPIs are measured and reported periodically for accountability, control, and (regulatory) disclosures.
iii. Describe how processes for identifying, assessing, and managing climate related risk are integrated into the organization's overall risk management	As mentioned, the entire process is similar and is in-conjunction with our sustainability governance (see page 4)- which are integrated into the Group's risk management framework. The Group's Risk & Sustainability Committee (represented by independent non-executive directors and C-Suite Executives) has overall 'risk & sustainability' oversight responsibilities – which include climate-change issues. At the management level, its Executive Committee (EXCO) and operations' Management Committee (MANCO) exercise stewardship and executory roles on all 'risk and sustainability' matters. Despite the same framework, structure, and processes, 'climate issue' is managed as a distinct subject matter in reflection of its prominence.

Task Force on Climate-related Financial Disclosure (TCFD) Cont'd

TCFD Recommendations	Our Response
On METRICS & TARGETS	
i. Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy & risk management process	We provide annual disclosure on climate-related metrics such as Scope-1 & 2 carbon footprint; fossil-energy & grid-electricity usage; and renewable energy generated (own-used and sold) in our annual Sustainability Report. Our climate-related metrics are usually measured as per-unit-of-output, since emissions or energy consumptions are correlated with production output volume. Our production output volume could fluctuate significantly from year-to-year in response to demand/sales.
ii. Disclose Scope 1, Scope 2, and, if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks	Please refer to page-7 on the disclosure of our Scope-1 & 2 carbon-footprint. We are unable to reliably measure and provide Scope-3 disclosure due to the complexity involved in our supply-chain which entails cross-border supplies. Besides the significant resources need to undertake such an exercise, many of our suppliers are unable to provide reliable disclosure of their GHG emissions.
iii. Describe the targets used by the organization to manage climate-related risks & opportunities & performance against targets.	We are committed to net-zero carbon by 2050 in-line with National goal. See page-6. From a 2020 baseline, we aim to reduce our carbon-footprint by 9% every 3 years through transition to renewable energy, reduction in energy consumption from efficiencies, and off-sets with green-credits on residuals. Our preliminary roadmap on page-8 of the main report visualizes our journey. Even-though we cannot reliably measure Scope-3 emission, we have set it a target to engage our key suppliers annually to attain visibility and review of their decarbonization progress.

End

SUMMARY of Data & Performance Targets on Common Sustainability Matters (CSMs)

These CSMs are addressed in the chronological order as laid-out in BURSA Malaysia's amendments to Practice Note 9 on enhanced sustainability reporting.

CSM Title	GRI Ref	Measures/ Indicators	Performance Target	Actual Performance			Page Reference
1. Anti-corruption	205	% attended awareness training % attended refresher every 2-3 years % signed pledge by senior personnel & position exposed to such risk - Number of complaints/ allegations received - Number of confirmed violations	100% open 100% open zero	FY21	FY22	FY23	Page 14 Para 1.2.5
				50	100	100	
2. Community / Society	413	- Number of complaints received relating to community - Number of confirmed & outstanding issues - Number of community/ social programs/ engagements	open zero > 5	FY21	FY22	FY23	Page 16
				0	0	0	
3. Diversity	405	% of workers by gender, ethnicity & age group % of directors by gender & age group	healthy mix & minimize concentration risk at least 1 female director; age < 76		met met		Page 15 Para 1.3
4. Energy Management	302	- Net energy consumption per tonne output (mega-joules/tonne) - Renewable energy to total energy consumption (%)	<1,400 > 5%	FY21	FY22	FY23	Page 9 Para 2.1
				1064 1.44	1442 4.92	1380 8.56	
5. Health & Safety	403	Lost time injury frequency rate (#of cases/200,000 manhours)	< National Rate (2,11)	FY21	FY22	FY23	Page 12 Para 1.1
				1.69	1.95	1.75	
6. Labor Practices & Standards	402 404 407 408 409 412	% of workforce that are contractors % of workforce that are foreign-workers - Workforce turnover rate (%) - Number of labor, human-rights, or union complaints - Number of substantiated labor, human-rights, or union violations - Training hours per worker	open open < National Rate (24%) zero zero open	FY21	FY22	FY23	Page 13&14 Para 1.2
				23.3	20.3	22.4	
				17.3	19.7	21.8	
				12.3	11.3	13.3	
				0	0	0	
				0	0	0	
				3.3	11.3	13.3	

E) ANNEXURE II

SUMMARY of Data & Performance Targets on Common Sustainability Matters (CSMs) Cont'd

CSM Title	GRI Ref	Measures/ Indicators	Performance Target	Actual Performance			Page Reference
7. Supply Chain Management	204	% spending on local suppliers (exclude procurement of raw steel material & equipment where there are no comparable local alternatives) % suppliers subjected to social & environmental impact assessment/ review (applies only to key suppliers with total transaction value > RM500K/year)	> 70%	FY21	FY22	FY23	Page 3 Page 19
	308			77	75	80	
	414			67	73	80	
8. Data Privacy & Security	418	Number of substantiated complaints concerning breaches of customer privacy and losses of customers data	zero	FY21 0	FY22 0	FY23 0	Immaterial & Not Covered
9. Water	303	Net water consumption per tonne output (Litres/Tonne)	< 400	FY21 335	FY22 601	FY23 662	Page 10 Para 2.2
10. Waste Management	306	- Waste disposal to refuse or landfills over total waste generated (%) - Total waste generated per tonne of output (Kg/Tonne)	< 5 < 70	FY21 1.17	FY22 1.88	FY23 2.28	Page 11 Para 2.3
				68.94	57.99	55.61	
11. Emissions Management	305	- Scope 1 emissions of CO₂ (Tonnes) - Scope 2 emissions of CO₂ (Tonnes) - Scope 1 & 2 emissions of CO₂ per tonne of output (Kg/Tonne)	< 6,500 < 12,000 < 100	FY21 8,679	FY22 9,183	FY23 6,737	Page 6-8 Para 1.3&1.4
				16,685	12,634	9,010	
				97	115	107	

End