



東鋼集團有限公司
EASTERN STEEL SDN. BHD.

Eastern Steel Sdn. Bhd.

2025 Environmental Social and Governance (ESG) Report

CONTENTS

ABOUT THIS REPORT	02
MESSAGE FROM MANAGING DIRECTOR	03
MESSAGE FROM CEO	04
ABOUT EASTERN STEEL	05
ESG STRATEGY AND GOVERNANCE	07
ESG Strategy	07
ESG Governance Structure	08
Stakeholder Engagement	10
Material Topics Identification and Management	11
Sustainable Development Targets	15
MATERIAL TOPICS	17
Climate Change Response	18
Energy Use	27
Emission Control	31
Occupational Health and Safety	38
Quality Management	43
ENVIRONMENTAL SUSTAINABILITY	46
Green Transition	47
Water Resources	48
Biodiversity and Ecological Protection	49
SOCIAL SUSTAINABILITY	50
Labour and Human Rights	51
Career Development and Training	55
Community Development	56
SUSTAINABLE BUSINESS	57
Compliance and Business Ethics	58
Products and Services	60
Supply Chain Management	61
APPENDIX	62
Key Performance Indicators	62
Indicator Index	64





ABOUT THIS REPORT

This is the second ESG Report published by Eastern Steel Sdn. Bhd. ("Eastern Steel", the "Group", the "Company", or "we"). The Report has been prepared in accordance with the principles of objectivity, consistency, transparency and completeness, and provides information on the Company's ESG approach, management practices and key progress made during the reporting period.

The information and data disclosed in this Report are derived from the Company's statistical records and official documents. The Company is responsible for the authenticity, accuracy and completeness of the Report.

Reporting Boundary

This Report covers the environmental, social and governance (ESG) performance and activities of Eastern Steel Sdn. Bhd. for the period from 1 January 2025 to 31 December 2025. Certain information and data may relate to periods outside the reporting period where relevant.

Reporting Basis

This Report has been prepared with reference to the *Global Reporting Initiative (GRI) Standards*, the *International Financial Reporting Standards Sustainability Disclosure Standard 1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)* and *International Financial Reporting Standards Sustainability Disclosure Standard 2 – Climate-related Disclosures (IFRS S2)* issued by the International Sustainability Standards Board (ISSB), as well as relevant industry standards published by the Sustainability Accounting Standards Board (SASB).

The Report also responds to the Sustainable Development Goals (SDGs) under the United Nations 2030 Agenda for Sustainable Development and takes into consideration international initiatives and standards, including the International Finance Corporation (IFC) *Performance Standard 2: Labour and Working Conditions*. It presents the Company's ESG management practices and performance during the reporting period.

IFC Standard Alignment Statement

This report has been prepared with reference to and in alignment with the International Finance Corporation (IFC) Performance Standards, including IFC Performance Standard 2: Labour and Working Conditions and IFC Performance Standard 3: Resource Efficiency and Pollution Prevention, as well as the *IFC/World Bank Group Environmental, Health and Safety (EHS) Guidelines for Integrated Steel Mills*.

The key topics covered under these standards have been addressed in accordance with the Company's actual operational context and are reflected in the relevant sections of this report, including Occupational Health and Safety, Labour and Human Rights, Emission Control, Energy Use, and Supply Chain Management. These sections systematically disclose the Company's management practices and continuous improvement efforts in employee and contractor management, occupational health and safety protection, pollutant emission control, resource and energy efficiency enhancement, and environmental and social risk management across the supply chain.

Feedback

If you have any comments or suggestions regarding this Report or the Company's ESG performance, please contact us:

Address: Lot 6293 & 6294, Teluk Kalong Industrial Estate, Kemaman, Terengganu, Malaysia

Tel: +609 860 4000

MESSAGE FROM MANAGING DIRECTOR



In recent years, green and low-carbon development has become a global priority, with growing attention being paid to environmental protection, resource efficiency and social responsibility. For businesses, sustainable development is not only an important aspect of corporate responsibility, but also a requirement for enhancing long-term competitiveness and supporting steady growth. Issues such as climate change, resource constraints, energy transition and social equity are increasingly shaping the global economy and industrial development. As an international company serving customers worldwide and engaging with a wide range of stakeholders, Eastern Steel regards ESG as both a response to evolving expectations and an important consideration for its long-term development.

ESG creates long-term value in multiple ways. From a market perspective, ESG practices can support efforts to capture opportunities arising from the green and low-carbon transition and strengthen competitiveness. From a financing perspective, effective ESG management and transparent disclosure can enhance confidence among investors and financial institutions and support access to financing. From a social perspective, ESG helps strengthen engagement and collaboration with stakeholders and foster relationships based on mutual trust. At the same time, Eastern Steel seeks to share the benefits of its development with stakeholders through job creation, local talent development, industrial value chain collaboration, community support and ongoing environmental improvement, contributing to shared value for business and society.

Based on its understanding of industry trends and corporate responsibilities, Eastern Steel has established the ESSB Sustainability Strategy Framework. Built around three pillars—Environmental, Social and Sustainable Business—the framework provides a structured approach to sustainability management. ESSB serves not only as a framework for advancing sustainable development, but also as a guide for integrating sustainability considerations

into the Company's strategy, operations and value creation activities.

In 2025, Eastern Steel continued to implement the ESSB framework and further integrated ESG considerations into its operations and management. On the environmental front, the Company invested RM 110 million in environmental improvement projects and continued its efforts in energy conservation, emissions reduction and environmental management. Carbon emissions intensity decreased by 3% compared with the previous year. On the social front, the Company continued to protect employees' lawful rights and interests, strengthen workplace safety, support employee development and wellbeing, and participate in charitable and community initiatives. On the sustainable business front, the Company continued to enhance product and service quality, strengthen supply chain security and resilience, and uphold business ethics and compliance principles.

Looking ahead, sustainable development will remain an important part of Eastern Steel's long-term development approach. Guided by the ESSB Sustainability Strategy Framework, the Company will continue to advance its green and low-carbon transition, support innovation-driven development and create shared value. We will also continue working with employees, customers, suppliers, communities and other stakeholders to address emerging challenges and pursue development opportunities, while contributing to economic development, social progress and a sustainable future.

Wang Shifeng
Managing Director
Chairman of the ESG Management Committee

MESSAGE FROM CEO



As the transition towards green and low-carbon development continues to accelerate, the global steel industry is entering a new stage of higher-quality development. Climate change, resource constraints, energy transition and increasing expectations for sustainable supply chains are reshaping the industry landscape. In response to these opportunities and challenges, Eastern Steel continues to integrate sustainability considerations into its operations and management, while advancing green transformation, talent development and value chain collaboration to support its long-term competitiveness and sustainable development.

On environmental sustainability, we continued to strengthen resource and energy management, as well as pollution prevention and control, to improve environmental performance. During the reporting period, the Company increased investment in environmental management and continued to advance environmental projects and site improvement initiatives. In response to climate change, we conducted a climate strategy analysis, developed pathways for climate adaptation and mitigation, and incorporated climate-related considerations into management processes. Through initiatives including energy efficiency improvement, energy recovery and utilisation, and increased captive power generation, greenhouse gas emissions intensity decreased by 3% compared with the previous year, achieving the annual emissions reduction target.

On social sustainability, the health and safety of employees remained a priority. During the reporting period, the Company continued to strengthen its occupational health and safety management system, risk control and hazard management. No serious or fatal workplace accidents, Grade II or above fire incidents, or Stage II or above occupational disease cases were recorded. We also continued to support employee training and career development to enhance professional capabilities and

skills. As a company operating in Malaysia, Eastern Steel continued to support local talent development and strengthen engagement with communities, government authorities and other stakeholders. Through job creation, community engagement and charitable activities, we sought to contribute to broader social value.

On sustainable business, we continued to focus on both integrity and value creation while enhancing governance and operational performance. During the reporting period, the Company further improved its risk management and internal control systems, strengthened compliance management and enhanced corporate governance. In products and services, we maintained a focus on quality and continued to improve the quality management system to support product consistency and customer service. In supply chain management, we strengthened collaboration with business partners to support supply chain stability and sustainable development. The Company also continued to advance digitalisation and intelligent manufacturing initiatives, enhancing organisational resilience through technological innovation and management improvement.

Looking ahead, Eastern Steel will continue to be guided by the ESSB Sustainability Strategy Framework and pursue green and low-carbon development while further improving environmental performance, safety management and corporate governance. We will continue to capture opportunities arising from industrial upgrading and the green transition, strengthen innovation and value chain collaboration, and work with stakeholders to contribute to a more sustainable future.

Hu Yuxin
CEO

Director of the ESG Management Committee

ABOUT EASTERN STEEL

Company Profile

Eastern Steel Sdn. Bhd. is located in the Teluk Kalong Industrial Estate, Kemaman, Terengganu, on the east coast of Peninsular Malaysia. It is a joint venture invested by Beijing Jianlong Heavy Industry Group Co., Ltd. (hereinafter referred to as “Jianlong Group”) and Hiap Teck Venture Bhd. of Malaysia (hereinafter referred to as “Hiap Teck”). Occupying a total area of 1,209 acres, Eastern Steel is an integrated steel enterprise covering multiple business segments, including coke, sintering, ironmaking, steelmaking, hot-rolled coil, silicon-manganese alloy, and power generation.

Eastern Steel has an annual production capacity of 0.8 million tonne of coke, 0.12 million tonne of ferroalloy, 2.52 million tonne of molten iron, 2.7 million tonne of billets and slabs, and 3.5 million tonne of hot-rolled coil. Its core businesses include the production, sales, and operations of steel products and by-products. Eastern Steel's development strategy focuses on strengthening overall competitiveness and advancing its five core missions: “Brand ESSB, Innovative ESSB, Smart ESSB, Green ESSB, and Great ESSB.” The Company strives to become a leading integrated steel enterprise in Southeast Asia.



Products



SQUARE BILLET

Product Variation: HRB400; HRB400E; HRB500; HRB500E; Q235; ES355; ES400E; SAE1008; SAE1012; SS330; SS400; 1SP; 3SP; 5SP



ROUND BILLET

Product Variation: Oil Pipeline Steel; Oil Casin Steel; Boiler Tube Steel



SLAB

Product Variation: Shipbuilding Steel; Automotive Steel; Pressure Vessel Steel; Pipeline Steel; Cold-Rolled Steel; Carbon Structural Steel; High Quality Carbon Structural Steel



COIL

Product Variation: Shipbuilding Steel; Automotive Steel; Pressure Vessel Steel; Pipeline Steel; Cold-Rolled Steel; Carbon Structural Steel; High Quality Carbon Structural Steel

Market Coverage

The Company's sales network extends across Malaysia and is exported to countries and regions such as Vietnam, Thailand, Indonesia, the Philippines, Brunei, Myanmar, China, Taiwan (China), India, Japan, South Korea, Pakistan, Turkey, Italy, Portugal, Spain, the United States, Mexico, Cameroon, Australia, and beyond.



ESG STRATEGY AND GOVERNANCE

ESG Strategy

Against the backdrop of the global transition towards a green and low-carbon economy and sustainable development, the steel industry faces a range of challenges, including climate change, resource constraints and rising expectations regarding corporate responsibility. Eastern Steel has incorporated sustainability into its long-term development planning and established the ESSB Sustainability Strategy Framework.

The framework is built on three pillars—Environmental, Social and Sustainable Business. Under the sustainability agenda, ESSB has been given a broader meaning, reflecting the Group's approach to sustainable development and its commitment to aligning business development with sustainability objectives. The key focus areas under each pillar are set out below.

Environmental

Climate Change

Identify and respond to climate-related risks and opportunities, and strengthen climate resilience and low-carbon development capabilities.

Energy Management

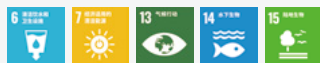
Improve energy efficiency, advance energy conservation initiatives and optimise the energy mix to enhance energy management performance.

Pollution Prevention and Control

Strengthen the management of air emissions, wastewater and waste, and reduce the environmental impacts of operations.

Biodiversity and Environmental Protection

Promote resource conservation and environmental protection, and support the coexistence of business operations and the natural environment.



Social

Occupational Health and Safety

Strengthen occupational health and safety management and safeguard the health, safety and wellbeing of employees.

Employee Rights and Development

Protect employees' lawful rights and interests, foster an equitable and inclusive workplace, and support employee development.

Sustainable Communities

Engage with local communities, support community wellbeing, and promote employment, communication and long-term cooperative relationships.



Sustainable Business

Product and Service Quality

Maintain a quality-focused management approach and provide stable and reliable products and services.

Responsible Business Conduct

Operate with integrity and compliance, strengthen risk management and governance, and enhance organisational resilience.

Sustainable Value Chain

Promote collaboration across the supply chain and support the development of a sustainable industrial ecosystem.



ESG Governance Structure

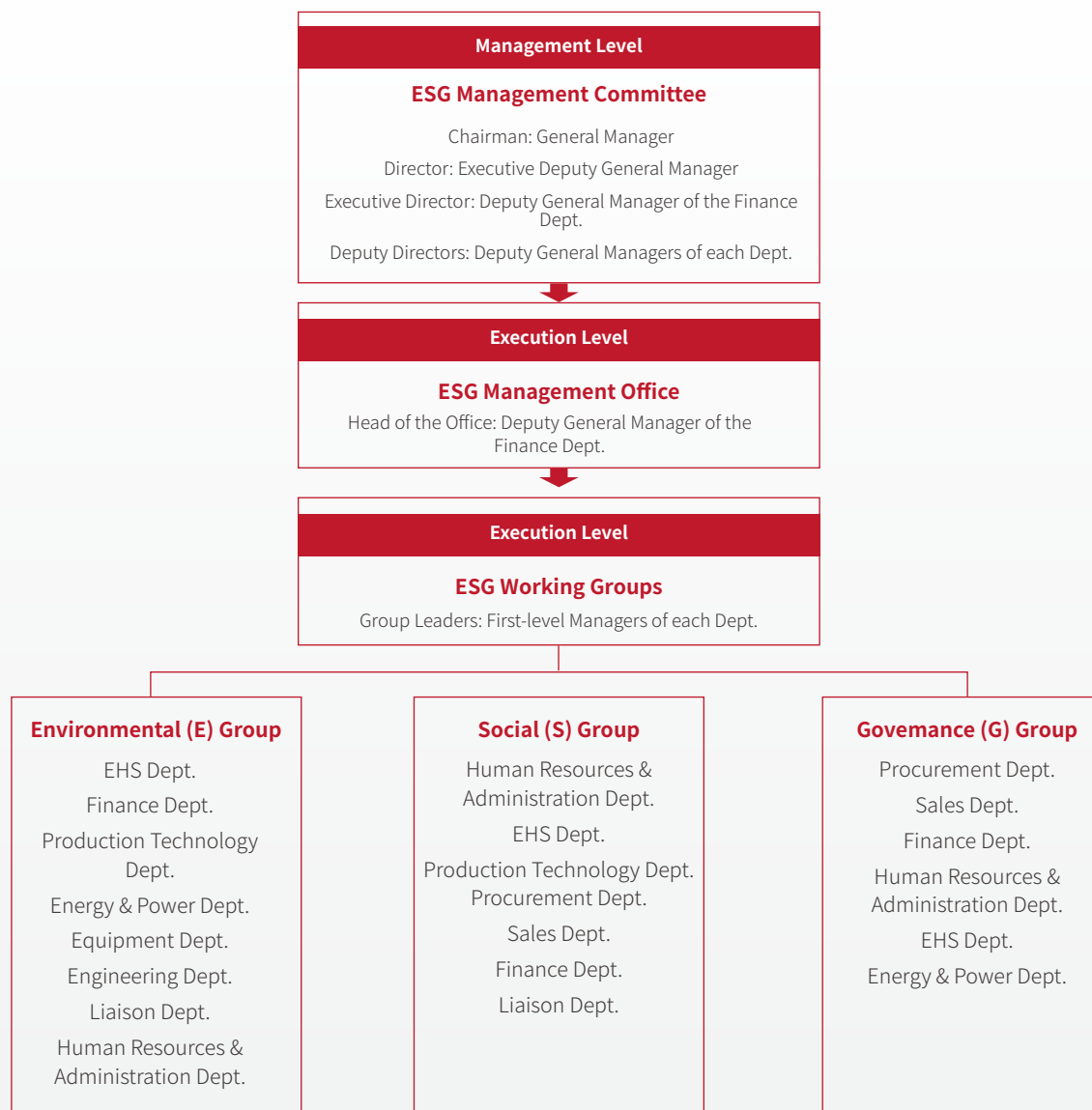
Eastern Steel has established an ESG governance structure with clearly defined responsibilities and coordinated management mechanisms.

At the management level, the ESG Management Committee is responsible for overseeing major ESG-related decisions. The General Manager serves as Chairman of the Committee, while the Executive Vice General Manager, Deputy General Manager of the Finance Department and Deputy General Managers of various departments serve as Director, Executive Director and Deputy Directors, respectively.

At the execution level, an ESG Management Committee Office has been established to coordinate and support the Committee's day-to-day work. The office is headed by the Deputy General Manager of the Finance Department.

In addition, dedicated ESG working groups have been established and are led by first-level managers from relevant departments. The working groups are organised into three areas: Environmental Governance, Social Responsibility and Corporate Governance. These groups work closely with relevant departments, including the EHS Department, Finance Department and Production Technology Department, to facilitate the implementation of ESG objectives and management requirements across business operations.

Eastern Steel ESG Management Committee Organizational Structure Chart



Responsibilities of the Eastern Steel ESG Management Committee

Level	Role	Key Responsibilities
ESG Management Committee 	Chairman	Responsible for defining the overall development strategy and direction of the Company's ESG work, exercising leadership and decision-making functions in ESG matters.
	Director	Responsible for the planning and supervision of the Company's ESG development, and guiding the specific implementation of ESG objectives.
	Executive Director	Responsible for assisting the Director in the planning and supervision of the Company's ESG development, and guiding the specific implementation of ESG objectives.
	Deputy Director	Responsible for assisting the Director and Executive Director in carrying out the Company's ESG work, taking the lead in coordinating specific objectives under various ESG topics, and resolving issues arising during the implementation process.
ESG Management Office 	Head of the Office	Responsible for the promotion and implementation of overall ESG work, specifically including: - Supporting leadership in building the overall goals of sustainable development; - Coordinating relevant departments in formulating and executing plans to achieve sustainable development goals; - ESG information collection and disclosure; - ESG rating work; - Monitoring ESG market changes in Malaysia, surrounding Southeast Asian countries, and internationally.
ESG Working Groups 	Working Group Leader	Responsible for the planning and implementation of matters related to group content within the ESG work system.
	Environmental (E) Group	Responsible for data collection and management relating to environmental governance, including biodiversity conservation, waste and hazardous materials management, climate change and emissions, energy management, resource efficiency, water management and air pollution management, as well as the planning and implementation of sustainability objectives.
	Social (S) Group	Responsible for data collection and management relating to social responsibility, including economic contributions to society, community development, human rights, employment, occupational health and safety, and employee training and development, as well as the planning and implementation of sustainability objectives.
	Governance (G) Group	Responsible for data collection and management relating to sustainable business, including business ethics and transparency, supply chain management, customer service and product quality, as well as the planning and implementation of sustainability objectives.

Stakeholder Engagement

We value engagement and collaboration with our stakeholders and seek to understand their concerns and expectations through a range of communication channels. Stakeholder feedback helps inform our management practices and supports the Company's sustainable development.

Stakeholder Group	Key Concerns	Engagement Channels
 Government and Regulators	Compliance Management Environmental Regulations Taxation	Policy Implementation Information Disclosure Audit Cooperation
 Investors	Financial Performance Corporate Governance ESG Risks	Annual Reports Results Briefings Responses to Enquiries
 Customers	Product Quality Service Reliability Sustainable Products	Customer Satisfaction Surveys Business Meetings
 Employees	Career Development Compensation and Benefits Workplace Safety	Employee Meetings Employee Training Occupational Health and Safety Training
 Suppliers and Business Partners	Procurement Standards Payment Terms Business Stability	Contract Negotiations Performance Evaluations Regular Communication
 Communities	Environmental Impacts Community Support Employment Opportunities	Community Visits Community Activities Stakeholder Meetings

Material Topics Identification and Management

During the reporting period, we conducted a materiality assessment to identify sustainability topics that are important to both the Company and its stakeholders. Through questionnaires, interviews and other engagement activities, we collected stakeholder feedback and assessed material sustainability topics in consideration of industry trends, regulatory requirements and the Company's operational context. The results provide a basis for ESG management and disclosure.

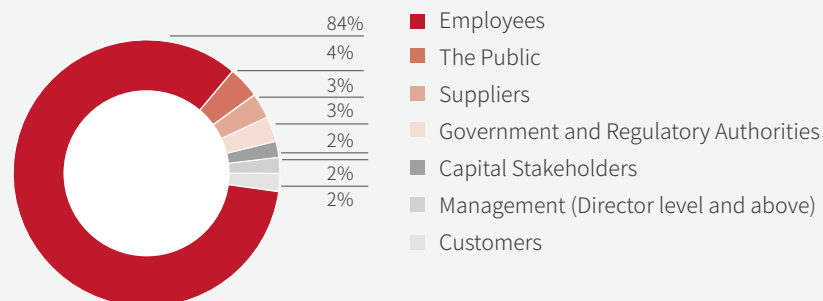
Step 1: Establishing the Material Topics List

This year, Eastern Steel developed a preliminary list of 19 material topics covering environmental, social and governance (ESG) aspects. The assessment considered the characteristics of steel manufacturing operations in Malaysia, market demand for low-carbon steel products in the ASEAN region, and relevant policy developments. The topic universe was developed with reference to the GRI Standards and the SASB Steel Producers Standard, and includes topics such as energy use, emissions, labour rights, community engagement and anti-corruption.

Step 2: Stakeholder Engagement and Assessment

To support an inclusive assessment process, we established an ongoing stakeholder engagement mechanism. During the year, materiality questionnaires were distributed to key internal and external stakeholders, including local government representatives, community representatives, local and foreign employees, key customers and suppliers, and financial institutions. Interviews were also conducted to supplement the survey process.

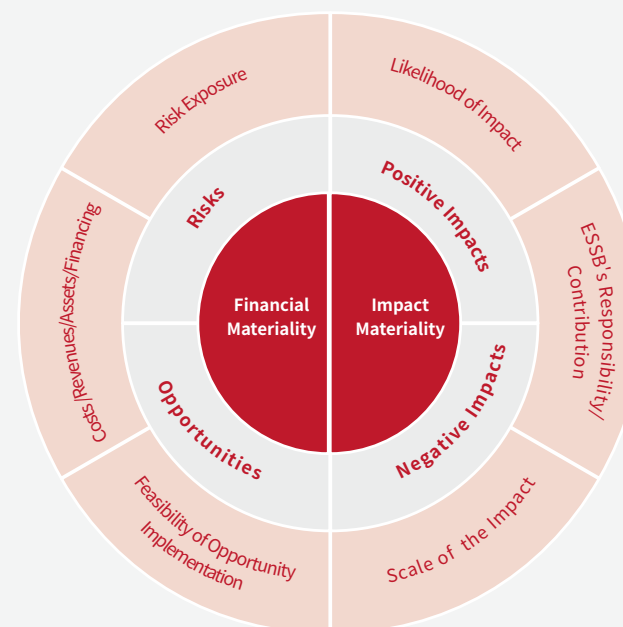
A total of 163 questionnaires were collected. The composition of stakeholder respondents is shown below.



Step 3: Materiality Scoring

During the year, we applied a double materiality assessment approach. From a financial materiality perspective, we assessed the potential effects of sustainability-related risks and opportunities on costs, revenue, assets and access to finance, assuming no management actions were taken. The assessment also considered the level of risk exposure and the feasibility of opportunities.

From an impact materiality perspective, we assessed the positive and negative impacts on stakeholders, taking into account the likelihood and severity of impacts, as well as Eastern Steel's contribution to those impacts.



Materiality Assessment Scoring Model



Step 4: External Validation and Finalisation of the Materiality Matrix

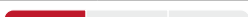
Based on the preliminary scoring results, we introduced an external validation and calibration process. The preliminary assessment results were cross-checked against the SASB Steel Producers Standard and stakeholder survey results.

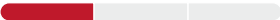
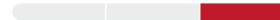
Additional adjustments were made for certain long-term and emerging topics to ensure that the assessment appropriately reflected their potential significance. Based on the assessment results and validation process, we developed the final double materiality matrix.

ESSB Materiality Matrix



Results of the Materiality Assessment

No.	Material Topic	Financial Materiality	Impact Materiality	Impact Scope ¹			Impact Time Horizon ²	Page Reference
				Up-stream	ESSB	Down-stream		
1.	Occupational Health and Safety	● ● ●	● ● ●		●	●		38-42
2.	Climate Change Response	● ● ●	● ● ●	●	●	●		18-26
3.	Emission Control	● ● ●	● ● ●		●			31-37,47
4.	Product Quality Control	● ● ●	● ● ●	●	●			43-45
5.	Energy Use	● ● ●	● ● ●		●			27-30
6.	Legal Compliance	● ● ○	● ● ○	●	●			58
7.	Research and Development	● ● ○	● ●		●	●		60
8.	Talent Training and Development	● ● ○	● ●		●			55
9.	Human Rights Protection	● ●	● ● ○		●			51-52
10.	Waste Management	● ●	● ● ○		●			35-36
11.	Supply Chain Management	● ● ○	● ○	●	●	●		61
12.	Environmental Compliance Management	● ●	● ●	●	●			31-37
13.	Community Development	● ○	● ● ○		●			56
14.	Working Conditions	● ●	● ● ○		●			54
15.	Water Utilization	● ●	●		●			48
16.	Resource Circularity	● ●	● ○		●			35,47
17.	Information Security	● ○	● ○		●	●		59
18.	Anti-Corruption	●	● ○		●			59
19.	Biodiversity Protection	●	●		●			49

 Short-term
  Medium-term
  Long-term

¹Impact Boundary: The assessment evaluates the relevance and transmission pathways of each material topic across the entire value chain. Upstream refers to procurement activities; Eastern Steel refers to the Company's own production, operations and corporate governance activities within the plant boundary; and Downstream refers to product sales and application.

²Time Horizon: The assessment considers the potential time frame over which each material topic may translate into financial impacts or actual impacts on stakeholders. Short-term refers to the period from the present up to one year, representing immediate or ongoing impacts arising from normal operations. Medium-term refers to a period of up to five years and is generally associated with the Company's rolling strategic planning cycle and medium-term industry technology development. Long-term refers to a period of ten years or more, primarily reflecting the long-term strategic implications of evolving public policies, the green transition of the industry and climate change.

During the year, we identified Occupational Health and Safety, Climate Change Response, Emission Control, Product Quality Control and Energy Use as highly material topics. The table below further outlines the potential financial risks and opportunities associated with these topics, as well as their positive and negative impacts on stakeholders and the broader economy, environment and society.

No.	Material Topic	Financial Impact Type	Description of Financial Impacts	Stakeholder Impact Type	Description of Stakeholder Impacts
1.	Occupational Health and Safety	Risk	Risk Description: A major workplace safety incident could result in significant increases in costs associated with regulatory suspension of operations, compensation payments and legal proceedings, as well as immediate losses in operating revenue.	Negative	Negative Impact Description: Inadequate protection in complex operational environments may expose workers to safety and health risks, adversely affecting the health and wellbeing of both local and foreign employees.
2.	Climate Change Response	Risk / Opportunity	Risk Description: More stringent carbon tax or emissions trading policies could lead to increased carbon compliance costs and accelerate the impairment of carbon-intensive production assets. Opportunity Description: The development of low-carbon steel products may strengthen market competitiveness and support access to premium markets, contributing to the growth of diversified revenue streams over the medium to long term.	Positive / Negative	Negative Impact Description: Continued greenhouse gas emissions from operations may contribute to the accumulation of global greenhouse gas concentrations and increase climate-related impacts. Positive Impact Description: Reducing the carbon footprint of products can contribute to emissions reduction efforts and support the achievement of national net-zero ambitions.
3.	Emission Control	Risk	Risk Description: Failure to meet regulatory emissions requirements could result in production disruptions, reduced revenue and increased costs arising from environmental penalties and corrective actions.	Negative	Negative Impact Description: Unintended releases of pollutants from production activities may adversely affect local air quality and have negative impacts on the health and wellbeing of nearby communities.
4.	Product Quality Control	Risk / Opportunity	Risk Description: Significant product quality issues could lead to customer claims, product returns, increased costs and potential loss of market share. Opportunity Description: Maintaining high product quality can strengthen market reputation, support pricing competitiveness and contribute to the long-term growth of core business revenue.	Positive / Negative	Negative Impact Description: The use of non-compliant products in major construction projects may create safety risks and adversely affect public safety and property. Positive Impact Description: The delivery of compliant, high-performance steel products can support the quality, safety and long-term reliability of infrastructure projects.
5.	Energy Use	Risk / Opportunity	Risk Description: Significant fluctuations in fossil fuel prices or changes in external electricity supply policies may increase energy procurement costs and lead to impairment risks for energy-intensive assets. Opportunity Description: Maintaining captive power generation capacity and expanding future solar power development may enhance energy security, reduce production costs and create additional revenue opportunities through the supply of surplus electricity to the grid.	Positive / Negative	Negative Impact Description: Continued reliance on fossil energy sources in steel production may increase environmental pressures associated with upstream energy extraction and supply activities. Positive Impact Description: Efficient captive power generation systems and future solar power facilities can support the use of cleaner energy, contribute surplus electricity to the public grid and support the transition towards a lower-carbon energy system.

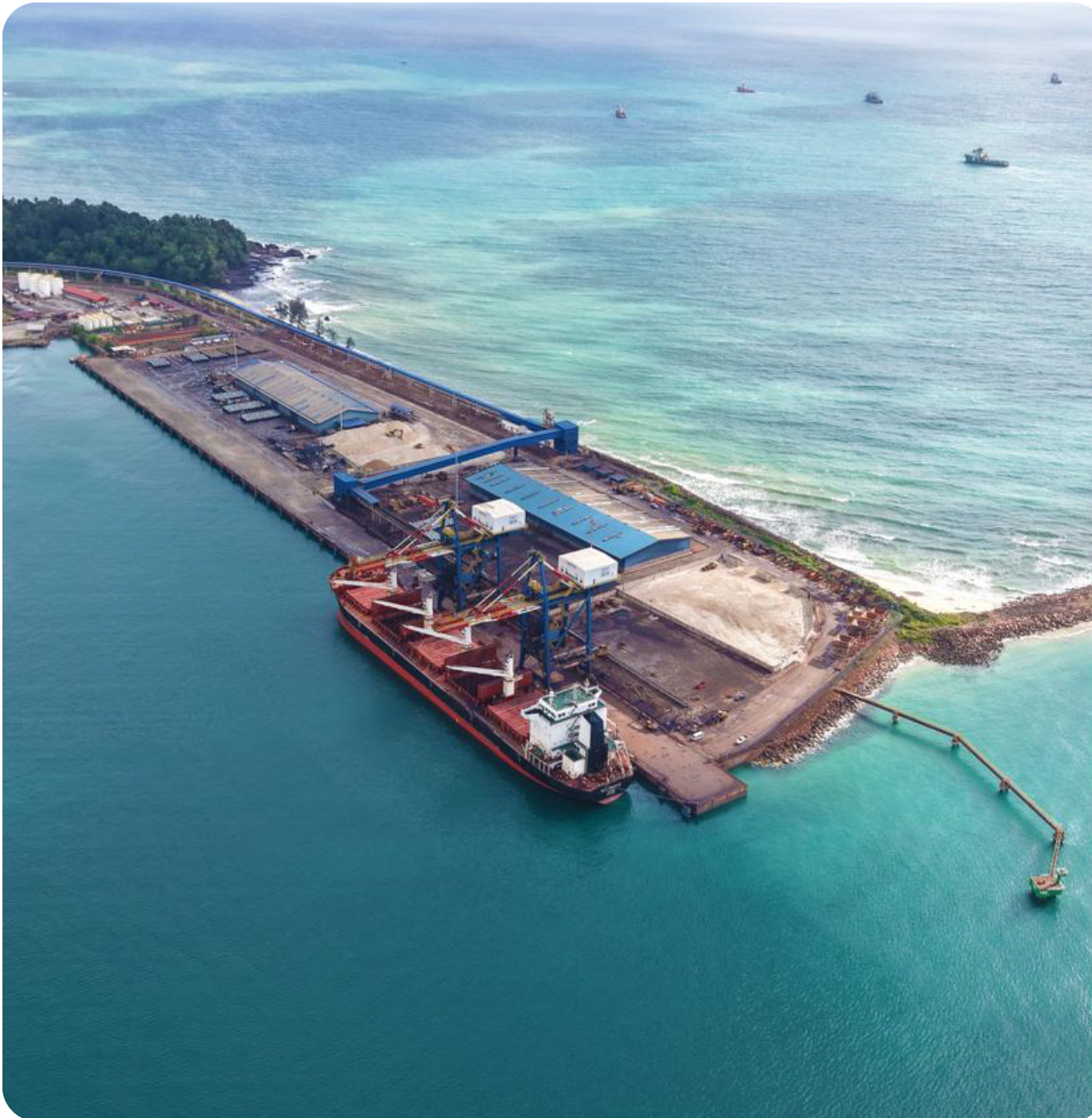
Sustainable Development Targets

Eastern Steel continues to strengthen its sustainability management system. Taking into account its business operations, industry trends and key stakeholder concerns, the Company is progressively establishing a sustainability target framework covering environmental, social and governance topics.

During the reporting period, Eastern Steel established preliminary long-term targets for 2030 and interim targets for 2026 in relation to key material topics, including Occupational Health and Safety, Climate Change Response, Emission Control, Product Quality Control and Energy Use.

	2030 Medium- and Long-term Targets	2026 Annual Targets	2025 Progress
Occupational Health and Safety	Prevention of Safety Incidents Maintain zero serious-injury and above production safety accidents. Keep the thousand-person minor-injury rate stable at or below 1.70‰ . Maintain zero Level 2 and above fire incidents. Maintain a 100% rectification completion rate for major safety hazards.	Control serious-injury and above production safety accidents at zero. Keep the thousand-person minor-injury rate at or below 1.71‰ . Control Level 2 and above fire incidents at zero.	Zero serious-injury and above production safety accidents. Thousand-person minor-injury rate of 1.38‰ . Zero Level 2 and above fire incidents.
	Occupational Health Maintain zero Stage II and above cases of pneumoconiosis and noise-induced deafness. Maintain 100% coverage of occupational health examinations. Achieve 100% coverage of occupational hazard factor testing in key positions.	Zero Stage II and above cases of pneumoconiosis and noise-induced deafness. Conduct occupational health examinations and occupational hazard testing.	Zero Stage II and above occupational disease cases. Completed occupational health examinations for 123 person-times. Completed occupational health re-examinations for 200 person-times. Completed noise testing at occupational hazard locations.
	Occupational Health and Safety Management System Development Continue to advance the standardisation of work safety. Maintain 100% coverage of safety training for all employees. Keep the all-employee safety qualification rate stable at 95% or above.	Advance the development of digital tools for work safety. Achieve 100% coverage of safety training for all employees. Keep the all-employee safety qualification rate at 95% or above.	Revised 18 safety management regulations and conducted 36 specialist inspections. Delivered over 30 dedicated safety training sessions and trained 1,095 new employees. Safety qualification rate reached 95.32%.
Climate Change Response	Carbon Intensity Using 2024 as the baseline year, the Company plans to reduce carbon emission intensity (Scope 1&2) by 20% from the baseline level by 2035.	Reduce carbon emission intensity (Scope 1&2) by 3% compared with 2025.	The 2025 greenhouse gas emission intensity (Scope 1&2) fell by 3.6% compared with 2024, achieving the annual GHG reduction target overall.

	2030 Medium- and Long-term Targets	2026 Annual Targets	2025 Progress
Emission Control	Pollutant Emission Control Targets Keep the comprehensive pollutant discharge compliance rate stable at 100%. Maintain zero environmental pollution incidents. Maintain 100% compliance of organised emissions. Achieve 100% coverage of fugitive dust treatment in key areas.	Achieve a comprehensive pollutant discharge compliance rate of 96% or above. Maintain zero environmental pollution incidents. Maintain 100% compliance of organised emissions. Achieve 100% coverage of fugitive dust treatment in key areas.	Achieved a comprehensive pollutant discharge compliance rate of 95%. Zero environmental pollution incidents. Identified and sealed 171 fugitive smoke and dust emission points. Completed rectification of 155 deduster issues.
	Environmental Treatment Facility Development Keep the stable operation rate of key environmental facilities at 100%. Achieve 100% online monitoring coverage of chimneys. Maintain 100% compliant disposal of hazardous waste. Achieve 100% on-schedule completion of environmental treatment projects.	Advance key environmental treatment projects in line with the schedule. Achieve 100% monitoring coverage of environmental facility operations. Achieve 100% online data monitoring coverage of chimneys. Achieve 100% compliant disposal of hazardous waste.	Identified 38 environmental treatment projects. Budget of RM 110 million allocated to environmental treatment projects. 100% compliant disposal rate of hazardous waste.
Product Quality Control	Keep the product quality pass rate stable at 99.5% or above. Maintain zero Level 1 quality incidents.	Achieve a product quality pass rate of 99% or above. Keep Level 1 quality incidents at zero.	Product quality pass rate: 98.81% Keep Level 1 quality incidents at zero.
Energy Use	Keep the self-generation rate stable at 100% or above to meet in-house demand. Achieve a cumulative installed photovoltaic generation capacity of 30 MW, continuously increasing the use of renewable energy. Maintain a 100% safe and stable supply rate of the energy system.	Achieve a self-generation rate of 105% or above. Advance the construction of the 10.86 MW PV generation project. Put the 12 MW saturated steam power generation project into operation, monetising the comprehensive utilisation of residual heat and steam from steelmaking and rolling. Achieve an annual rainwater recycling rate of 20%.	Achieved a self-generation rate of 105%. Planned the 10.86 MW PV generation project. Planned and constructed the 12 MW saturated steam power generation project. Completed the grid-connected power generation from dry-quenching coke steam, adding 15,000 kW of generation load per hour. Annual rainwater recycling volume: 1,396,000 m ³ , rainwater recycling rate of 18.9%.



Material Topics

- 18 CLIMATE CHANGE RESPONSE
- 27 ENERGY USE
- 31 EMISSION CONTROL
- 38 OCCUPATIONAL HEALTH AND SAFETY
- 43 QUALITY MANAGEMENT

CLIMATE CHANGE RESPONSE

Governance

Eastern Steel has established a climate governance structure with clearly defined roles and responsibilities. At the management level, the ESG Management Committee oversees significant climate-related matters. Chaired by the General Manager and comprising the Executive Deputy General Manager, Deputy General Manager of the Finance Department and Deputy General Managers of various departments, the Committee is responsible for approving key decisions, including carbon reduction targets.

At the implementation level, a dedicated Climate Change Working Group is responsible for coordination and execution. The Working Group collaborates across relevant functions, including the Security and Safety Department, Finance Department, Production Technology Department, Energy and Utilities Department, Equipment Department and Engineering Department. Its responsibilities cover low-carbon technology transition, climate resilience and risk management, stakeholder engagement and other climate-related initiatives. This governance structure supports a closed-loop management approach from decision-making to implementation and facilitates the integration of climate-related requirements, including energy conservation and carbon reduction, into core operational processes.

ESSB Climate Governance Structure



Strategy

Eastern Steel recognises the systemic challenges posed by climate change and regards climate change response as a key component of its long-term sustainable development. To integrate climate considerations into its overall governance framework, the Company conducted an assessment of climate-related risks and opportunities to support the development of a climate strategy aligned with its operational context. The assessment process is outlined below:



Identify Climate Risks and Opportunities

Screen and establish a risk and opportunity pool, and conduct an initial analysis of climate-related variables that may have potential impacts on the Company.



Climate Scenario Analysis

Develop different future scenarios, including high-carbon and low-carbon pathways, to simulate potential risks the Company may face under corresponding climate trajectories.



Climate Risk and Opportunity Assessment

Evaluate and quantify individual risk factors to determine their potential impact on the Company.



Climate Strategy Target Setting and Decision-making

Based on the above assessment results, define response approaches and management strategies for different climate-related risks and opportunities.

Climate Risk and Opportunity Identification

To proactively address the challenges and opportunities arising from climate change, Eastern Steel conducts climate risk and opportunity identification with reference to leading international frameworks. The Company systematically assesses the potential impacts of climate-related factors on its operations, supply chain, markets and long-term development, to support subsequent structured analysis of climate risks and opportunities.

Climate Risks

Risk Category	Risk Description	Impacted Value Chain			Impact Time Horizon
		Up-stream	ESSB	Down-stream	
Physical Risks	Heatwave Extreme heat, layered on top of the inherently high-temperature environment of steelmaking workshops, worsens working conditions for frontline staff and causes a phased decline in productivity. Regional power grids face peak demand during tropical heatwaves, and the Company may be subject to phased power restrictions, interrupting the continuity of smelting operations.	●	●		
	Flood Localised waterlogging in the plant triggered by heavy rainfall directly threatens the safe operation of high-temperature smelting equipment such as blast furnaces and converters. Adjacent to the port and if key transport links around the plant—roads and railways—are submerged by floodwater, the inbound logistics of bulk raw materials (iron ore, coal) and the outbound logistics of finished steel will come to a standstill.	●	●		
	Typhoon Destructive wind speeds associated with strong typhoons cause direct physical damage to fixed assets such as factory buildings, open-air stockyard conveyor belts, and port loading cranes.	●	●		
	Wildfire Fires in the vegetation or forest areas surrounding the plant threaten nearby transmission lines, exposing the factory to the risk of sudden power outages. Haze generated by wildfires causes a sharp increase in airborne particulate matter, accelerating the clogging and wear of air intake filtration systems in production equipment.	●	●		
	Sustained Rise in Average Temperature Increased heat dissipation pressure inside process equipment and factory buildings drives up the energy consumption and operating costs of cooling and refrigeration systems. Sustained high temperatures accelerate the ageing of mechanical parts and electrical components, raising the maintenance costs of fixed assets.	●	●	●	
	Sea Level Rise Long-term sea level rise, accompanied by elevated tides, increases the risk of seawater erosion and corrosion affecting coastal or port-adjacent assets. Sea level rise also raises the likelihood that low-lying plant areas and dedicated terminals will be inundated during storm surges.	●	●	●	
	Transition Risks				
	Policy Risk Malaysia is advancing climate policies such as carbon taxes for the steel industry, which may increase corporate compliance and operating costs. At the same time, regulations such as the EU Carbon Border Adjustment Mechanism (CBAM), the Corporate Sustainability Reporting Directive (CSRD), and the EU Taxonomy for Sustainable Activities are being progressively rolled out, placing higher requirements on product exports, information disclosure, and low-carbon supply chain management.	●	●	●	

Short-term Medium-term Long-term

Risk Category	Risk Description	Impacted Value Chain			Impact Time Horizon
		Up-stream	ESSB	Down-stream	
Transition Risks	Technology Risk The steel industry's transition towards cleaner processes such as electric arc furnaces (EAF) or hydrogen-based metallurgy requires long-term and substantial capital investment, creating uncertainty in cash flow management. At the same time, if environmental standards are tightened rapidly, existing long-process, high-carbon assets such as traditional blast furnaces may be forced to retire before reaching the of their design life, exposing the Company to the risk of asset stranding and impairment.	●	●		
	Market Risk Downstream customers in the automotive and construction sectors are placing increasingly stringent demands on carbon emission data disclosure, the share of green energy used, and decarbonisation plans. If the Company fails to meet these requirements in a timely manner, its market competitiveness may be affected. At the same time, the lack of carbon data from upstream suppliers, the rising bar for due diligence, and the pass-through of transition costs will further increase supply chain management pressure and operating costs.		●	●	
	Reputation Risk Financial institutions and investors are scrutinising the lending eligibility of traditional heavy industry under frameworks such as the Climate Change Principal Taxonomy (CCPT). If the Company lacks a clear decarbonisation roadmap, it may face restricted access to financing or higher capital costs. At the same time, carbon performance or disclosure that lags behind the industry average would also have a negative impact on the Company's brand image locally.		●	●	

Climate Opportunities

Opportunity Type	Opportunity Description	Impacted Value Chain			Impact Time Horizon
		Up-stream	ESSB	Down-stream	
Policy Opportunity	The Malaysian government is strongly supporting green industrial development through the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan 2030 (NIMP 2030), the Company may actively apply for tax incentives and dedicated government subsidies targeted at green manufacturing and energy-efficient process upgrades, lowering the upfront barriers to low-carbon transformation.	●	●	●	
Technology Opportunity	The introduction of advanced low-carbon technologies such as blast furnace waste heat recovery, hydrogen-rich smelting, and electric arc furnaces (EAF) can fundamentally reduce reliance on fossil energy, while improving resource efficiency and creating room for cost reduction in operations. At the same time, by applying advanced low-carbon technologies such as blast furnace waste heat recovery and hydrogen-rich smelting, the Company can significantly reduce its dependence on fossil energy and enhance resource efficiency, exporting surplus green electricity to the external grid and achieving both cost reduction and revenue growth through low-carbon process innovation.	●	●	●	
Market Opportunity	As global and Southeast Asian supply chains place growing demand on low-carbon steel and recycled raw materials, if Eastern Steel can take the lead in launching low-carbon, high value-added steel products, it will be well positioned to enter emerging high-margin markets such as new energy vehicles, premium construction, and green infrastructure, expanding market share.		●	●	
Reputation Opportunity	Actively responding to and advancing clear carbon targets enables the Company to build a responsible, sustainable industrial benchmark image locally. This helps deepen business relationships with Malaysian government bodies, multinational key customers, and the local community, translating into long-term brand equity.		●	●	
Financing Opportunity	As Malaysia's and the international capital markets' green finance systems continue to mature, companies with clear decarbonisation pathways can access green credit, sustainability-linked loans (SLL), and green bonds on a priority basis, broadening their financing channels and enjoying more competitive loan pricing.		●		

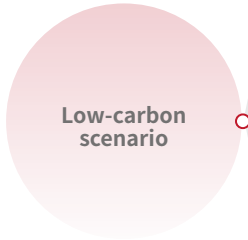
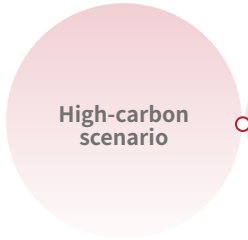
Short-term
 Medium-term
 Long-term

Climate Scenario Analysis

The Company conducted forward-looking physical risk identification and stress testing for the geographic coordinates of its key fixed assets and operational network. Considering the uncertainty of long-term macroeconomic and financial variables, the analysis applies a Relative Trend Indexing approach.

For scenario design, the Company selected SSP1-2.6 and NGFS Net Zero 2050 as low-carbon transition scenarios, and SSP5-8.5 and NGFS Current Policies as high-carbon scenarios, to provide a broader coverage of potential physical risk outcomes.

Scenario Selection

Scenario Category	Climate Scenario	Scenario Description
 Low-carbon scenario	SSP1-2.6	This scenario represents a green, sustainability-oriented global society transitioning toward low-carbon development. Resource and energy efficiency improves significantly as economies gradually decouple from carbon-intensive growth. Under this pathway, strong climate policies are effectively implemented, global greenhouse gas emissions peak shortly after 2020 and then decline steadily, with global temperature rise limited to below 2° C above pre-industrial levels by the end of the century.
	NGFS (Net Zero 2050)	This scenario belongs to the NGFS “Orderly” transition pathway. Ambitious and coordinated climate policies are implemented immediately across jurisdictions, accompanied by accelerated low-carbon technological innovation. Emissions decline rapidly, reaching net zero CO ₂ around 2050, and global warming is limited to around 1.5° C by 2100.
 High-carbon scenario	³ SSP5-8.5	This scenario represents a fossil-fuel-driven, market-oriented socioeconomic pathway. Economic growth is heavily dependent on continued fossil fuel use, with no additional climate mitigation policies introduced. As a result, global greenhouse gas emissions continue to rise throughout the 21st century, with global temperatures projected to increase by around 4° C above pre-industrial levels by 2100.
	NGFS (Current Policies)	This scenario belongs to the NGFS “Hot House World” pathway. Only currently implemented climate policies are maintained, with no additional or more stringent mitigation measures introduced. Global emissions continue to increase until around 2080, leading to a temperature rise exceeding 3° C by 2100.

³Due to limitations in publicly available climate datasets and model parameters, certain physical risk indicators (e.g., flooding and tropical cyclones) are assessed using SSP2-4.5 scenario data.

Physical Risks

This assessment uses historical baseline data as the reference point and measures the relative percentage change (%) of key risk indicators at future assessment horizons (2030, 2050 and 2080) compared with the baseline year, reflecting the marginal escalation of physical climate risks over time.

Using an interval standardisation approach, the relative changes and potential severity of individual variables are mapped onto a unified scale ranging from 1 to 5, forming a physical risk heat map for risk comparison and assessment.

⁴Physical Risk Heat Map

Risk Category	Risk Sub-category	2030		2050		2080	
		Low-carbon ⁵	High-carbon ⁶	Low-carbon	High-carbon	Low-carbon	High-carbon
Acute Risks	Heatwave						
	Flood						
	Typhoon						
	Wildfire						
Chronic Risks	Sustained Rise in Average Temperature						
	Sea Level Rise						

Legend: The colours in the figure indicate the change in the level of risk for each dimension under the specified scenario and year, relative to the 2025 baseline.



⁴The underlying data for the physical risk matrix in this report follows an approach combining horizontal comparability within individual risk types with cross-referencing of multiple authoritative data sources. The primary data sources are as follows:

-Extreme heat, heavy rainfall and sea level rise: Data were obtained from the World Bank Climate Change Knowledge Portal (CCKP). The assessment covers spatial grids for Terengganu, Malaysia, and adjacent offshore areas, with comparisons conducted between the SSP1-2.6 and SSP5-8.5 scenarios.

-Heat stress and wildfire risk: Data were sourced from the Climate Analytics database and aligned with scenarios developed by the Network for Greening the Financial System (NGFS). The low-carbon assessment adopts the NGFS Net Zero 2050 scenario, while the high-carbon physical risk stress assessment adopts the NGFS Current Policies scenario.

-Economic losses from riverine and urban flooding: Data were derived from the WRI Aqueduct Floods loss matrix published by the World Resources Institute (WRI). Annual expected flood losses (USD billions) and the proportion of assets exposed to flood damage across Malaysian cities were used as reference indicators for long-term baseline trends.

-Tropical cyclone (typhoon) hazards: Owing to the current limitations of global dynamical downscaling model coverage, the assessment uniformly adopts the SSP2-4.5 (intermediate emissions) scenario. The average projection for 2035–2064 (representing the mid-century period) was used to estimate future change factors for Category 1–5 tropical cyclones.

⁵Low-carbon scenario: SSP1-2.6 or NGFS Net Zero 2050.

⁶High-carbon scenario: SSP5-8.5, SSP2-4.5 (for tropical cyclone assessment only), or NGFS Current Policies.

Transition Risks

Under the NGFS scenario framework, Eastern Steel faces different transition risk pathways:

Under the Net Zero 2050 scenario, the gradual implementation of policies such as carbon taxation in Malaysia, fuel subsidy reforms and the EU Carbon Border Adjustment Mechanism (CBAM) is expected to increase carbon-related compliance costs significantly, accelerating the steel industry's transition toward low-carbon production. To meet regulatory requirements and growing market demand for low-carbon products, the Company may need to increase investment in cleaner production processes and low-carbon technologies, resulting in higher capital expenditure and potential stranded asset risks.

Under the Current Policies scenario, transition pressures are expected to remain relatively limited in the short term, while long-term risks continue to accumulate. As financial institutions and markets place greater emphasis on corporate decarbonisation performance, companies without clear low-carbon transition pathways may face higher financing costs, reduced access to capital and declining market competitiveness. In addition, carbon-related costs accumulated across upstream value chains may gradually be passed downstream, creating pressure on profitability.

Climate Opportunities

Under the NGFS climate scenarios, Eastern Steel's climate-related opportunities are primarily associated with green market expansion, energy efficiency improvement and access to green finance.

Under the Net Zero 2050 scenario, accelerated decarbonisation is expected to drive substantial growth in demand for low-carbon steel products. By developing low-carbon production processes, improving energy efficiency and strengthening its green brand positioning, the Company can capture opportunities in the emerging green steel market and enhance its competitive advantage.

Under the Current Policies scenario, companies that proactively establish low-carbon transition pathways and emission reduction strategies are likely to gain better access to green financing and strengthen their long-term competitiveness and financial resilience throughout the industry transition.

Climate Strategy Initiatives

Eastern Steel integrates climate action into its business operations through a dual-track approach encompassing both climate mitigation and climate adaptation.

For acute and chronic physical risks, the Company focuses primarily on climate adaptation, enhancing its resilience to climate-related hazards and reducing the potential disruption of extreme weather events to operational continuity.

For transition risks and climate-related opportunities, the Company prioritises climate mitigation, proactively implementing energy efficiency and carbon reduction initiatives, responding to evolving carbon-related policies in Malaysia and international markets, and monitoring emerging climate opportunities. Through these efforts, the Company seeks to transform low-carbon transition challenges into new drivers of sustainable growth.

Climate Mitigation

Scope 1

Optimizing raw material structure

Adjusting the blast furnace burden structure, and increasing the utilization proportion of recycled resources such as scrap steel. Meanwhile, increasing the procurement proportion of pellets and lump ores, lowering the sinter ratio, and reducing the consumption of coal and coke, to achieve the control of carbon emissions from the source.

Utilizing waste heat from sinter waste gas to dry raw materials

Utilizing the waste gas of approximately 200° C from the third section of the sinter strand cooler, and transporting the thermal energy to the blast furnace elevated bunkers with the aid of the waste heat induced draft system, to perform drying treatment on raw materials such as coke, pellets, and lump ores, in order to reduce the moisture content of raw materials entering the furnace and the coke ratio.

Scope 2

Efficiently recovering and utilizing by-product gas

Building a 55 MW gas power generation unit, to convert blast furnace and converter gas into electric energy, reduce waste gas and greenhouse gas emissions, and achieve the circular utilization of by-product resources.

Fully utilizing industrial waste heat resources

In response to the high-temperature flue gas generated from coke oven production, building four waste heat boilers and two 50 MW power generation units, to convert flue gas waste heat into steam and use it for power generation, and achieve efficient energy recovery.

Constructing the saturated steam power generation project

Launching the construction of a 12 MW saturated steam power generation unit, to fully recover the saturated steam generated during the steelmaking and steel rolling processes and use it for power generation, and the project is expected to be completed and put into operation in June 2026.

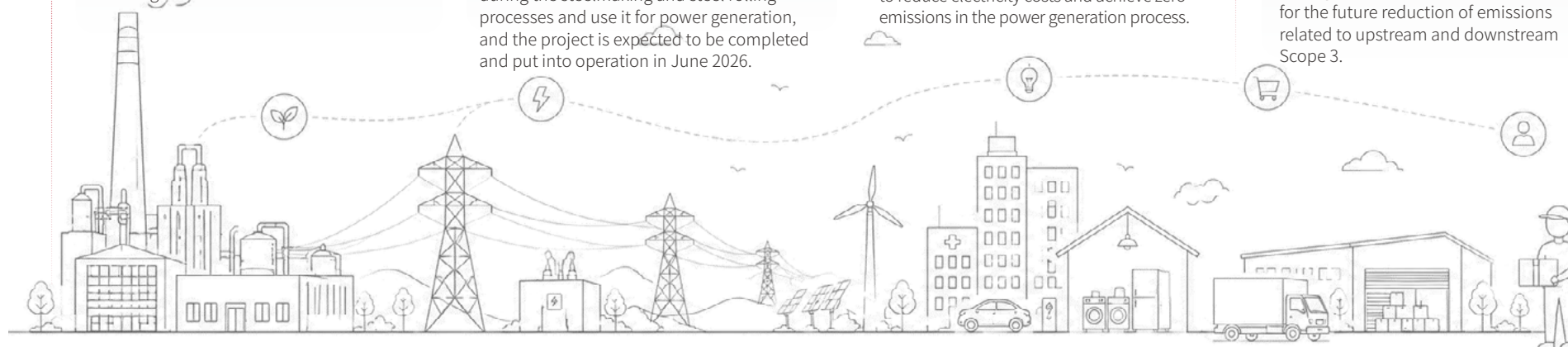
Scope 3

Expanding dormitory buildings to reduce employee commuting carbon emissions

Currently owning 9 employee dormitory buildings, providing guarantees for more than 1,700 residing employees (including nearly 100 Malaysian local employees whose journey exceeds 50 kilometers). Follow-up plans are made to build an additional 3 to 5 16-story dormitory buildings, thereby reducing carbon emissions brought by Scope 3 employee commuting.

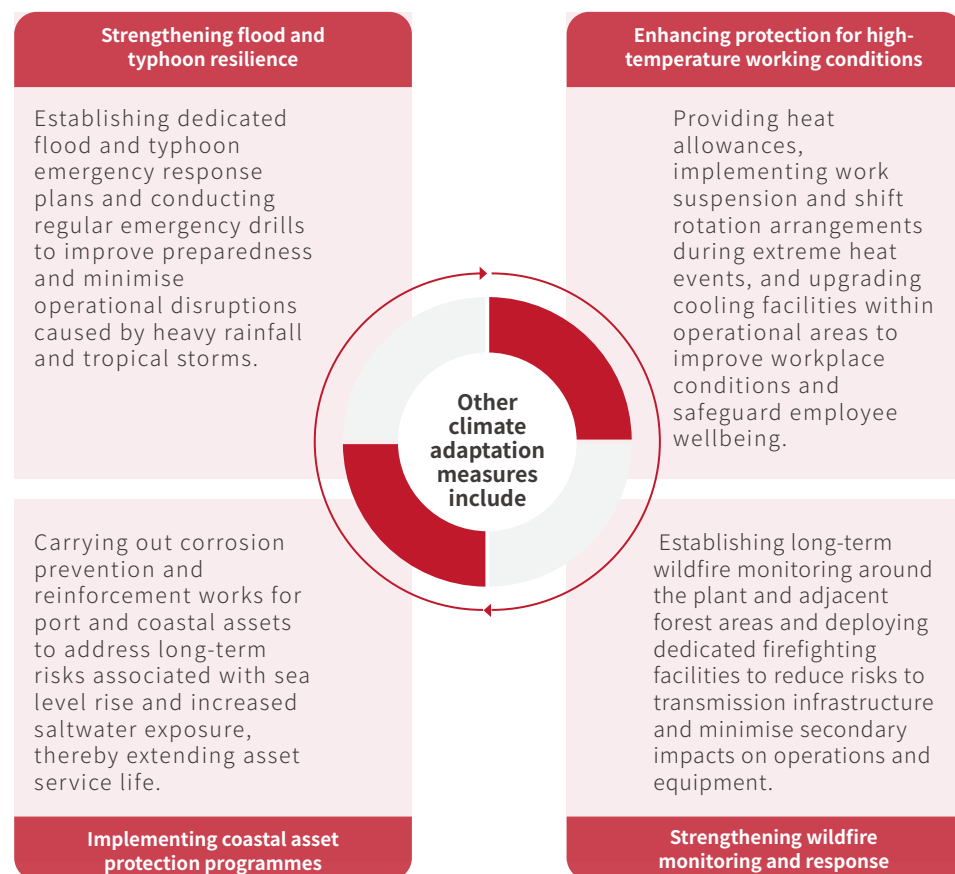
Exploring supply chain emissions reduction

Launching a baseline survey of carbon emissions from upstream suppliers in the supply chain, focusing on screening carbon emissions data during the procurement of bulk raw materials and logistics transportation. Follow-up plans are made to carry out supplier carbon management work, to lay a foundation for the future reduction of emissions related to upstream and downstream Scope 3.



Climate Adaptation

Eastern Steel has established the *Emergency Response Plan for Natural Disasters*, which sets out the principles of “prevention first, people-oriented management, unified command, tiered responsibility, rapid response and coordinated action”. The Deputy General Manager in charge of safety serves as the Chief Commander of the Emergency Command Centre, while the Production Technology Department is responsible for early warning and incident notification through the Emergency Management Office. Emergency responses are classified into three levels (Level I, II and III), with incidents required to be reported to the Information Centre within one hour and written reports submitted within 24 hours after the event. Upon notification, relevant personnel are required to arrive at the site within 10 minutes and coordinate with specialised teams, including emergency repair, firefighting and medical response teams, to address flooding, structural collapse, strong winds, earthquakes and other emergencies.



Climate Strategy Targets

Using 2024 as the baseline year, we have established two key climate targets: to reduce carbon emissions intensity by approximately 20% by 2035 and to strive to achieve carbon neutrality before 2050.

To support these objectives, we have developed a phased low-carbon transition pathway covering both our operations and value chain. To help ensure the effectiveness of this pathway, we will continue to conduct carbon performance assessments, increase investment in low-carbon technologies, and strengthen internal and external collaboration. We also plan to work with suppliers to establish mechanisms for sharing sustainability-related data and support broader decarbonisation efforts in Malaysia and beyond.

Short-term (by 2035)

Maximise Energy Efficiency

Improve energy efficiency through equipment upgrades and process optimisation, including reducing electricity and fuel consumption intensity, coke rate and coal rate, while increasing the utilisation of by-product steam and waste heat and pressure recovery for power generation.

Improve Material Efficiency

Enhance yield rates and material utilisation across production processes, including alloys, limestone and dolomite.

Circular Economy and Resource Utilisation

Increase the use of scrap steel and advance projects for the recycling and utilisation of metallurgical solid waste to improve resource efficiency.

Enhance Supply Chain Transparency

Launch a Green Supply Chain programme, procure lower-carbon materials, and establish carbon data-sharing mechanisms with key suppliers to support value chain decarbonisation.

Expand Renewable Energy Use

Increase the share of renewable energy in the energy mix, including exploring solar power projects and renewable electricity purchase agreements.

Long-term (by 2050)

Achieve Net-Zero Operations

Manage carbon emissions through a systematic lifecycle approach and work towards net-zero emissions across Scope 1 and Scope 2 emissions.

Green Production Processes

Increase the use of clean energy sources, including renewable electricity and green hydrogen, in steel production. Explore technologies such as hydrogen-rich blast furnaces and hydrogen-based direct reduction processes and support the development of a lower-carbon energy supply chain.

Become a Regional Leader

Continue to advance low-carbon steelmaking technologies, produce high-strength, corrosion-resistant and energy-efficient steel products, and work with stakeholders to support a more sustainable future.

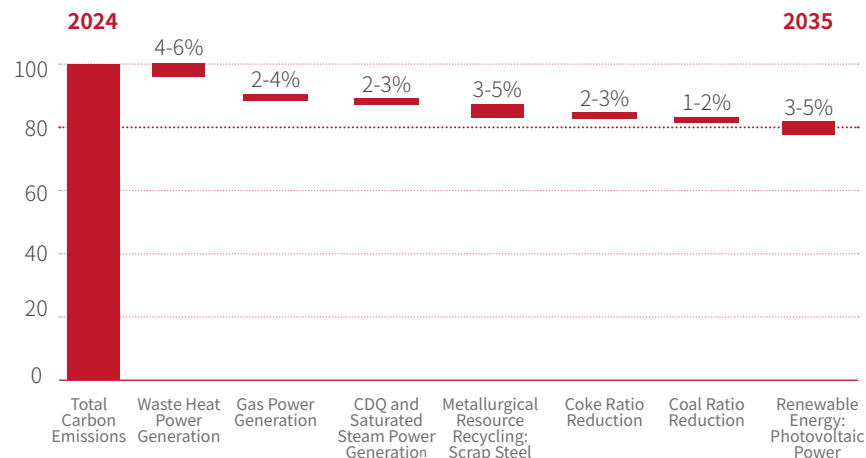
Explore Emerging Low-Carbon Technologies

Assess and pilot the feasibility of technologies such as hydrogen-based steelmaking and carbon capture, utilisation and storage (CCUS), including small-scale demonstration projects where appropriate.

Eastern Steel's 2035 Decarbonisation Roadmap⁷

Using 2024 as the baseline year, Eastern Steel aims to reduce carbon emissions intensity (Scope 1&2) by 20% by 2035 compared with the baseline level.

Unit: %



The feasibility study for the CCUS project commenced in 2025 and is expected to be completed in 2027, with construction scheduled to begin in 2028. The CCUS facility is expected to become operational in 2029.



Signing of the Memorandum of Understanding (MOU) on carbon capture collaboration between ESSB, Ministry of Investment, Trade and Industry (MITI), Standards and Industrial Research Institute of Malaysia (SIRIM) and PETRONAS on 16 December 2025.

Just Transition

In advancing low-carbon technologies and green manufacturing, Eastern Steel follows the principle of a just transition. We have established employee training and skills development programmes covering areas such as low-carbon technologies, clean energy equipment operation and quality management, supporting employees in developing skills relevant to the transition.

⁷This roadmap illustrates the estimated contribution of individual decarbonisation measures to reducing carbon emissions intensity per tonne of steel. The assessment is based on the Company's operational data, energy consumption assumptions and production planning. Saturated steam power generation and distributed solar photovoltaic (PV) projects are expected to start in 2026, while the CCUS project is expected to become operational in 2029. Given uncertainties relating to future production capacity, technology development and other factors, this roadmap is for reference only.

Risk Management

Eastern Steel has integrated climate change considerations into its overall risk management framework and established a management structure comprising both governance processes and organisational controls. We apply a closed-loop risk management process covering risk identification, assessment and analysis, strategy implementation, and monitoring and reporting, enabling us to respond to physical and transition risks across the value chain.

In addition, we have adopted a three lines of defence model consisting of business ownership, functional support and independent audit oversight. Climate-related risk management responsibilities are embedded across business functions to support effective implementation of risk management measures and strengthen long-term climate resilience.

Climate Risk Identification

We continuously monitor climate-related policies, industry developments and stakeholder expectations to identify and maintain a climate risk register. Potential climate-related risks are identified across the value chain, including upstream supply chain activities, the Company's operations and downstream activities.

Risk Assessment and Analysis

Identified climate-related risks are assessed based on their likelihood and potential financial impacts. Particular attention is given to risks that may materially affect blast furnace operations, logistics and export activities, and to their potential implications for asset impairment and operating costs.

Monitoring and Reporting

We regularly monitor the implementation of emissions reduction initiatives and risk mitigation measures, and review the status of responses to material climate-related risks. Relevant performance information and potential impacts are reported to management and the ESG Management Committee on a regular basis to support decision-making.

Strategy Development and Implementation

For material climate-related risks, we develop and implement climate adaptation and mitigation measures. Examples include flood protection upgrades and heat stress management programmes, as well as the adoption of lower-carbon technologies and optimisation of raw material inputs. Relevant actions are assigned to responsible business functions for implementation.



Metrics and Targets

Eastern Steel conducts greenhouse gas (GHG) accounting in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (GHG Protocol) and ISO 14064-1:2018 Greenhouse Gases — Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. The organisational boundary is defined using the operational control approach, and GHG emissions arising from the Company's operations are systematically identified and quantified.

The Company's GHG inventory covers Scope 1, Scope 2 and selected Scope 3 emissions. In 2025, Eastern Steel's GHG emissions intensity decreased by 3% compared with 2024, achieving its annual reduction target.

At the product level, the Company completed a life cycle environmental impact assessment for its core crude steel product and obtained Malaysia's first Environmental Product Declaration (EPD) for crude steel, developed in accordance with ISO 14025, EN 15804 and other applicable international standards. The EPD was independently verified under the ICMQ programme and officially published on the EPDItaly® platform.



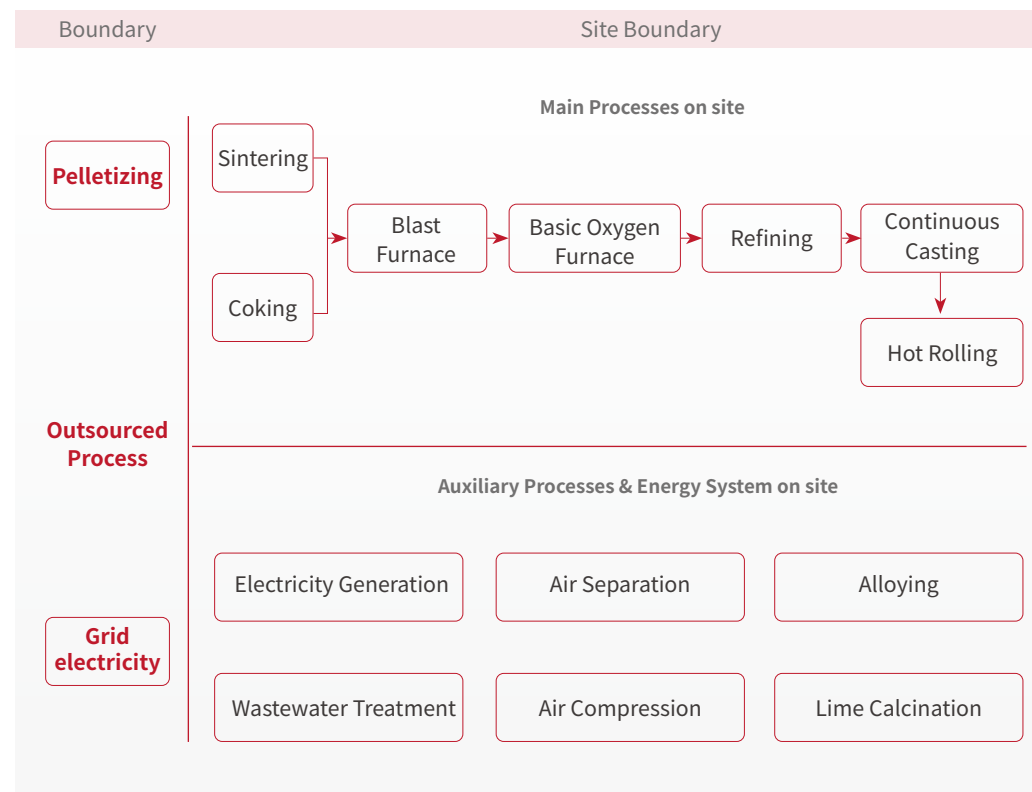
ISO 14064 Verification
Statement



Crude Steel EPD Report and
EPD Verification Statement

Note:

- The GHG inventory covers Scope 1 emissions (stationary and mobile combustion, process emissions and fugitive emissions), Scope 2 emissions (purchased electricity) and selected material Scope 3 emissions, including purchased goods and services, capital goods, fuel- and energy-related activities (not Included in Scope 1 or 2), transportation and distribution, waste treatment, business travel, and employee commuting.
- The Group's 2024 GHG emissions differ from previously reported figures due to: (1) improvement in emissions quantification and reporting methodologies (including adoption of updated emission factor), and (2) improved data quality.
- Overall, these improvements enable the Company to present a more comprehensive and accurate representation of its environmental impacts. While they may result in changes to reported emissions data, they reflect the Company's ongoing efforts to enhance data transparency and reporting quality.



Eastern Steel Group Greenhouse Gas Inventory Boundary

Indicator	Unit	2025	2024
Scope 1 GHG Emissions	tCO ₂ e	5,271,424.30	5,166,232.66
Scope 2 GHG Emissions	tCO ₂ e	52,129.23	34,344.80
Scope 3 GHG Emissions	tCO ₂ e	2,438,644.62	2,481,501.84
Total GHG Emissions	tCO ₂ e	7,762,198.14	7,682,079.31
GHG Emissions Intensity(Scope 1&2)	tCO ₂ e/tonne of steel	2.12	2.20

Eastern Steel Group Greenhouse Gas Inventory

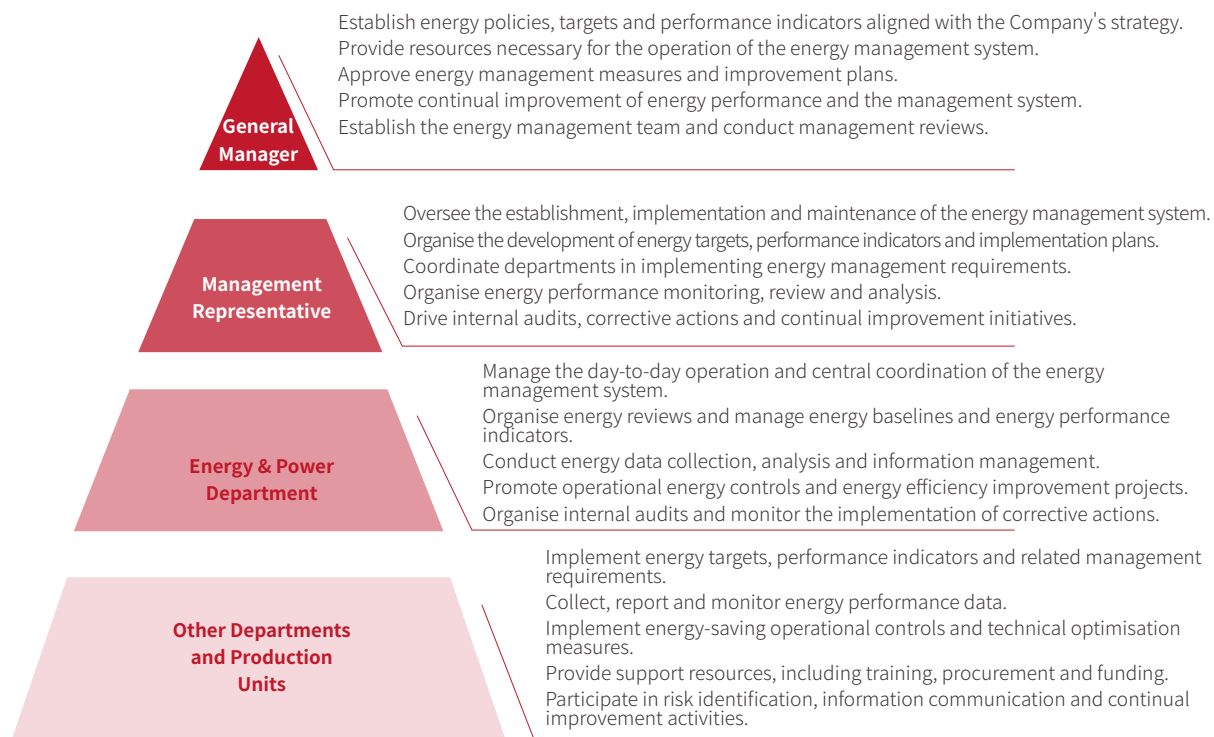
ENERGY USE

Governance

Eastern Steel continuously strengthens its energy management system through the implementation of the *Energy Management Manual* and supporting management procedures, while promoting the digitalisation, standardisation and systematic management of energy use through an intelligent energy management system.

The Company has established a multi-level energy governance structure covering decision-making, management and execution. Top management defines energy management responsibilities and authorities. The Energy & Power Department serves as the central coordinating department, responsible for policy development, supervision and inspection, energy statistics and balancing, as well as the advancement of *energy efficiency improvement projects*. Functional departments, including the Production Technology Department, Equipment Department and Procurement Department, work collaboratively on design optimisation, equipment maintenance and green procurement initiatives. Production plants are responsible for allocating energy consumption targets and implementing energy-saving measures at the operational level.

Eastern Steel Energy Governance Structure



Energy Management Process

Procurement and Equipment Management Stage

We strictly implement the *Procurement Control Procedures*, taking energy efficiency performance as an important evaluation factor for the procurement of energy, equipment, and services, establishing a phased elimination and upgrade mechanism for high energy-consuming equipment, to reduce the use of low energy-efficiency products from the source. Meanwhile, the Company formulates procurement standards covering energy quality, availability, and economic efficiency, and through the annual communication and service quality evaluation mechanism, promotes external service providers to collaboratively improve energy-saving awareness and service levels.

Project Construction and Process Design Stage

We incorporate the energy performance improvement space within the whole life cycle of facilities, equipment, systems, and process procedures into pre-examination requirements, directly integrating energy efficiency requirements into equipment specifications, design drawings, and procurement activities when applicable, and retaining relevant energy assessment and acceptance materials, to reduce the risk of high energy consumption from the source.

Production and Operation Stage

We rely on the *Energy Operation Control Procedures*, to implement whole-process standardized management over stages such as energy design, procurement, storage, measurement, processing and conversion, transmission and distribution, statistical analysis, residual energy and waste heat recovery, as well as energy-saving technology application. Each production branch plant continuously conducts dynamic monitoring and energy consumption analysis on key energy-consuming processes, and actively introduces industry best available technologies and good operating practices, to improve energy utilization efficiency through process optimization and process improvement.

Strategy

Eastern Steel is committed to continuously improving its energy performance and energy management practices. Guided by a strategy centred on regulatory compliance, resource security, energy efficiency enhancement and continual improvement, the Company continuously strengthens its energy management system to support its green and low-carbon transition and long-term sustainable development.

Continuous Improvement of Energy Performance and Energy Management

Compliance	Resources	Energy Performance Enhancement	Continual Improvement
Comply with applicable legal and regulatory requirements.	Ensure the availability of resources and information necessary to achieve energy objectives.	Promote energy-efficient procurement and energy-efficient design.	Improve energy performance and optimise the energy management system.

ESSB Energy Strategy



ESSB has obtained ISO 50001:2018 Energy Management System Certification.

Energy Utilisation

Eastern Steel incorporates energy recovery and recycling into its daily operations and implements comprehensive power quality control and periodic equipment maintenance programmes. During the reporting period, the Company advanced a series of waste heat recovery projects, including the integration of steam generated from the Coke Dry Quenching (CDQ) system into its power generation units, enabling the successful utilisation of waste heat steam across operational systems. The Company also initiated a photovoltaic project to further strengthen its clean energy self-generation capability. In 2025, Eastern Steel achieved a self-generation rate of 105%, generating more than 1.162 billion kWh of electricity.

Energy Efficiency Improvement Projects



Blast Furnace Gas and Basic Oxygen Furnace Gas Power Generation

Eastern Steel recovers blast furnace gas (BFG) and basic oxygen furnace gas (BOFG) generated during the steelmaking process and converts them into electricity through its 55 MW power generation unit. This not only reduces waste gas emissions but also minimises energy losses. Compared with conventional coal-fired power generation, gas-fired power generation produces significantly lower emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter, contributing positively to local air quality improvement.



Waste Heat Power Generation from Coke Oven Flue Gas

Within the coke-making process, the Company operates four waste heat boilers and two 50 MW steam turbine generator units, which convert waste heat from high-temperature coke oven flue gas into steam for power generation. This enables cascading energy recovery and utilisation while improving overall resource efficiency.



Waste Heat Recovery from Sinter Cooler Exhaust Gas

Eastern Steel recovers exhaust gas at approximately 200° C generated by the sinter cooler and directs it to blast furnace storage bins through a waste heat induced draft system. The recovered heat is used to dry coke, pellets and lump ore before charging. This process reduces raw material moisture content and coke moisture levels, thereby lowering the coke rate and improving both operational efficiency and energy utilisation.

Energy Monitoring

Eastern Steel has established a comprehensive energy monitoring and evaluation system and formulated the *Baseline and Energy Performance Indicator Management Procedure* and the *Energy Performance Monitoring and Measurement Control Procedure*. The Company scientifically establishes energy performance indicators and energy baselines, and adjusts them in a timely manner in response to changes in key variables such as production output and weather conditions, providing a basis for improving energy efficiency and optimising energy management.

Leveraging its EMS online energy consumption data platform, the Company regularly collects and analyses data on the consumption of coal, electricity, water and thermal energy, and maintains energy statistics records. In the event of abnormal energy consumption, enhanced monitoring and root cause analysis are conducted promptly to continuously improve energy utilisation efficiency.



Energy Management System Monitoring Centre

In accordance with the *Energy Review Management Procedure*, Eastern Steel conducts systematic energy reviews whenever significant changes occur in facilities, equipment, systems or production processes. These reviews cover data collection, energy use analysis, identification of significant energy uses, and the evaluation of energy-saving opportunities.

The review results serve as an important basis for establishing energy performance indicators, energy baselines, objectives, targets and action plans, and guide subsequent energy data collection and energy efficiency improvement initiatives.

Energy Review Management Process



Data Collection

Led by the Energy and Power Department, and integrating the Company's energy characteristics, we comprehensively collect energy data through means such as energy audits, comprehensive energy consumption calculations, on-site energy consumption monitoring, and historical data reviews.



Analyze Energy Use and Energy Consumption

Utilizing tools such as energy flow charts, equipment checklists, and statistical models, we systematically analyze past and present energy consumption situations, comprehensively inventorying the types, sources, prices, and quality of energy.



Identify Significant Energy Use

We accurately identify facilities, equipment, processes, and positions that have a significant impact on energy consumption; meanwhile, integrating variables such as market supply and demand, product output, and weather changes, we evaluate existing energy efficiency levels and predict future energy demand.



Seek Energy Saving Improvement Opportunities

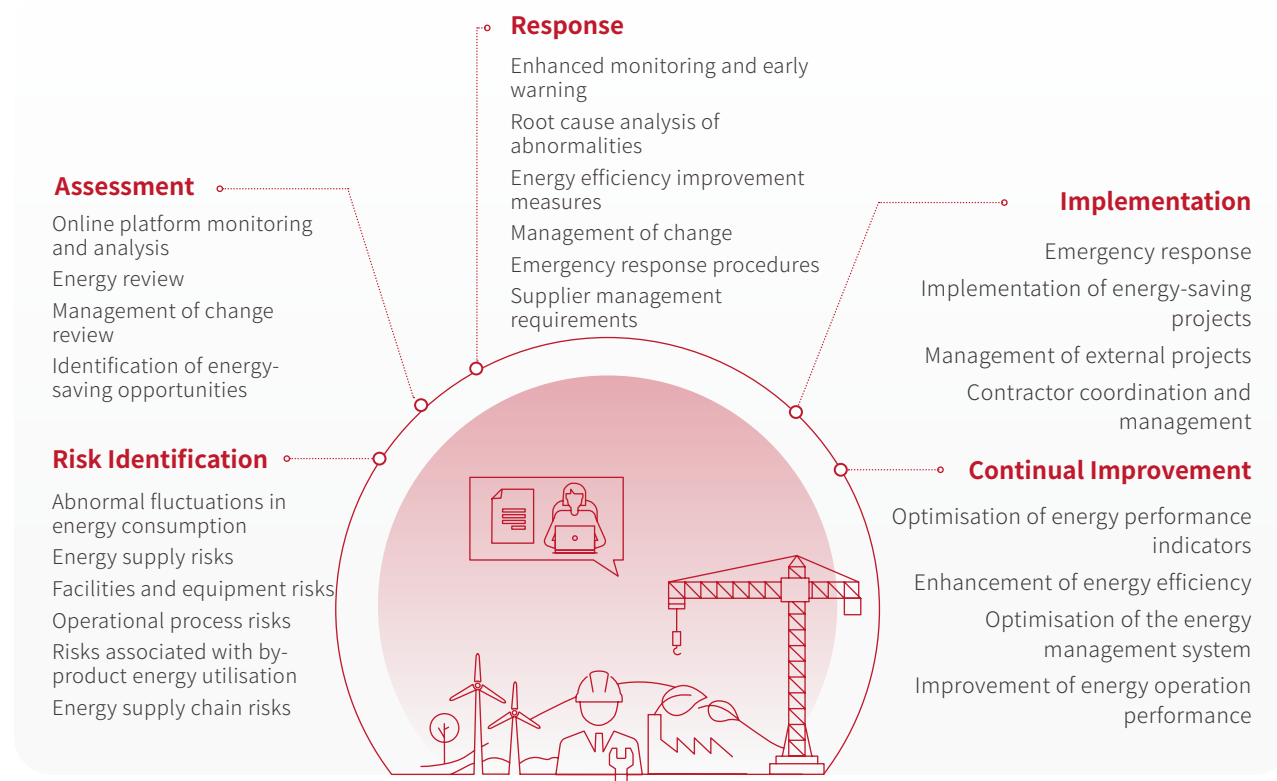
Utilizing methods such as energy system optimization, energy efficiency benchmarking, and expert diagnosis, we systematically identify energy efficiency improvement opportunities. The Company comprehensively considers key factors such as technical feasibility, economic rationality, legal compliance, and investment payback period, prioritizing and implementing the improvement opportunities.

Risk Management

Eastern Steel integrates energy-related risks and opportunities into its energy management system and daily operations, continuously strengthening its capability to identify, assess and respond to energy-related risks. The Company has established a monitoring network covering energy metering at all levels and leverages an online energy consumption data platform to track energy use in real time, promptly identify abnormal fluctuations and implement targeted measures to mitigate the impact of energy-related risks on operations.

Through its energy review mechanism, the Company identifies significant energy uses and energy-saving opportunities, continuously optimising energy performance and its energy mix. Eastern Steel has also established change control and emergency management mechanisms and strengthens collaboration with suppliers and contractors on energy management, jointly enhancing energy management performance and the stability of energy operations.

Eastern Steel Energy Risk Management Process



Targets and Performance

Eastern Steel has established its 2026 energy management targets around ensuring a safe and stable energy supply, enhancing integrated energy utilisation and improving energy efficiency. The Company plans to maximise the utilisation of surplus process gases and ultra-high-pressure steam resources to increase power generation output and achieve a self-generation rate of 105%. In addition, Eastern Steel will advance the development of a 10.86 MW solar photovoltaic project and commission a 12 MW saturated steam power generation project, enabling the utilisation of waste heat steam from steelmaking and rolling processes for power generation and value creation.

In terms of energy utilisation, the Company will continue to uphold its gas utilisation philosophy of “recovering all available gas, utilising energy according to quality, improving efficiency, and optimising system integration”, further enhancing the overall efficiency of energy utilisation.



achieve a self-generation rate of

105%



Eastern Steel will advance the development of a

10.86 MW



commission a **12** MW saturated steam power generation project

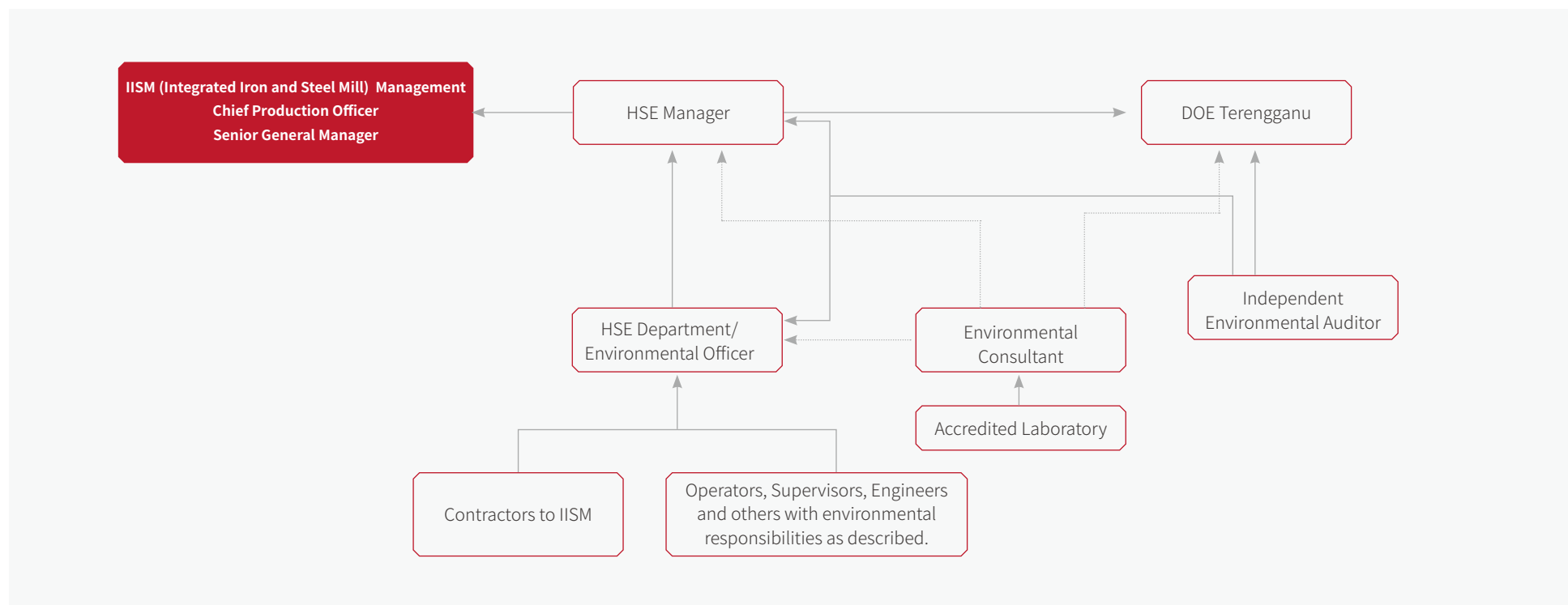
EMISSION CONTROL

Governance

Eastern Steel has established a comprehensive environmental management and reporting framework, with multiple levels of oversight roles, including the HSE Manager, Environmental Management Officers, Supervisors and Plant Operators. The Company has developed an *Environmental Management Plan* (EMP), which sets out clear requirements for pollution prevention and emissions management.

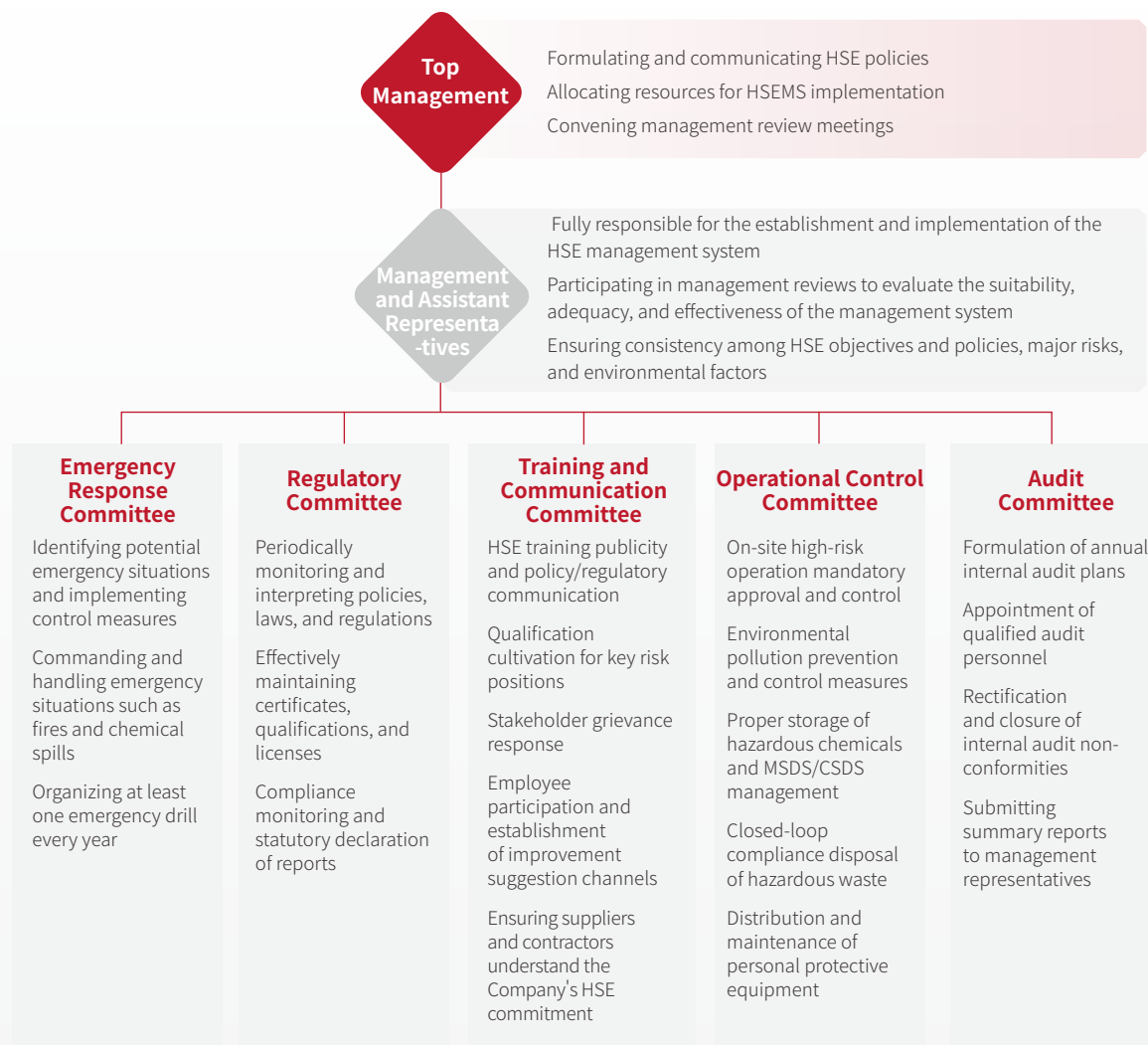
The HSE Manager is responsible for the overall implementation and enforcement of environmental control measures, including environmental document control, reporting and training. Environmental Management Officers are responsible for organising and managing the implementation of the EMP, monitoring compliance with environmental requirements and ensuring the execution of mitigation measures. Supervisors and Plant Operators are responsible for ensuring that operations comply with the EMP and for promptly reporting environmental incidents and implementing remedial actions when necessary.

In terms of external communication, the HSE Manager serves as the key liaison with regulatory authorities, including the Department of Environment Terengganu (DOE Terengganu), and is responsible for environmental reporting management. Environmental Management Officers regularly submit environmental monitoring reports to DOE Terengganu. The Company also works with environmental consultants to develop the EMP and engages third-party environmental laboratories to conduct monitoring and sample analysis, with monitoring results submitted to the Department of Environment.



ESSB Environmental Management Governance Structure

Health, Safety and Environment Management System (HSEMS) Organisational Structure



Heads of Each Department : Providing internal supporting resources for department businesses·Cross-departmental alignment and notification of daily changes·Real-time reporting of on-site health and safety abnormalities·Participating in management reviews

HSE Document Management Framework

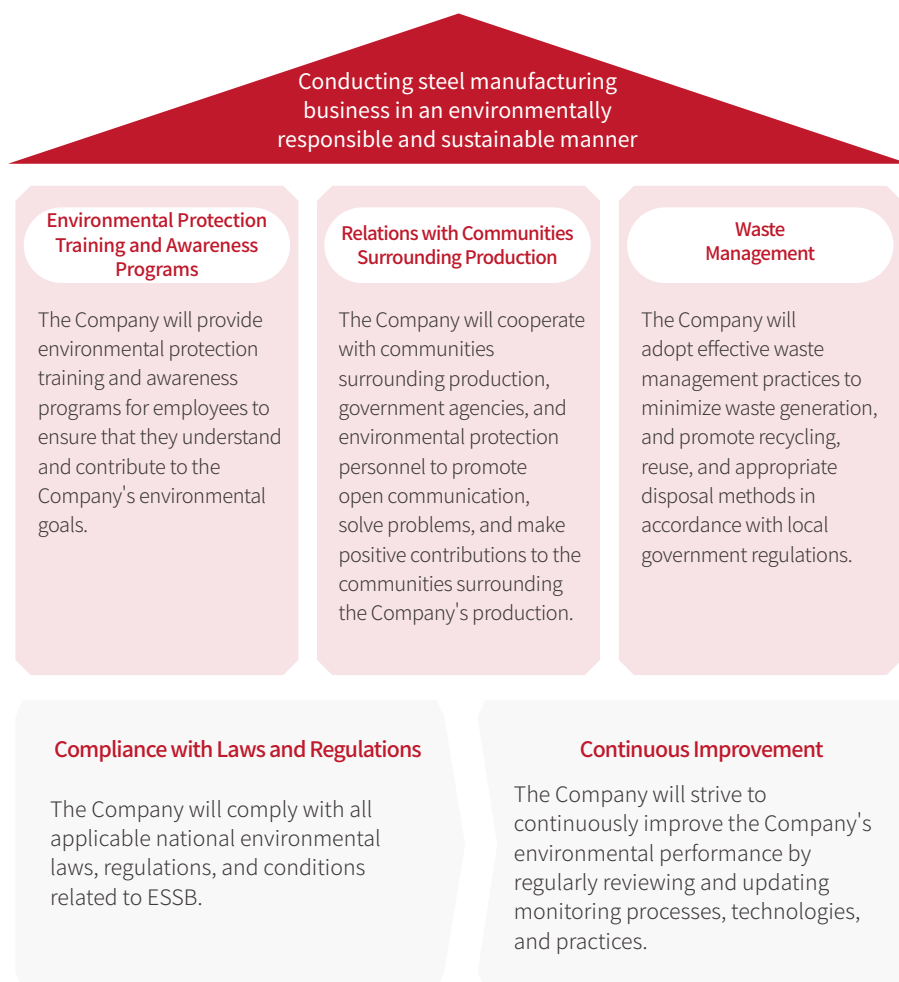
- HSE Manual**
 Defines the organization's HSE management system framework, policies, and principles, as well as the Company's response methods to various requirements of ISO 14001 and OHSAS 18001.
- Procedure Documents**
 Elaborates on specific management activities to ensure the system meets requirements and to control work activities and operational processes.
- Forms and Records**
 All relevant forms and records serving as evidence of the HSE management system, as well as other relevant or supporting documents.



ESSB has obtained ISO 14001:2015 Environmental Management System certification

Strategy

Eastern Steel integrates ecological stewardship and green manufacturing principles into its overall development strategy and has established a systematic environmental policy. The Company is committed to conducting its steel manufacturing operations in an environmentally responsible and sustainable manner, minimising environmental impacts and conserving natural resources for present and future generations. To fulfil this commitment, the Company has established the following environmental strategies:

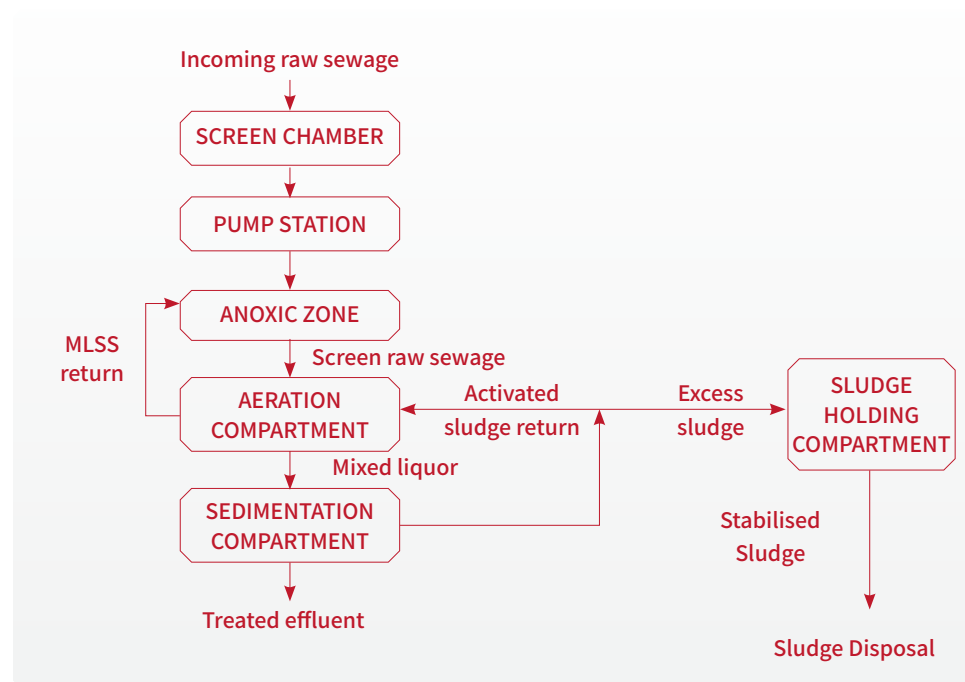


Wastewater

The Department of Environment (DOE) Malaysia classifies wastewater into two categories: domestic sewage and industrial effluent. Eastern Steel does not generate industrial effluent from its production operations. The wastewater generated during operations consists primarily of domestic sewage from employees, which is collected and treated in accordance with applicable regulatory requirements.

For domestic sewage, the Company operates a sewage treatment plant (STP) with a design capacity of 2,500 PE and conducts monthly monitoring of final discharge quality in accordance with the conditions stipulated in its *Environmental Impact Assessment* (EIA) approval. The Company has established *Rules and Regulations for Sewage Treatment Plant Management* to ensure the proper operation of the STP and compliance with wastewater treatment requirements.

During the reporting period, the Company's production processes primarily adopted dry-process technologies and did not generate process wastewater or industrial sewage. All treated water from the STP was reused internally, achieving zero wastewater discharge. In addition, the Company conducted sample collection and laboratory analysis at six water quality monitoring stations located around nearby rivers and port areas. The annual monitoring results were generally in compliance with the Malaysian National Water Quality Standards and the IFC/World Bank *Environmental, Health, and Safety Guidelines for Integrated Steel Mills*.



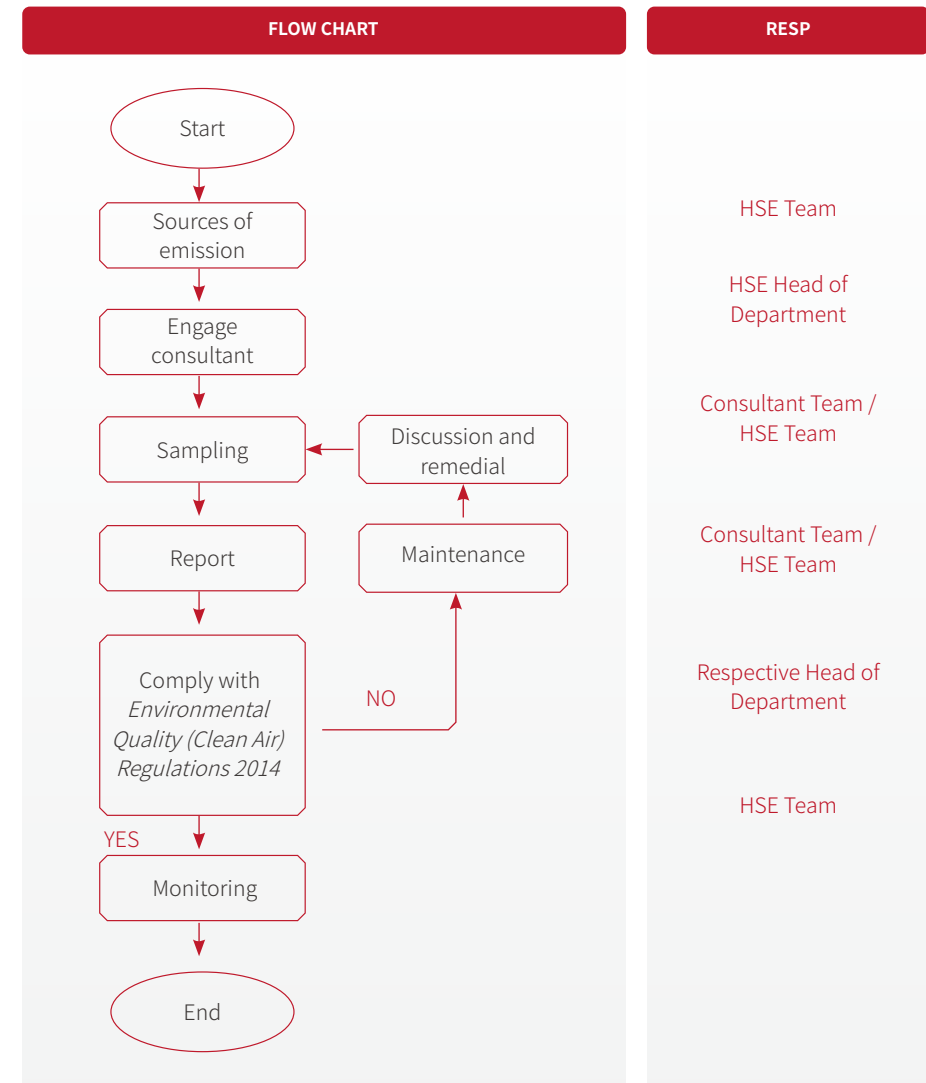
Wastewater Treatment Process

Air Emissions

Eastern Steel has established an air emissions monitoring and control mechanism covering all stages of production and developed relevant management procedures to ensure compliance with the *Environmental Quality (Clean Air) Regulations 2014*. Dust collectors have been installed across production plants to control dust and iron oxide particulate emissions, while coloured steel sheet enclosures have been implemented at dust-generating points to minimise fugitive emissions. To prepare for more stringent environmental requirements in the future, the Company has also advanced the construction of desulphurisation and tertiary dust collection projects at its steelmaking plant and installed additional dust extraction hoods to further strengthen its air pollution control capabilities.

The Company conducts environmental air quality and stack emissions monitoring both within and around the plant. Monitoring stations have been established at key locations, including raw material storage areas and nearby residential communities, where total suspended particulates (PM10), nitrogen dioxide, sulphur dioxide, heavy metals and dioxins are monitored on a monthly, quarterly or annual basis, as applicable. In addition, stack emissions monitoring is conducted quarterly for ten key emission stacks. Testing is carried out by laboratories accredited under the Standards Malaysia Accreditation Scheme (SAMM) and compliant with ISO 17025 requirements.

During the reporting period, monitoring results for inhalable particulate matter (PM10) and fine particulate matter (PM2.5) at all monitoring stations complied with the limits set under the *Malaysian Ambient Air Quality Standards* and the *IFC/World Bank Environmental, Health, and Safety Guidelines for Integrated Steel Mills*.



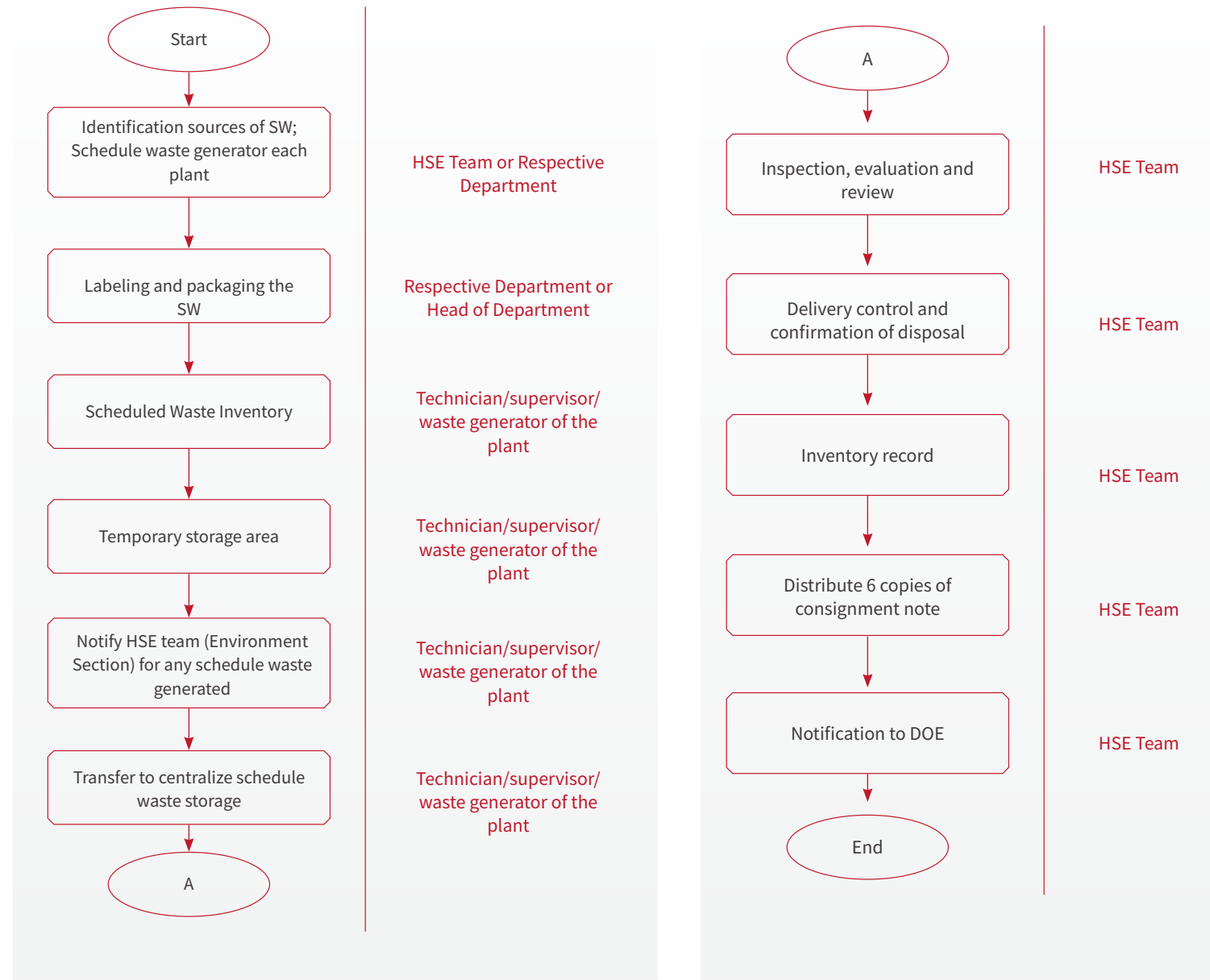
ESSB Ambient Air Sampling and Monitoring Process

Waste

Eastern Steel has established the *Industrial Waste Management Procedure* to regulate the generation, handling, storage and disposal of industrial waste throughout its lifecycle. Technical personnel and waste generators at each production plant are required to comply with relevant safety requirements. Industrial waste is stored in durable, compatible and closed containers, which remain closed at all times during storage except when waste is being added or removed, thereby preventing spills or leakage into the natural environment at source.

The Company also standardises waste handling procedures prior to transportation. In accordance with the *Environmental Quality (Scheduled Wastes) Regulations 2005*, waste is properly handled, labelled, packaged and stored according to its classification. In addition, Eastern Steel maintains a comprehensive waste record-keeping system comprising internal waste inventories, storage inventories and consignment note records, and conducts regular housekeeping of waste storage areas.

The Company has also established a waste classification, treatment and resource utilisation system covering different waste streams, promoting 100% internal resource utilisation of solid waste. Slag generated during production is fully reused for road construction and maintenance within the plant.



Hazardous Waste

For hazardous waste, the Company mainly generates seven categories of hazardous waste, including spent batteries, oily sludge and waste lubricating oil. Eastern Steel has established an industrial waste storage facility within the plant and requires all hazardous waste to be stored in a standardised manner.

For waste transportation and final disposal, the Company strictly engages qualified third-party service providers to ensure that the entire process, from transportation to treatment and disposal, complies with applicable environmental regulations. In addition, Eastern Steel has developed detailed *Hazardous Waste Accident Prevention Measures and Emergency Response Procedures*, which define response actions for both initial-stage and subsequent-stage incidents. In the event of an accident, measures such as sandbag containment, switching of stormwater and wastewater drainage channels, and coordination with external fire and rescue services are implemented to prevent the spread of pollution and minimise environmental impacts.

Risk Management

During the operation of its environmental management system, Eastern Steel places particular emphasis on environmental risk identification and source control. In accordance with the *Environmental Aspects and Impacts Assessment and Risk Assessment* and *Job Safety Analysis Procedures*, the Company systematically identifies and prioritises environmental aspects and hazards associated with its daily operations. For significant environmental aspects identified through the assessment process, Eastern Steel implements stringent operational control measures and incorporates them into its management objectives. Identified hazards are subject to ongoing monitoring and review to minimise potential environmental risks at source.

Environmental Monitoring and Audits

Eastern Steel continues to strengthen its performance monitoring and audit mechanisms and implements quantitative management measures to support the effective operation and continual improvement of its environmental management system. The Company establishes measurable environmental objectives, conducts regular performance monitoring and compliance evaluations, and implements an internal audit programme. In addition, management review meetings are held semi-annually to assess the suitability of the management system and make adjustments to environmental policies where necessary. The HSE Manager oversees the timely closure of all non-conformities and corrective actions arising from incidents, supporting the continuous improvement of environmental performance.

During the reporting period, the Company recorded no environmental pollution incidents. The rectification rate for issues identified during site management inspections reached 98.5%, and all environmental regulatory requirements issued by government authorities were implemented.

Environmental Emergency Management

To strengthen environmental emergency preparedness and response, Eastern Steel has established a dedicated Emergency Response Committee responsible for identifying potential emergency situations, implementing control measures and coordinating on-site response to incidents such as major chemical spills.

The Company has developed environmental emergency response plans, including the *Prevention Measures and Emergency Response Plan for Exhaust Gas and Dust Emission Incidents* and the *Hazardous Waste Accident Prevention Measures and Emergency Response Procedures*, to ensure effective management of key environmental risks. Eastern Steel implements emergency preparedness and response procedures and conducts at least one emergency drill annually to verify response effectiveness. Relevant procedures and response plans are reviewed and updated following actual incidents or emergency exercises.



Metrics and Targets

Eastern Steel places significant importance on environmental management throughout its operations. Major pollutant emissions are managed in accordance with applicable Malaysian regulatory requirements and the IFC/World Bank *Environmental, Health and Safety Guidelines for Integrated Steel Mills*. In 2025, 100% of industrial wastewater was treated and recycled, with no direct discharge. Domestic wastewater and stack emissions remained within applicable compliance limits.

As production volumes changed during the reporting period, absolute emissions of certain pollutants, including carbon monoxide and particulate matter, increased. In response, the Company will continue to invest in environmental improvement initiatives and advance its green transition efforts. Measures such as the enclosure of raw material storage yards, the adoption of low-NOx combustion technologies and improvements in gas recovery efficiency are expected to further optimise emissions intensity from stationary sources. The Company also aims to progressively align its environmental management practices with more advanced international industry standards.

Pollutant ⁸	Malaysian Regulatory Limit	2025 Average Concentration ⁹	WHO Guideline Value	2030 Target
Particulate Matter (PM)	50mg/m ³	8.93mg/m ³	—	Maintain compliant concentration levels and strengthen the control of fugitive dust emissions. Maintain stack concentrations at approximately 15 mg/Nm ³ . By 2030, advance the enclosure of raw material storage yards to reduce fugitive emissions and support improvements in ambient air quality.
Sulphur Oxides (SOx)	500mg/m ³	24.88mg/m ³	SO ₂ : 500mg/m ³	Maintain ultra-low emission performance and manage risks associated with raw material variability. Maintain stack concentrations at approximately 35 mg/Nm ³ over the long term. Continue to optimise the integration of desulphurisation systems across sintering and blast furnace operations and prioritise the procurement of lower-sulphur raw materials.
Nitrogen Oxides (NOx)	400mg/m ³	2.00mg/m ³	NO ₂ : 500-750mg/m ³	Control emissions growth through the adoption of low-NOx technologies. Maintain a target stack concentration of 50 mg/Nm ³ , significantly below the applicable regulatory limit. Introduce low-NOx burner (LNB) technology across key reheating furnaces and sintering processes to help control overall emissions.
Carbon Monoxide (CO)	50mg/m ³	25mg/m ³	—	Reduce CO emissions through process optimisation and enhanced gas recovery. Optimise air-to-fuel ratios and operational parameters to reduce CO concentrations in exhaust gases. By 2030, target a 98% recovery rate for blast furnace gas and basic oxygen furnace gas, reducing CO emissions associated with gas flaring and venting.

⁸In accordance with the principle of materiality, this report focuses on the disclosure of key air pollutants with relatively significant environmental impacts. The Company continues to monitor other pollutants with comparatively lower emission levels and environmental impacts; however, these are not included in this report based on materiality considerations.

⁹The 2025 data for particulate matter (PM), sulphur oxides (SOx), nitrogen oxides (NOx) and carbon monoxide (CO) were derived from continuous and periodic monitoring of emission stacks at Eastern Steel. The values presented in the table represent the annual average concentrations measured at the major stationary emission sources.

OCCUPATIONAL HEALTH AND SAFETY

Governance

Eastern Steel has established a multi-level occupational health and safety governance structure and a company-wide safety accountability system involving senior management, the Safety Production Committee, functional departments and personnel at all operational levels. A regional accountability approach is implemented to support the effective management of safety responsibilities.

The General Manager serves as the primary person responsible for occupational health and safety, supported by Deputy General Managers overseeing their respective areas of responsibility. Together, they oversee the allocation of safety-related resources and the implementation of the “Three Simultaneities” review requirements for technical and engineering projects.

As the central coordinating body, the Safety Production Committee is responsible for formulating safety policies and monitoring the implementation of safety-related resolutions. Day-to-day coordination and professional safety management are undertaken by the Security and Safety Department.

At the operational level, plant managers, supervisors and team leaders are responsible for implementing standardised operating procedures and safety requirements. Dedicated safety officers and specialist engineers provide technical support across production facilities. Contractors and other relevant personnel are incorporated into the Company's safety management framework. The Company requires personnel engaged in specialised operations to hold the appropriate qualifications and undergo periodic health examinations. Regular safety training programmes and emergency response drills are also conducted, while employees are encouraged to refuse unsafe instructions and report unsafe practices. Through these measures, Eastern Steel seeks to strengthen safety management across all levels of the organisation.



Strategy

Eastern Steel is committed to fostering a working environment that supports employees and other relevant parties. To promote a strong safety and health culture, management is committed to implementing a management system that meets the requirements of OHSAS 18001:2007 and has issued a Safety Management Manual, which serves as the principal reference for occupational health and safety management and control.

The Company has established an objective of continually striving towards “Zero Accidents” and implements the following measures:

01

To provide ongoing information, resources, planning and training, while promoting a safe and healthy working culture through the shared responsibilities of all Eastern Steel employees and other relevant parties.

02

To promptly investigate every occupational incident, implement corrective and preventive actions, and report relevant findings to the appropriate parties, while continually striving towards the objective of “Zero Accidents”.

03

To promote the effective implementation and continual improvement of occupational health and safety management in alignment with the Company’s mission, vision and objectives, and to foster safe and healthy systems of work.

Risk Management

Safety Risk Identification and Corrective Actions

Eastern Steel implements systematic safety risk identification and corrective action processes across its operations. Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA) are conducted for operational activities. Day-to-day safety management is guided by documents including the Safety Management Manual, which supports the identification and assessment of potential workplace hazards and risks. Identified risks are documented in Workplace Risk Assessment Forms.

Safety risk identification is carried out across four dimensions: production processes, work areas, specific hazard factors and potential accident consequences. Risks are assessed using a risk matrix and classified according to their significance. Based on the assessment results, operational control procedures and work instructions are established, with enhanced controls applied to activities associated with significant safety risks in order to address potential hazards in a timely manner.

During the reporting period, the Company launched and expanded the use of a safety hazard inspection application. Through the application, operating units identified a total of 2,545 safety hazards, all of which were rectified. In addition, 12 joint safety inspections and 36 specialised inspections were conducted, resulting in the identification and resolution of 997 safety-related issues, with a rectification rate of 100%. A further 24 joint inspections were carried out at construction sites, covering 334 inspection items, including safety hazards, with all identified issues rectified.

Provision of Labour Protection

Eastern Steel is committed to providing employees with comprehensive and standardised occupational safety protection. Personal protective equipment (PPE) is provided to employees based on job requirements and in accordance with applicable standards, and necessary firefighting equipment is made available to support safe operations.

The Company also continues to improve workplace safety infrastructure. Hazard signs and warning notices are installed throughout operational areas, with enhanced safety communication measures implemented for high-risk areas and critical equipment. In addition, emergency assembly points and clear directional signage are established to support emergency evacuation arrangements.



Emergency Assembly Point

Occupational Health

Eastern Steel promotes a structured approach to occupational health management. The Company has established an occupational health and safety management system in accordance with ISO 45001 and conducts health surveillance in compliance with the Malaysian Occupational Safety and Health Act 1994 (Act 514). Regular occupational health examinations, hearing tests, blood tests and urine tests are conducted, with particular attention given to employees exposed to chemicals and high-noise environments.

Earplugs and earmuffs are provided to employees in high-noise positions, such as steelmaking operators. Follow-up examinations and job reassignment arrangements are implemented where necessary based on health assessment results.

The Company has also deployed 25 blood pressure monitors to support monthly blood pressure screening for all employees and does not assign employees with relevant medical restrictions to unsuitable roles. In addition, two automated external defibrillators (AEDs), together with emergency cardiac medication, are available in the production control centre and dormitory buildings to support emergency response.



Employee Blood Pressure Monitoring

Emergency Management

Eastern Steel places significant importance on emergency management and has established a comprehensive emergency response system. The Company has developed a number of dedicated procedures and plans, including the *General Emergency Response Plan*, *Comprehensive Emergency Response Plan for Production Safety Incidents* and *Emergency Response Plan for Fire Incidents in Crowded Places*, to standardise preventive and response measures for potential emergencies.

The Company regularly organises multi-department emergency drills. Based on predefined scenarios, drill participants are assigned to five functional groups: the command team, control team, evaluation team, support team and response team, each carrying out its designated responsibilities. During drills, safety requirements are strictly implemented, including prior notification, clear identification of drill participants, maintenance of normal operating conditions at the start of the exercise, and formal drill termination procedures, to support the safe and orderly conduct of drills.

Following each drill, the evaluation team reviews the effectiveness of the emergency plan, identifies deficiencies, and classifies findings into deficiencies, corrective actions and improvement opportunities. Root causes are analysed and responsible personnel are assigned to track follow-up actions. A summary report is prepared within two days of the completion of the drill to facilitate closed-loop corrective action and continuous improvement of emergency response capabilities and safety awareness.



Gas Holder Fire and Toxic Exposure Emergency Drill

Safety Education

Eastern Steel has established a structured safety education and training system. Under the Safety Education and Training Management Measures, the Company implements a four-level safety training framework covering the Company, plant, operational area and team levels for frontline and professional personnel.

New employees are required to complete no fewer than 72 training hours and achieve a minimum assessment score of 90 before commencing work. For metal smelting and hazardous chemicals operations, apprenticeship-based training periods of no less than four months and two months, respectively, are required.

As part of routine management, contract workers and outsourced production personnel are subject to the same site-based safety management requirements. All personnel are required to receive no fewer than 20 hours of annual refresher safety training. The Company also maintains individual safety training records for each employee. Quarterly reviews are jointly conducted by the Human Resources and Administration Department, Security and Safety Department, and Finance Department to verify implementation and strengthen accountability for safety competency at all levels.

Case Multi-faceted Activities during Safety Production Month

In June, the Company organised a series of activities under the theme of Safety Production Month, including safety awareness campaigns, training programmes, skills competitions and safety inspections, to strengthen safety awareness and risk management capabilities across the workforce.

Activities included fire-fighting equipment training, safety awareness events, fire-fighting skills competitions and self-contained breathing apparatus (SCBA) competitions, with professional organisations invited to provide on-site guidance. These activities also provided opportunities for Malaysian and Chinese employees to exchange experience and enhance emergency response capabilities together.

The Company further strengthened safety management through targeted inspections of unsafe behaviours, safety hazard identification and rectification activities, and the collection of employee safety improvement proposals. During the reporting period, 82 safety improvement suggestions were received and adopted, and outstanding individuals and teams were recognised for their contributions. No safety incidents were recorded during Safety Production Month.

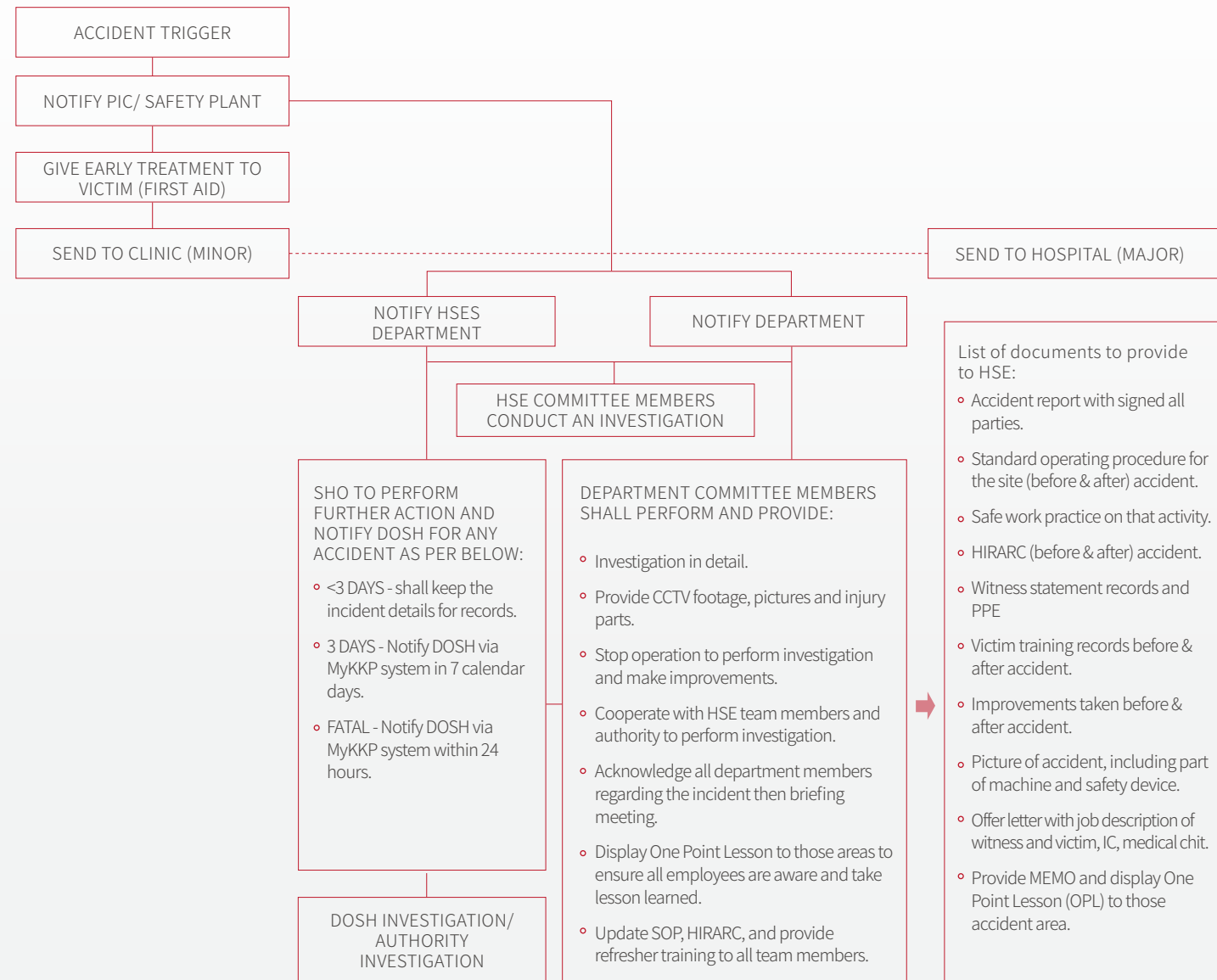
Incident Management

Eastern Steel has established the *Production Safety Incident Management Measures*, which provide for the classification and graded management of workplace injuries, traffic accidents, fire incidents, explosions and radiation incidents. The procedures define requirements for incident identification, medical treatment, investigation, reporting and resolution.

Following an incident, on-site response, medical assistance, incident reporting and investigation activities are carried out in accordance with established procedures. A formal Incident Investigation Report is prepared, and reporting timelines and handling procedures are implemented according to the severity of the incident.

The Company applies a closed-loop approach to incident management by implementing corrective actions, maintaining relevant records and documentation, and establishing accountability mechanisms to support continuous improvement in safety management.

ACCIDENT REPORTING PROCESS FLOW

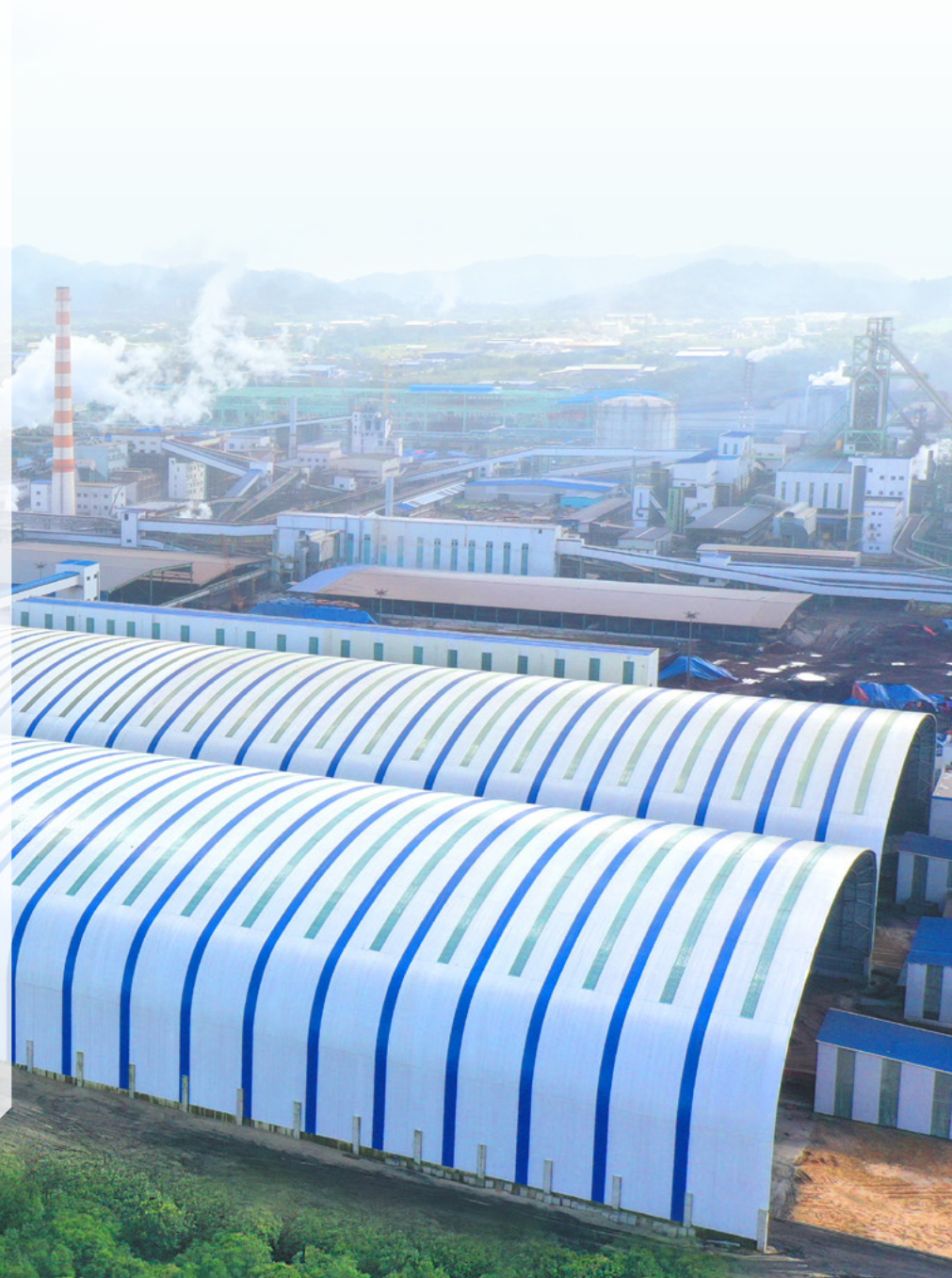


Targets and Performance

Safety is a fundamental component of Eastern Steel's operational management. Taking into account its operational requirements and business activities, the Company has established a set of occupational health and safety targets. For 2026, Eastern Steel aims to maintain the lost-time injury frequency rate (LTIFR) below 1.71% , achieve zero serious or fatal workplace accidents, zero cases of Stage II pneumoconiosis or above, and zero Level II or above fire incidents.

To support the achievement of these targets, the Company will continue to strengthen safety accountability, risk identification and hazard management, enhance its safety and emergency management systems, advance standardised safety management practices, and further improve employee safety awareness and on-site safety management capabilities, thereby supporting the safe and stable operation of its business activities.

Indicator	Unit	2025	2024
Number of Work-related Fatalities	Persons	0	1
Lost Workdays Due to Work-related Injuries	Days	193	364
Number of Occupational Injury Incidents	Cases	11	9
Number of Fatal Accidents	Cases	0	1
Number of Near-miss Incidents Involving Permanent Employees	Cases	0	0
Number of Near-miss Incidents Involving Contract Workers	Cases	0	0
Number of Safety Training Sessions	Sessions	110	112
Safety Training Coverage Rate	%	100	100

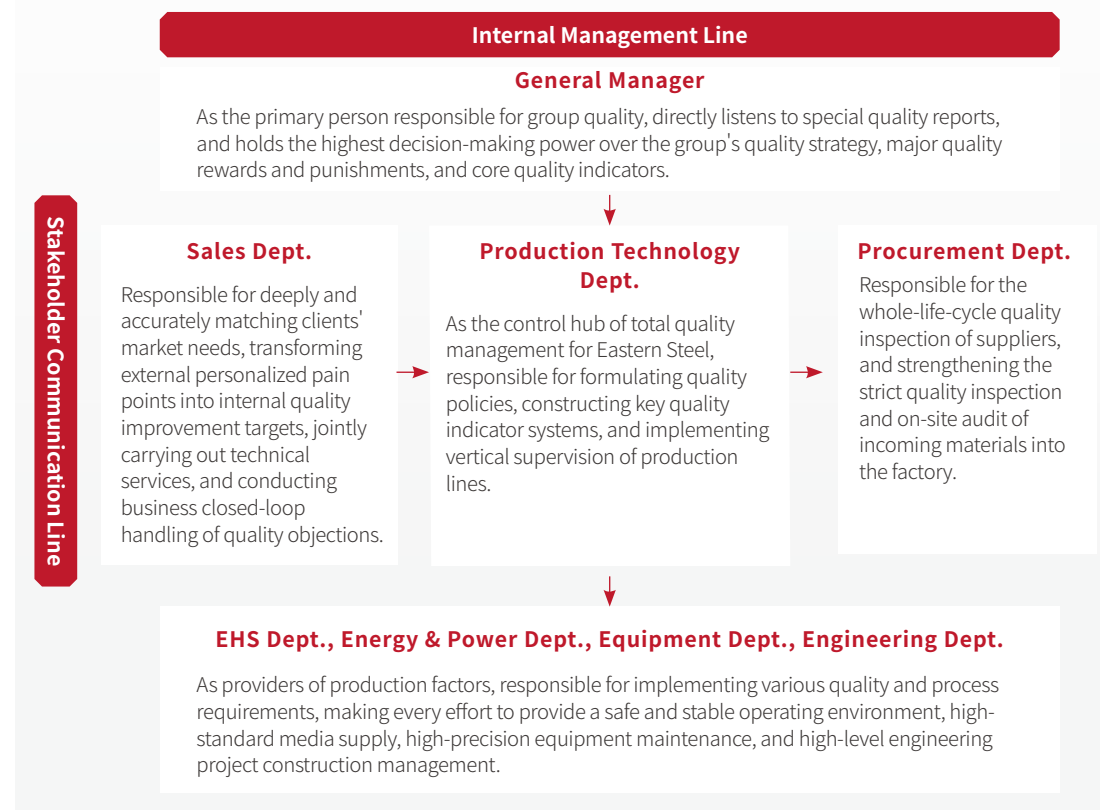


QUALITY MANAGEMENT

Governance

Eastern Steel implements a vertical quality management structure characterised by direct oversight from the General Manager, leadership by specialised departments and collaboration across the entire value chain. As the primary person responsible for quality management, the General Manager holds ultimate decision-making authority over key quality indicators. The Production Technology Department serves as the central quality management function and reports directly to the General Manager.

On this basis, the Company has established a quality control framework covering the entire product lifecycle. The Sales Department is responsible for communicating customer quality requirements, while the Procurement Department implements supplier qualification management to ensure the quality of incoming materials. Supporting departments, including the Equipment Department and Energy & Power Department, work collaboratively to optimise production resources and processes, strengthening quality control from source to market.



ESSB Quality Management Governance Structure

Strategy

Eastern Steel is committed to institutionalising the experience gained from process improvement initiatives and achieving continuous product quality enhancement through rigorous defect tracking and a corrective action mechanism that promotes learning from identified issues. The Company provides tiered quality training programmes tailored to management, technical and operational personnel, fostering a culture of continuous quality improvement. Through these efforts, Eastern Steel strengthens quality control throughout the product lifecycle and strives to deliver high-quality products that meet customers' expectations for performance and sustainability.

Production Process Optimisation

Eastern Steel regards process optimisation and coordinated improvements as key drivers of product quality enhancement and has implemented targeted upgrades across production and supporting functions:

Steelmaking Operations

The Company strictly implemented the “three stability” requirements for peritectic steel, covering casting speed, tundish temperature and carbon content. Argon flow meters were installed on continuous casting stopper rods to improve flow control precision, reducing the slab surface peeling rate of No. 1 slabs from 48% to 27%. Differentiated water-cooling schemes were also adopted for different steel grades to address internal slab crack defects identified through macrostructure testing.

Coke and Power Operations

The Company optimised coal blending and heating systems and refined the management of limestone blending ratios with different characteristics, helping to maintain the quality and reactivity of finished lime products.

Rolling Operations

The Company optimised the chamfering parameters of finishing mill backup rolls, increasing the profile crown compliance rate from 74.02% to 99.78%. It also installed additional monitoring at the finishing mill exit and optimised the design of the laminar cooling area, reducing claims related to strip camber defects by more than 50%. In addition, technical measures such as AGC roll gap holding and delayed bending force application were implemented to address tail-end centre buckle breakage in thin-gauge strip products.

Maintenance and Engineering Support

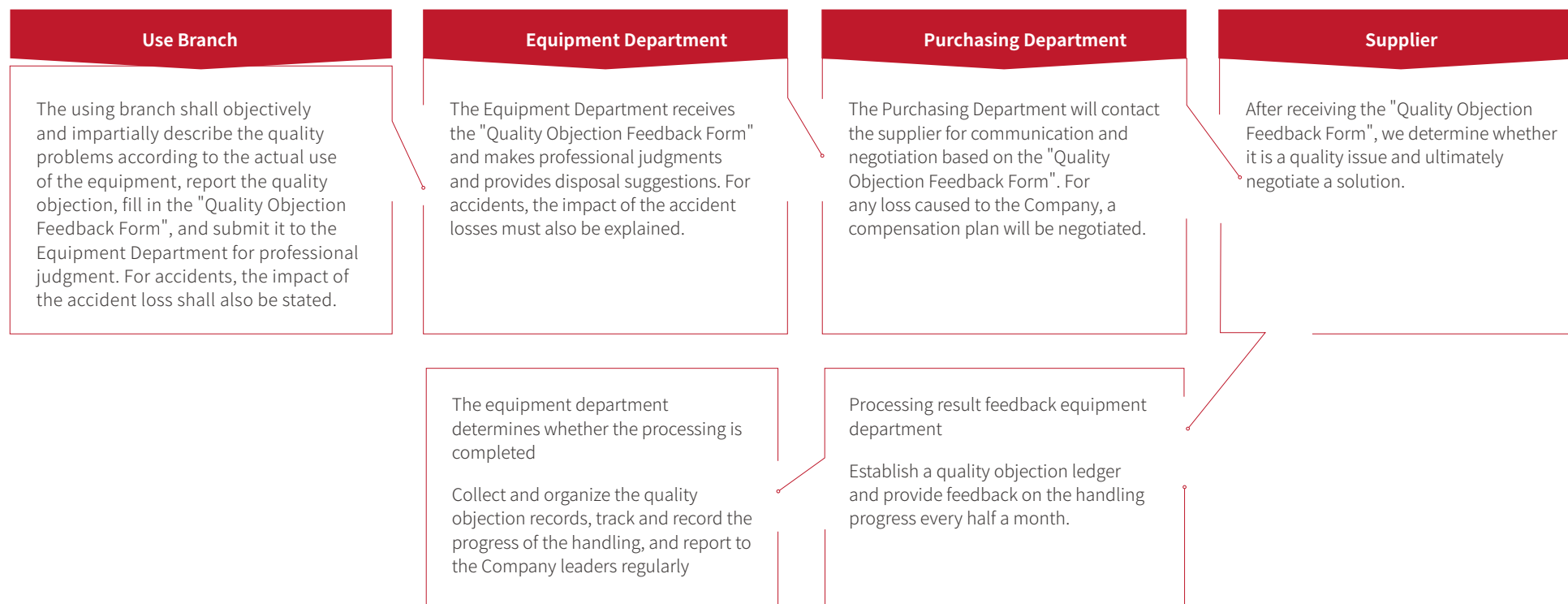
The Maintenance Department efficiently completed 374 mechanical and electrical projects and standardised conveyor belt joint vulcanisation practices. The Engineering Department conducted more than 400 quality inspections of concealed works, including foundation trenches and reinforcement works, continuously strengthening construction quality management.

Quality Communication and Coordination

Eastern Steel has established a structured mechanism for internal and external communication and the closed-loop management of quality complaints. For internal communication, the Human Resources & Administration Department, Production Technology Department and other relevant departments work collaboratively to communicate quality policies and quality management system information through weekly specialty steel quality meetings, production scheduling meetings and the proposal system. For external quality complaints, the Sales Department is responsible for collecting customer feedback and forwarding it to the Production Technology Department. Based on the severity of the complaint (critical, major, moderate or minor), the Production Technology Department establishes an investigation team and completes the on-site investigation within seven days.

For confirmed defects, responsibility is determined directly. For disputed defects, responsibility is determined through physical and chemical testing or third-party inspections. The responsible unit is required to identify root causes and implement corrective actions within 15 days. The Production Technology Department verifies the effectiveness of the corrective actions, while the Sales Department communicates the improvement results to customers. Finally, the Sales Department signs settlement agreements with customers based on the graded compensation recommendations provided by the Production Technology Department. Performance assessments are then applied to the responsible units in accordance with performance management requirements or new product trial production provisions, ensuring closed-loop management throughout the entire process.

ESSB Spare Parts Quality Complaint Handling Process



Quality Culture Development

Eastern Steel places strong emphasis on quality culture development, focusing on strengthening the quality management system and enhancing product quality to foster quality awareness across the workforce.

The Company has established a regular quality training programme under which professional engineers and external experts provide frontline employees with training on fundamental technical knowledge, including production procedures, standardised operations, defect prevention and equipment maintenance. These programmes cover all key positions and help improve employees' practical skills.

In addition, Eastern Steel uses its annual Quality Month campaign to reinforce quality awareness and promote a culture of quality throughout the organisation. The Company also organises a variety of quality competitions, including technical skills contests for key positions and cross-functional competitions, encouraging employees to learn through practice and continuous improvement while embedding standard operating procedures into daily work.

Furthermore, quality-themed essay competitions and quality improvement activities are organised, with cash rewards granted for outstanding technical proposals. During the Quality Month campaign, the Company received 70 improvement cases, and eight outstanding essays were published on Eastern Steel's internal information platform.

Case Quality Month Campaign Driven by Digitalisation and Employee Participation

On 1 September, Eastern Steel officially launched its 2025 Quality Month campaign under the theme of “Strengthening Quality System Development, Enhancing Product Quality, Driving Quality Management through Digitalisation, and Building a New Ecosystem for High-Quality Development”.

During the campaign, the Company conducted standardisation and job skills training covering all employees and organised technical skills competitions at key positions, with participation from both Malaysian and Chinese employees. These activities helped enhance the professional capabilities of multicultural teams.

Through cross-department quality visits and customer engagement activities, Eastern Steel established a regular collaborative improvement mechanism. Technical improvement initiatives were carried out to address key quality issues, including corner cracks in continuous casting slabs and surface scabs in rolling operations, contributing to improved process control across production stages.

During the campaign, employees actively submitted 70 improvement proposals and contributed a number of quality-themed articles. Through the “Proposal–Reward–Standardisation” mechanism, the Company encouraged grassroots innovation and promoted continuous improvement to support high-quality development.



Standardisation Training for Employees Across Operational Areas



Technical Skills Competition for Key Positions

Risk Management

Eastern Steel incorporates cross-department collaboration and inter-process visits into its comprehensive quality risk management system. Supervisors from production and supporting plants regularly lead cross-functional and cross-process quality risk inspections, focusing on key interfaces such as hot metal quality, raw and auxiliary material characteristics, and the stable supply of energy media. Through these activities, the Company identifies potential bottlenecks and quality risks in process control.

The Company has established a regular quality risk communication and rapid response mechanism and works closely with the Sales Department to capture market feedback and transform customer concerns into inputs for internal risk prevention. For identified quality risks, all departments are encouraged to adopt a service-oriented mindset towards downstream processes and implement targeted corrective and preventive measures. Through regular site coordination meetings and management reviews, Eastern Steel conducts ongoing follow-up and verification to strengthen the identification, early warning and closed-loop management of quality risks, thereby supporting quality assurance across the value chain.

Metrics and Targets

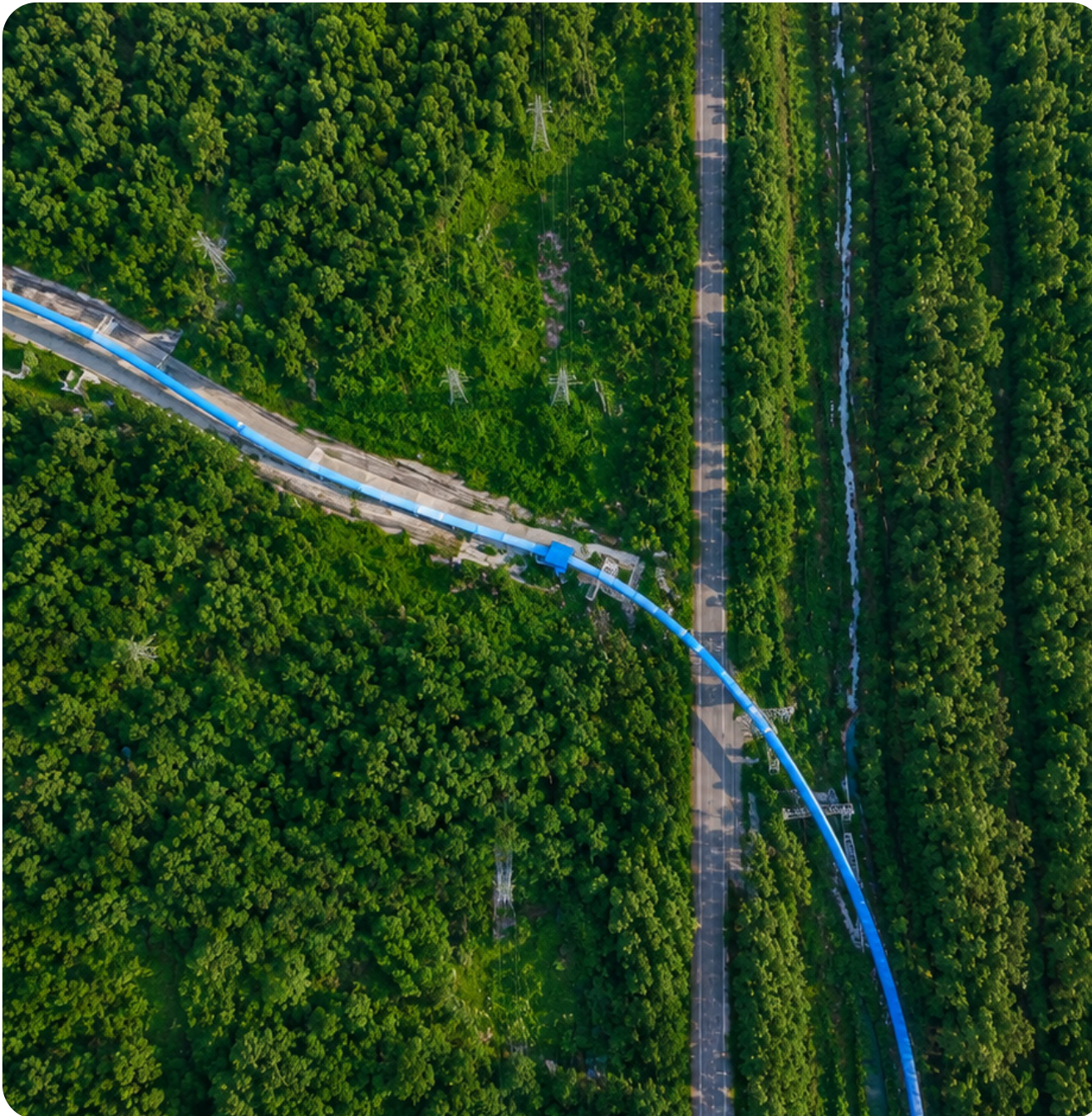
Eastern Steel adheres to the quality management philosophy of “Quality First, Customer Focus and Continuous Improvement”. The Company has established a quality management system covering the entire value chain, from raw materials, coke, pig iron and slabs to finished steel products, and continuously enhances product quality stability and market competitiveness.

The Company strengthens quality control throughout the production process and reinforces the management of critical production stages, extending quality awareness across all employees and operational processes to provide customers with stable and reliable products and services.

Looking ahead, Eastern Steel will continue to improve product quality performance, maintain a product conformity rate of above 99% and customer satisfaction of above 85%, and further advance product quality optimisation and new product development to meet the diverse needs of the market and customers.

Indicator	Unit	2025	2024
Number of Products Recalled for Safety and Health Reasons	units	0	0
Product Quality Pass Rate	%	98.81 ¹⁰	99.99
Number of Complaints Regarding Products or Services	cases	103	71
Complaint Resolution Rate	%	100	100
Customer Satisfaction Rate	%	85.5	87

¹⁰The product conformity rate for 2025 is based on hot-rolled products, as the hot rolling production line commenced operation at the end of 2024.



Environmental Sustainability

- 47 GREEN TRANSITION
- 48 WATER RESOURCES
- 49 BIODIVERSITY AND ECOLOGICAL PROTECTION

GREEN TRANSITION

Eastern Steel continues to advance its green transition and regards environmental management as an important aspect of operational management. To reduce the impacts of its production activities on the environment and surrounding communities, the Company carried out systematic assessments and developed targeted improvement plans for key environmental impact areas during the reporting period. Following internal evaluation and Group approval, Eastern Steel initiated 38 environmental improvement projects with a total budgeted investment of approximately RM 110 million.

The Company actively advanced the implementation of these projects and reported progress to the relevant regulatory authorities as required. Through continued investment in environmental protection, Eastern Steel is progressively enhancing its environmental management infrastructure, providing a foundation for improved environmental performance and reduced environmental impacts.

Green Transition Advancing End-to-End Pollution Control Through Key Environmental Projects

In 2025, Eastern Steel focused its resources on three major environmental projects: the Sinter Flue Gas Desulphurisation and Dust Removal Upgrade, the Coke and Power Environmental Improvement Project, and the Raw Material Shed Enclosure Project. Leveraging these initiatives, the Company also advanced a range of targeted environmental improvement projects, supporting a systematic upgrade from the control of organised emissions to the management of fugitive dust emissions.

Sinter Flue Gas Desulphurisation and Dust Removal Upgrade

Target Pollutants: Sulphur dioxide (SO₂), particulate matter

The sintering process is one of the major sources of air pollutant emissions in steel production. To address the relatively high sulphur dioxide concentration in sinter flue gas and associated environmental compliance risks, Eastern Steel has planned the construction of a limestone-gypsum wet flue gas desulphurisation system to further purify sinter emissions.

The project adopts a desulphurisation technology widely applied within the steel industry and offers advantages such as high removal efficiency and stable operation. Upon completion, the project is expected to reduce pollutant emissions from the sintering process and further strengthen the Company's air emission control capabilities and environmental management performance.

Comprehensive Environmental Upgrade of Coke and Power Operations

Target Pollutants: Sulphur dioxide (SO₂), particulate matter

Coke oven flue gas contains relatively high concentrations of sulphur dioxide and dust and represents a key focus area for emission control in steel manufacturing. To address risks associated with visible smoke emissions and atmospheric pollutants from coke oven stacks, Eastern Steel has planned the construction of an integrated circulating fluidised bed semi-dry desulphurisation and baghouse dust collection system.

The technology provides coordinated desulphurisation and dust removal, with advantages including high treatment efficiency, reliable operation and adaptability to complex operating conditions. Upon implementation, the project is expected to significantly improve flue gas quality, reduce visible emissions and further enhance the Company's environmental compliance capabilities.

Raw Material Shed Enclosure and Dust Suppression Project

Target Pollutants: Fugitive dust emissions

Dust generated from raw material stockyards and material handling activities is a major source of fugitive emissions in steel manufacturing. To address issues such as dust dispersion caused by wind and rain exposure and the deterioration of stored materials due to moisture, Eastern Steel has advanced enclosure projects for its integrated raw material shed and existing stockyard facilities.

These projects are supported by dust screens and dust suppression facilities, forming a comprehensive dust management system covering the entire material handling process. By combining source enclosure with process-level dust control measures, the project reduces dust dispersion at its origin and provides a more sustainable solution than end-of-pipe treatment alone. Upon completion, the project is expected to reduce dust levels within the plant, minimise material losses and improve the stability of raw material storage and production operations.

Tertiary Dust Collection Project for Steelmaking Operations

Target Pollutants: Fugitive fumes and particulate matter

Steelmaking activities such as hot metal charging, scrap charging, slag pouring and scrap cutting generate significant volumes of fugitive fumes and dust. Due to the dispersed nature of these emission sources and their wide area of influence, conventional dust collection systems often face challenges in achieving effective capture, affecting both workplace conditions and fugitive emission control performance.

To address these challenges, Eastern Steel has planned the construction of a high-capacity tertiary dust collection system capable of centrally collecting and treating emissions from multiple generation points. The project adopts a design combining multi-point extraction and zoned control, enabling automatic switching between collection zones based on operating conditions to achieve more precise and efficient dust capture.

Compared with conventional fixed dust collection systems, this approach offers higher collection efficiency, greater operational flexibility and improved energy utilisation. The project is expected to reduce dust dispersion and continuously improve environmental quality and cleaner production performance within the steelmaking area.

WATER RESOURCES

Water Resource Management

Eastern Steel has established relevant management requirements, including the *Interim Provisions for Water System Management*, to develop a water resource management system with clearly defined responsibilities and cross-functional coordination. The Energy & Power Department serves as the specialised department responsible for water system management and oversees water resource planning, balancing, dispatching and routine statistical management across the Company. It is also responsible for developing supply and operating plans for water and energy systems under both normal operating and maintenance conditions.

To ensure water supply security and system stability, the Company standardises the supply and operation of different water systems, including industrial water, domestic water, softened water, circulating cooling water, emergency water supply and firefighting water. Through clearly defined responsibilities and operating requirements, Eastern Steel implements routine management of water consumption across all water supply and energy-consuming units, supporting the efficient and sustainable operation of its water resource management system.

Water Recycling and Reuse

The efficient operation of the circulating water system is an important means of reducing resource consumption. Eastern Steel continues to optimise its water supply structure and has established a rainwater collection and reuse system. Collected rainwater is transferred through on-site pumping stations into the production water circulation system, increasing the utilisation of non-conventional water resources.

To maintain stable circulating water quality, the Company strictly implements the *Circulating Water Quality Management Requirements* and the *Water Treatment Chemical Dosing Management System*. Key water quality indicators, including concentration cycles and scaling conditions, are continuously monitored, and management measures are adjusted based on monitoring results. Where make-up water quality permits, concentration cycles are carefully controlled to maximise water reuse efficiency.

In addition, the monthly average compliance rate of circulating water quality is incorporated into performance assessment management, supporting continuous improvements in circulating water system efficiency and water conservation performance.

Case Rainwater Collection and Reuse of Domestic Wastewater

Eastern Steel actively promotes the recycling and reuse of rainwater and domestic wastewater in consideration of Malaysia's high-rainfall climate. The Company expanded sedimentation ponds within residential areas and installed additional flocculation and filtration systems to treat collected rainwater and domestic wastewater.

The treated water is reused as a substitute for municipal water supply in auxiliary production activities and landscape irrigation. In addition, the sintering process makes use of collected rainwater and blowdown water from the power generation circulating water system for raw material mixing, helping to reduce freshwater consumption. These initiatives support water recycling and reuse while reducing environmental impacts.



Water Conservation

Eastern Steel actively implements water conservation measures and has established and issued the Water Conservation Measures Implementation Plan to guide water-saving practices across the Company and promote a culture of shared responsibility for water conservation.

In daily operations, the Company focuses on addressing weaknesses and improvement areas identified on-site and implements corrective actions in a timely manner. Particular attention is given to the inspection of key pipeline networks and major water-consuming equipment to prevent water losses caused by leakage, overflow and equipment failures.

In addition, water conservation requirements are incorporated into pre-shift and post-shift meetings as well as shift handover records, ensuring that responsibilities are clearly assigned and effectively implemented.

BIODIVERSITY AND ECOLOGICAL PROTECTION

Eastern Steel remains committed to protecting the natural environment and actively supports local biodiversity conservation throughout its business development and daily operations. The Company strives to promote a harmonious relationship between industrial development and nature through responsible environmental management.

Eastern Steel has adopted a planned approach to the development of its residential and production areas and has implemented comprehensive greening programmes across the site. Based on local climatic conditions, the Company has cultivated and planted dozens of plant species, including hibiscus, bougainvillea, foxtail palms and round-leaf fan palms. To date, more than 140,200 trees and shrubs have been planted, helping to improve the ecological environment within operational areas.

The Company also promotes the in-house cultivation of landscaping plants, integrating ecological enhancement with cost-effective environmental management. Through these efforts, Eastern Steel continues to minimise the impact of its operations on natural habitats and demonstrate its commitment to environmental stewardship.



Wildlife Near the Company's Port Facilities



Landscaped Environment Within the Company



The Malayan Tapir, a National Animal of Malaysia, Observed Near the Company



Plants Cultivated by the Company



Social Sustainability

- 51 LABOUR AND HUMAN RIGHTS
- 55 CAREER DEVELOPMENT AND TRAINING
- 56 COMMUNITY DEVELOPMENT

LABOUR AND HUMAN RIGHTS

Equality, Inclusion and Diversity

Eastern Steel is committed to fostering a diverse, equitable and inclusive workplace. In line with internationally recognised labour standards, we uphold the principles of fairness and non-discrimination and do not differentiate between employees or job applicants on the basis of race, religion, gender, age or nationality. When vacancies arise or new positions are created, we give priority to internal candidates and assess individuals objectively based on their qualifications, performance and overall capabilities. Equal opportunities for promotion and internal mobility are provided regardless of nationality, ethnicity or gender.

Cultural diversity and inclusion are important to building an international workforce, strengthening cross-cultural collaboration and supporting sustainable development. We provide halal meal options and prayer time arrangements for Muslim employees, while respecting the cultural traditions and festivals of Chinese, Indian and foreign employees. By encouraging mutual understanding and respect, we seek to foster an inclusive workplace culture where employees from different backgrounds can work together effectively.

We strive to embed these principles throughout the employee lifecycle, including recruitment, training, promotion and remuneration, so that all employees have access to fair employment and development opportunities in a respectful and supportive working environment.



Hari Raya Celebration Dinner



Halal Cafeteria

Protection of Employee Rights

Prevention of Forced Labour and Child Labour

Eastern Steel does not employ individuals below the legal minimum working age and complies with applicable laws and regulations relating to the prevention of child labour. Prior to employment, identity verification and pre-employment medical examinations are conducted to reduce the risk of underage employment.

We also do not tolerate any form of forced labour and respect employees' freedom of employment and personal autonomy. All employment contracts, amendments, renewals and terminations are based on voluntary participation and mutual agreement between the parties. Clear and compliant employment termination procedures are in place to support employees' right to resign in accordance with applicable notice requirements.

Working Hours

Eastern Steel complies with applicable working hour requirements and establishes working schedules based on the operational needs of office, technical and shift-based roles. In daily operations, consideration is also given to the cultural and religious practices of employees from different backgrounds.

We seek to minimise unnecessary overtime and maintain systems for attendance and overtime management. Where overtime is required due to operational or emergency circumstances, employees are provided with compensation and rest arrangements in accordance with applicable policies, supporting adequate recovery time and a balanced approach to work and personal life.

Employee Grievance Mechanism

Eastern Steel has established confidential employee grievance and whistleblowing mechanisms to provide channels for raising concerns and feedback. A dedicated whistleblowing management team is responsible for receiving and handling reports, complaints, suggestions and other submissions relating to the Company's operations and relevant stakeholders, including local communities.

Concerns may be raised through multiple channels, including telephone, mail, email, the Company website and the ERP platform. The Company seeks to protect individuals who raise concerns in good faith and does not permit retaliation against whistleblowers. Cases involving retaliatory conduct are investigated and addressed in accordance with applicable procedures and legal requirements.

In addition to formal reporting channels, Eastern Steel regularly organises employee discussion sessions to gather feedback on workplace conditions, employee wellbeing and career development. Feedback collected through these channels supports ongoing improvements in management practices and the employee experience.



Employee Discussion Session

Workforce Restructuring Management

Eastern Steel recognises the importance of stable employment for employees and local communities. Workforce reductions are considered only in exceptional circumstances, such as business restructuring, mergers or significant financial challenges arising from factors beyond the Company's control, and only after alternative measures have been evaluated.

In the exceptional circumstances where workforce reduction must be implemented, we strictly implement the following safeguard measures to ensure that the process is transparent, lawful, and carried out with humane care.

Compliance with Applicable Procedures

Workforce restructuring processes are conducted in accordance with the Malaysian *Code of Conduct for Industrial Harmony (1975)*, applicable employment contracts and relevant legal requirements. Where required, notifications are submitted to the relevant labour authorities and affected employees are informed in accordance with applicable regulations, supporting transparency throughout the process.

Severance and Financial Support

Employees who meet the eligibility requirements under applicable Malaysian employment legislation receive severance benefits in accordance with relevant legal provisions. Other affected employees are provided with compensation and benefits in line with the terms of their employment contracts, supporting financial stability during the transition period.

Transition and Re-employment Support

The Company seeks to support affected employees through career transition measures, including skills development opportunities, employment reference letters and assistance in identifying external employment opportunities, where appropriate. These measures are intended to help mitigate the impacts of workforce reductions on employees and their families.

Employee Welfare

Compensation and Performance Incentives

Eastern Steel follows the principle of equal pay for equal work and maintains a compensation framework comprising base salary, length-of-service pay, fixed allowances, special payments, other applicable allowances and performance-based incentives. Salaries are paid in a timely manner, and the minimum monthly salary provided to employees exceeds the applicable statutory minimum wage requirement. In accordance with legal requirements, the Company also facilitates contributions and deductions relating to provident funds, social security, employment insurance and personal income tax for eligible local and foreign employees.

In addition, Eastern Steel operates monthly and annual performance appraisal mechanisms, with assessment results serving as an important reference for salary adjustments and career development. Annual salary reviews take into account factors such as cost-of-living adjustments, performance-based adjustments and targeted salary adjustments, with the aim of aligning employee development with business performance and individual contributions.

Leave Entitlements

Eastern Steel provides a range of paid leave benefits in accordance with applicable requirements. In addition to statutory public holidays and annual leave entitlements, employees may be eligible for outpatient sick leave, hospitalisation leave, marriage leave and bereavement leave, supporting employees during different life circumstances.

The Company also provides maternity leave and paternity leave in accordance with applicable requirements and supports an inclusive workplace that recognises employees' family responsibilities. In recognition of the religious and cultural diversity of the communities in which it operates, Eastern Steel offers Friday work arrangements for Muslim employees and provides paid Hajj leave for eligible employees who have completed the required period of service. These arrangements are intended to support employees' religious observances, family commitments and personal needs.

Employee Care

Eastern Steel is committed to supporting employee wellbeing and continuously enhances its welfare and support programmes. To help reduce employees' healthcare costs, the Company operates an employee healthcare benefits programme. An on-site clinic is available within the staff accommodation area and is connected to government and designated affiliated clinics, providing employees with convenient access to outpatient reimbursement services. In addition, all employees are covered by commercial insurance, complementing statutory social protection schemes and supporting a broader health protection framework.

The Company also operates an employee assistance fund to provide support to employees facing serious illnesses. Other initiatives include birthday recognition activities and education awards for the children of employees who achieve outstanding academic results, contributing to employee and family wellbeing.

In addition, Eastern Steel organises festive celebrations and employee club activities to foster a positive, inclusive and collaborative workplace culture. During the reporting period, the Company organised eight major events in connection with occasions such as Chinese New Year, Hari Raya, International Women's Day and the Dragon Boat Festival, with total participation exceeding 5,000 attendances. These activities provided opportunities for employees from different cultural backgrounds to interact and engage with one another.

The Company also organised a variety of sports and cultural activities, including basketball, bowling, skipping and football competitions, as well as events such as rice dumpling-making activities during the Dragon Boat Festival and Chinese New Year basketball tournaments.

To further promote employee wellbeing and strengthen interaction among employees from different backgrounds, Eastern Steel established eight employee associations covering areas such as basketball, football, badminton, board games, table tennis, aerobics, long-distance running and photography. These associations regularly organise recreational and sporting activities, helping to strengthen team cohesion and employee engagement.



Education Congratulatory Grants for Employees' Children



Employees Participating in a Bowling Competition



Employees Participating in the Malaysia Peace Run



Employee Aerobics Activity



Basketball Tournament



Family Visit to the Plant

Working Environment

Eastern Steel is committed to providing employees with a healthy, convenient and welcoming working and living environment, while fostering a strong sense of belonging. To support employees residing in company accommodation and facilitate their daily mobility and integration into the local community, the Company provides complimentary shuttle bus services between residential areas and major work sites. In addition, free shopping and commuting shuttle services are available for employees living in company accommodation, helping to meet their daily transportation needs.

Within the Company premises, Eastern Steel operates several dining facilities, including a halal cafeteria, and provides supporting amenities such as a supermarket and gymnasium. These facilities are intended to meet the diverse dietary, recreational and daily living needs of employees.



Plant Supermarket



Plant Gymnasium



Plant hair salon



Plant Clinic

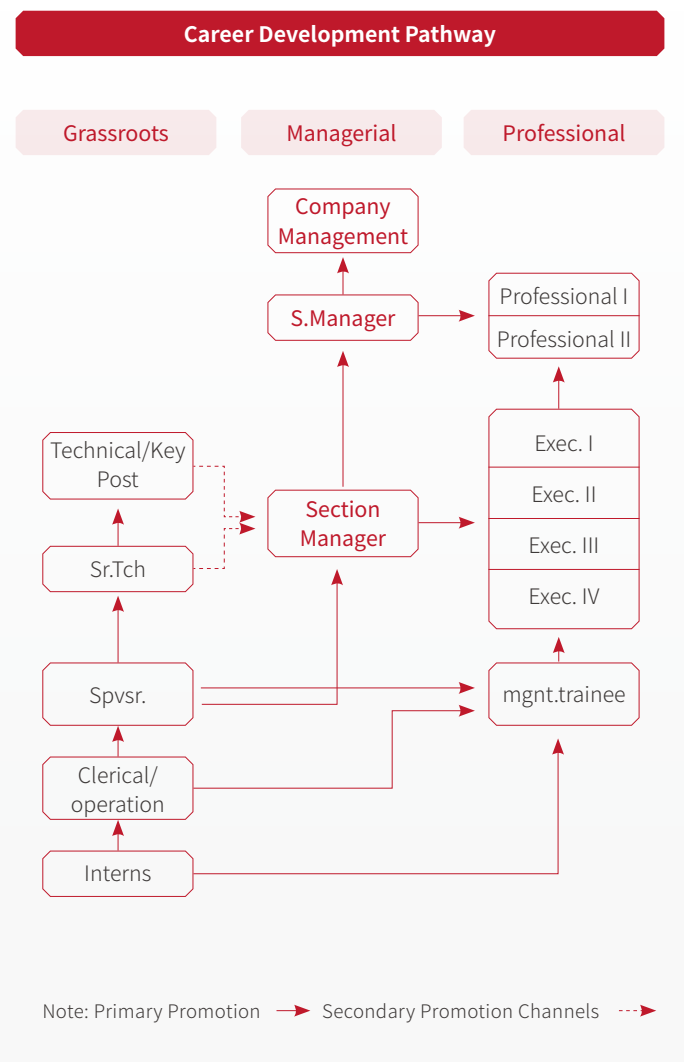
CAREER DEVELOPMENT AND TRAINING

Career Development Pathways

Eastern Steel encourages employees to continuously enhance their capabilities through internal promotion opportunities, skills certification and external learning programmes. To support employee growth, the Company has established clear career development pathways covering three advancement tracks: operational, supervisory and professional.

The operational track begins with vocational college graduates and trainees, with progression opportunities towards key operational positions, team leaders, technicians and senior technicians. The supervisory track covers advancement from second-level supervisors and first-level supervisors to senior management positions, with supporting promotion pathways available. The professional track starts from Associate Engineer level and progresses through Engineer Grade IV to Engineer Grade I, ultimately leading to Senior Engineer Grade I and Senior Engineer Grade II positions. These pathways provide employees with opportunities for both vertical career advancement and horizontal career mobility based on their professional backgrounds and career aspirations.

To encourage skills development among local employees and broaden their career progression opportunities, Eastern Steel introduced a three-tier skills grading system comprising Junior, Intermediate and Advanced levels. Employees who successfully complete the assessment receive a monthly skills allowance, directly linking skills development with compensation incentives. Following implementation of this programme, willingness among local employees to participate in skills development initiatives increased by 40% year-on-year, contributing to a positive cycle of learning and capability development through assessment.



Employee Training

Eastern Steel regards talent as a core asset underpinning sustainable development. Guided by the principle of developing employees from onboarding and empowering them throughout their careers, the Company has established a structured training system covering eight categories: induction training, safety and compliance training, job-specific skills training, management and leadership development, language and soft skills enhancement, apprenticeship and on-the-job mentoring, professional certification for specialised positions, and regulatory and policy training. In addition, targeted training programmes are regularly organised on key topics such as taxation, environmental management and workplace safety, helping employees at different career stages develop relevant knowledge and skills.

Training effectiveness is evaluated upon completion of each programme through measures including attendance records, assessment results, practical performance and satisfaction surveys. The results are incorporated into performance evaluations and serve as a reference for promotion decisions. To strengthen practical capability development and technical knowledge transfer, Eastern Steel has extensively implemented an apprenticeship-based mentoring programme. A standardised tracking process is maintained through daily bilingual records and monthly reviews conducted by the Human Resources Department, with records systematically retained to support continuous skills development.

To strengthen management capabilities, the Company provides competency-based training programmes for second-level supervisors. Training is delivered by an internal instructor team comprising senior management and first-level supervisors, covering ten core modules including standardised operations and lean manufacturing. The programme achieved full participation among targeted frontline supervisory personnel.

During the reporting period, total training hours reached 55,373, and the employee training coverage rate was 99.56%.

Local Employment

In 2025, Eastern Steel continued to advance local talent development and succession planning through a talent pipeline covering school partnerships, internship programmes and targeted talent cultivation initiatives.

To address the shortage of skilled professionals in the local steel industry, the Company identified its Sponsored Trainee Programme as a key initiative during the year. A dedicated recruitment team visited 67 educational institutions across 11 states and one federal territory in Peninsular Malaysia and established partnerships with five chambers of commerce. Through structured career outreach activities, the programme attracted young talent to the steel industry, resulting in 27 sponsored trainees joining the programme during the year.

COMMUNITY DEVELOPMENT

Disaster Relief and Emergency Assistance

Eastern Steel places great importance on its social responsibility in responding to natural disasters and public emergencies and always prioritises the protection of the lives, property and basic living needs of community residents. Guided by its commitment to being rooted in the local community and giving back to society, the Company actively mobilises corporate resources and volunteer efforts to provide necessary humanitarian assistance and material support when surrounding communities face disaster risks or unexpected difficulties, contributing to the resilience and safety of local communities.



In early 2025, following severe flooding in the Chukai area of Terengganu, Malaysia, Eastern Steel responded promptly by donating emergency relief supplies, including cooking oil and towels, with a total value exceeding RM70,000. The supplies were distributed to affected households through the Kemaman District Office, providing practical support to local communities during the recovery period.

Education, Healthcare and Social Wellbeing

Eastern Steel is committed to fostering harmonious relationships with neighbouring communities and fully respects local religious traditions and cultural diversity. During major Muslim festivals each year, including Hari Raya Aidilfitri and Hari Raya Haji, the Company actively purchases and donates essential daily necessities such as rice, flour, cooking oil and meat products, which are distributed to local residents through nearby mosques.

During the month of Ramadan, Eastern Steel also organises Muslim employees to prepare traditional porridge and distribute it at nearby markets for local residents, supporting community inclusiveness and cultural integration.

In 2025, the Company's total expenditure on related community donations amounted to RM460,000.



Donation of Supplies to Chukai Children's Welfare Home, supporting the well-being of children through the donation of essential supplies.



In September 2025, Eastern Steel organised employees and their family members to participate in community activities at Masjid Al-Rahman in Kampung Bukit. Participants took part in activities such as horse riding, archery and sack races, promoting interaction between employees' families and local residents and strengthening community integration.



In October 2025, the Company organised 135 employees and local residents to participate in a hiking event at Bukit Durian. During the event, essential supplies including rice, flour and cooking oil were donated to 70 low-income households in nearby communities, supporting community development and local wellbeing.



Sustainable Business

- 58 COMPLIANCE AND BUSINESS ETHICS
- 60 PRODUCTS AND SERVICES
- 61 SUPPLY CHAIN MANAGEMENT

COMPLIANCE AND BUSINESS ETHICS

Corporate Governance

Eastern Steel has established a Board governance structure comprising shareholder representatives from both its Chinese and Malaysian shareholders. Board meetings are held regularly to review and make decisions on major matters. In day-to-day operations, resolutions are primarily approved through written circulation in accordance with the requirements of the Companies Act of Malaysia, with the relevant procedures administered by a professional corporate secretarial firm.

The Company engages an international audit firm as its independent external auditor to conduct independent audits of its financial information. This helps ensure the transparency and fairness of financial reporting and supports compliance with Malaysian and international accounting standards, providing a foundation for sound corporate governance and the protection of shareholder interests.

Number of Directors

7 persons

Number of Independent Directors

1 person

Number of Female Directors

1 person

Legal Compliance

Eastern Steel leverages the system-based advantages of the Jianlong Group and engages external professional legal advisers to conduct end-to-end legal review in key areas, including major contract disputes, compliance review of new projects and employee labour disputes.

The Company also supports group-level financial and operational audits to ensure basic internal control compliance. In addition, Eastern Steel places importance on the communication and promotion of compliance culture by timely disseminating updated compliance requirements through group meetings and ad-hoc notifications, continuously enhancing employees' compliance awareness and risk prevention mindset.

During the reporting period, the Company did not record any material violations of laws and regulations.

Tax Compliance

Eastern Steel strictly complies with local tax laws and relevant policies in Malaysia and fulfils its corporate tax obligations in accordance with applicable requirements. Led by the Finance Department, the Company closely monitors changes in the local tax regime and conducts compliant filings for all taxable items, including Sales and Service Tax (SST) and stamp duty, ensuring timely and full tax payments.

The Company strictly adheres to the eligibility conditions for preferential tax policies and regularly submits compliance documentation to tax authorities, lawfully benefiting from statutory tax incentives provided by the government for the manufacturing sector, ensuring that such benefits are obtained in a legal and transparent manner.

In response to changes in tax-related policies, the Finance Department promptly organises targeted training sessions for business departments. Through process guidance and compliance reminders, relevant teams are instructed to ensure compliant tax calculation in operational practice and to mitigate potential tax risks. During the reporting period, the Company did not record any material tax non-compliance.

Conflict of Interest

In accordance with Group requirements, Eastern Steel regularly organises disclosures of employment status and business-related transactions by senior management and their relatives. The Company identifies and manages related-party relationships, including direct relatives, collateral relatives within three generations, and in-law relationships, and requires disclosure and review of any business dealings with Jianlong Group.

For special circumstances, relevant business activities may only be conducted after completing the required approval procedures. Through the establishment of mechanisms for proactive disclosure, verification review and accountability, the Company further enhances operational transparency, mitigates conflict-of-interest risks and maintains a fair and impartial business environment.



Anti-Corruption

Eastern Steel upholds integrity and clean business operations as core values and strictly complies with anti-corruption and anti-bribery laws and regulations to comprehensively prevent risks related to commercial bribery and corruption.

The Company signs Integrity and Compliance Cooperation Agreements with its business partners to jointly establish a transparent, honest and self-disciplined cooperation environment. Anti-corruption and integrity requirements are also explicitly incorporated into the employee handbook and daily codes of conduct. A strict conflict-of-interest declaration system is in place, requiring employees to proactively and truthfully disclose any relatives employed within the Group or affiliated companies.

To provide accessible and secure channels for employees and external stakeholders to raise concerns, the Company has established a whistleblowing mechanism. The Company safeguards the legal rights, privacy and security of whistleblowers and ensures strict confidentiality of report content, callers and whistleblower identities. The Company also guarantees protection against internal disciplinary action, dismissal, harassment, indirect pressure or any form of retaliation.

In addition, anti-corruption and anti-bribery policies are regularly communicated to all employees through induction training, safety training and compliance training programmes, continuously strengthening awareness of anti-corruption requirements.

Whistleblowing Mechanism



CEO Hotline Platform

The Human Resources & Administration Department serves as the permanent administrative body responsible for managing the platform. A dedicated internal hotline and email address have been established. The designated contact personnel report directly to the Chief Executive Officer and are responsible for receiving and handling employees' complaints, opinions and reports related to integrity and ethical conduct.



Independent Whistleblowing Policy and Committee

The Company has established the Whistleblowing Policy and Procedures and set up a dedicated whistleblowing governance team. Employees, suppliers, contractors and other external stakeholders, including customers, are encouraged to report any actual or potential misconduct—such as offering, soliciting or accepting bribes, fraud, theft, corruption or misuse of company assets—through written submissions or online reporting forms.

The Company implements strict internal oversight over business ethics violations. Upon receipt of a formal whistleblowing report, a fact-finding investigation process is initiated based on the specific circumstances of the case.

For major cases or suspected violations involving multiple departments, a special report is prepared and submitted directly to the General Manager. Reports involving department heads at or above secondary management level are reviewed by the management team, which also supervises the investigation process.

For confirmed violations or misconduct, the Company takes appropriate actions based on investigation findings, including disciplinary measures, termination of contracts, or referral to judicial authorities where necessary.

Anti-Unfair Competition

Eastern Steel adheres to the principle of fair competition and business ethics and firmly opposes any form of unfair competition. The Company is committed to preventing risks related to unfair competition and anti-competitive conduct in daily operations, contract performance and supply chain management.

Through compliance training and related initiatives, the Company continuously communicates the principles of fair competition and codes of conduct to all employees, ensuring that employees are aware of basic compliance boundaries and requirements. By steadily advancing relevant compliance management practices, the Company continues to reduce legal and operational risks arising from unfair competition or monopolistic behaviour.

Information Security and Privacy Protection

Eastern Steel continuously implements multiple information security technical safeguards in accordance with the Tier 3 construction system standards unified by the headquarters of Jianlong Group. Business data is transmitted through SDY dedicated lines, with encryption applied at the link layer to effectively ensure the security of data transmission.

At the access control level, the Company has established a strict permission management system, allowing system access only to authorised personnel. In addition, firewalls are deployed within the Company's internal network to isolate and manage intranet access permissions.

Through the coordinated mechanisms of dedicated-line encryption, access control and firewall protection, the Company effectively safeguards customer information and business data security. During the reporting period, the Company did not receive any complaints related to customer privacy breaches or loss of customer data.

PRODUCTS AND SERVICES

Innovation and R&D

Eastern Steel adheres to technology-driven high-quality development and has established a “vertically integrated, horizontally coordinated and internally-externally collaborative” innovation system. Innovation activities are embedded across multiple business areas, including production, logistics, procurement and investment.

During the reporting period, the Company continued to develop new product grades and optimise its product mix in response to market demand. A total of 8 product series and 27 steel grades of hot-rolled products were successfully developed, forming a product portfolio primarily consisting of general structural steel, steel for welded pipes and high-quality cold-rolling feedstock. Specialty steel output reached 206,000 tonnes, accounting for 70.4% of total hot-rolled coil production.

In addition, the Company successfully developed automotive high-strength steel, cylinder steel, high-quality structural steel and tinplate steel, and completed the modification of the billet continuous casting machine, further enriching its product portfolio and enhancing market competitiveness.

Compliance and Contract Fulfilment

Eastern Steel consistently regards the protection of customer interests as a cornerstone of its operations and development, and has established the *Control Procedure for Customer-Related Processes*.

Before any contract or order is formally accepted, the Sales Department is responsible for organising a comprehensive order review together with the Production Technology Department and relevant production units. The review covers technical feasibility, quality inspection requirements, delivery schedules and applicable legal and regulatory requirements.

Through a full-process and standardised review of contracts and bidding documents, the Company ensures that it has sufficient capability to fulfil its commitments before making any obligations to customers, thereby mitigating commercial compliance risks from the source.

In-Process Execution: Product/Order Classification Management

In actual operations, Eastern Steel implements refined classification and tiered management based on product characteristics:



Standard Products

The Production Technology Department, based on the Company's actual production and supply capacity, prepares the Standard Product Catalogue annually, defining product categories, specifications and material grades. The Sales Department uses this catalogue to efficiently conclude standardised contracts, ensuring fast and accurate fulfilment. At the same time, the Company closely tracks changes in relevant national or industry standards and promptly organises reviews to ensure that products continue to comply with the latest requirements.



Non-Standard Products

For products with specific customer requirements, Sales Department personnel complete the Non-Standard Product Order Form and organise a cross-functional review through meetings or joint approvals. Each department is required to sign off with a clear conclusion and justification. The Production Technology Department further communicates and signs a dedicated technical agreement with the customer, and all special requirements are explicitly recorded and implemented within the contract.

In addition, the Company strictly complies with all applicable laws, regulations and industry standards in the jurisdictions where it operates throughout the entire process of product sales, labelling and marketing communications. During the reporting period, the Company did not record any violations related to product and service information disclosure and labelling, or marketing communications.

Customer Relationship Management

Eastern Steel places great importance on maintaining regular communication with customers and is committed to building long-term, stable and mutually trusting customer relationships.

The Company establishes key customer profiles based on sales regions and continuously collects customer needs, opinions and feedback through telephone follow-ups and regular customer visits. Relevant feedback is promptly relayed to the Company's relevant departments, and improvement suggestions are also communicated back to customers.

When customers request technical services, the Production Technology Department is responsible for organising and implementing the relevant technical service activities. Upon completion of each service, a Technical Service Report is prepared, detailing the service content, outcomes and customer confirmation, and is systematically retained by the Production Technology Department.

To continuously improve customer satisfaction, the Company conducts customer satisfaction surveys every six months, collecting feedback on customer service, order execution and product quality through questionnaires. A weighted evaluation is conducted based on relevant indicators. In 2025, the customer satisfaction score was 85, meeting the established target threshold.

In addition, Eastern Steel strengthens communication with customers through appreciation events and product promotion meetings, and invites customers to visit production facilities to further enhance mutual understanding and trust.

The Company places strong emphasis on post-delivery quality assurance and customer complaints handling, and has established a clear responsibility and rapid-response mechanism for quality objections and defect resolution, actively fulfilling product liability obligations. In practice, a standardised cross-functional closed-loop process is implemented to ensure stable operations. During the reporting period, the Company did not record any material product quality complaints.



Invitation of local customers to the 2025 Hot Rolled Coil Product Promotion Conference

SUPPLY CHAIN MANAGEMENT

Supplier Admission

Eastern Steel is committed to fostering an open, fair and impartial market competition environment, standardising supplier admission management, and progressively integrating environmental and social risk considerations into supplier screening processes.

All new suppliers are required to undergo qualification pre-screening and approval procedures and must demonstrate valid legal business credentials, sound financial strength and standardised financial management capabilities. For suppliers of safety-related materials, hazardous chemicals and other special categories, the Company implements more stringent qualification reviews and maintains a dedicated supplier list under dynamic management.

To mitigate legal and ethical risks, all new suppliers are required to sign a *Declaration Letter* prior to cooperation, committing to comply with Environmental, Social and Governance (ESG) requirements, respect human rights, prohibit forced labour and human trafficking, and strictly implement occupational health and safety management requirements. Suppliers are also required to take measures to reduce environmental impacts and comply with anti-money laundering and anti-corruption laws and regulations, ensuring that business conduct remains compliant and transparent and that material sourcing is lawful and responsible.

Local Procurement

The Company actively identifies and manages supply chain stability risks arising from geographical distribution and macro-environmental changes, and places strong emphasis on promoting local procurement practices to support the economic development of local communities.

Within the *Supplier Admission and Change Management Policy*, the Company has established detailed qualification and documentation review guidance specifically for suppliers within Malaysia, aiming to facilitate the integration of local Malaysian construction, equipment procurement and raw material suppliers into the supply chain, thereby promoting local employment and regional economic development.

As of the end of the reporting period, local Malaysian suppliers accounted for 79.67% of the Company's total supplier base.

Supplier Evaluation

To ensure the continuous stability of procurement material quality and to implement dynamic, full lifecycle supply chain risk monitoring, the Company has established a phased supplier assessment and evaluation mechanism in accordance with the *Supplier Evaluation and Re-evaluation Policy*.

Comprehensive assessments are conducted on supplier qualifications, integrity, product quality and supply reliability, among other criteria, to ensure effective supplier performance management and continuous improvement across the supply chain.

Supplier Management and Evaluation Mechanism



Classification, Tiering and Due Diligence

Suppliers are managed through a classification system based on their strategic importance. For key raw material suppliers, on-site inspections are conducted as appropriate, and comprehensive due diligence is carried out across multiple dimensions, including production capacity, financial condition and environmental compliance.



Ongoing Evaluation and Annual Reassessment

The Company adopts a combination of continuous monitoring and annual performance evaluation. The Procurement Department maintains regular communication with suppliers and tracks their delivery performance. At the end of each year, a comprehensive annual reassessment is conducted for qualified suppliers.

Key Project Process Control



For suppliers involved in critical projects, a weekly tracking mechanism is implemented to dynamically monitor production progress and delivery milestones, thereby ensuring overall supply chain stability to the greatest extent possible.

Negative Impact Response



If any supplier is found to have serious quality defects, safety hazards or environmental penalties during routine use or ongoing assessment, the Procurement Department will immediately require corrective actions within a specified timeframe. Suppliers that fail to demonstrate significant improvement after rectification, or those involved in severe environmental or social violations, will have their qualification revoked, and legal claims will be pursued where necessary to safeguard the Company's rights and interests.

Appendix

KEY PERFORMANCE INDICATORS

Indicator	Unit	2025	2024
Environmental			
Pollution and Emissions			
Carbon Monoxide (CO)	tonnes	332.70	237.57
Carbon Monoxide (CO) Intensity	kg/tonne of steel	0.13	0.10
Nitrogen Oxides (NOx)	tonnes	12.79	0.03
Nitrogen Oxides (NOx) Intensity	kg/tonne of steel	0.01	0.00
Sulphur Oxides (SOx)	tonnes	785.59	1,939.80
Sulphur Oxides (SOx) Intensity	kg/tonne of steel	0.31	0.82
Particulate Matter (PM)	tonnes	633.68	550.04
Particulate Matter (PM) Intensity	kg/tonne of steel	0.25	0.23
Total Lead (Pb)	mg/m ³	<1	<1
Non-Methane Volatile Organic Compounds (NMVOC)	mg/m ³	<1	<1
Dioxins (PCDD/PCDF)	ng TEQ/Nm ³	0.005	0.005
Industrial Wastewater Discharge	tonnes	0	0
Domestic Wastewater Discharge	tonnes	171	171
Wastewater Compliance Discharge Rate	%	100	100
pH	-	6.5	6.5
Biochemical Oxygen Demand (BOD)	mg/L	5	5
Waste			
Non-hazardous Waste Generated	tonnes	117,719.53	115,797.08
Non-hazardous Waste Recycling Rate	%	100	100
Hazardous Waste Generated	tonnes	43.43	38.95
Hazardous Waste Compliance Treatment Rate	%	100	100
Greenhouse Gas (GHG) Emissions			
Scope 1 GHG Emissions	tCO ₂ e	5,271,424.30	5,166,232.66

Indicator	Unit	2025	2024
Scope 2 GHG Emissions	tCO ₂ e	52,129.23	34,344.80
Scope 3 GHG Emissions	tCO ₂ e	2,438,644.62	2,481,501.84
Total GHG Emissions	tCO ₂ e	7,762,198.14	7,682,079.31
GHG Emissions Intensity(Scope 1&2)	tCO ₂ e/tonne of steel	2.12	2.20
Energy Consumption			
Total Energy Consumption	GJ	49,835,000.31	48,420,082.14
Energy Consumption Intensity	GJ/tonne of steel	19.86	20.50
Liquefied Petroleum Gas (LPG)	tonnes	874.55	486.22
Anthracite	tonnes	844,858.98	713,402.64
Bituminous Coal	tonnes	8,426.30	-
Coking Coal	tonnes	638,329.79	660,270.93
Coke	tonnes	305,859.47	370,407.09
Liquefied Petroleum Gas (LPG)	tonnes	22.64	19.91
Diesel	litres	3,189,044.41	2,695,875.10
Petrol	litres	52,504.29	37,346.38
Purchased Electricity	MWh	70,444.90	46,411.90
Self-generated Electricity	MWh	1,162,285.12	1,121,041.89
Water Use			
Total Mains Water Consumption	m ³	6,003,092	5,941,038.00
Recycled Water Consumption	m ³	5,972,119.00	5,098,562.40
Total Mains Water Consumption Intensity	m ³ /tonne of steel	2.39	2.52
Social			
Employment			
Total Number of Employees	persons	3,653	3,292
Total Number of Female Employees	persons	141	128
Total Number of Male Employees	persons	3,512	3,164
Short-term Contract / Part-time Employees	persons	16	23
Number of Employees in Management Positions	persons	537	485
Number of Male Employees in Management Positions	persons	485	434

Indicator	Unit	2025	2024
Number of Female Employees in Management Positions	persons	52	51
Number of Malaysian Employees in Management Positions	persons	89	87
Number of Employees Aged Below 30	persons	1,139	924
Number of Employees Aged 30–50	persons	2,170	2,111
Number of Employees Aged Above 50	persons	344	257
Number of Malaysian Employees	persons	1,977	1,531
Number of Chinese Employees	persons	1,592	1,616
Number of Employees from Other Regions	persons	84	145
Male-to-Female Pay Ratio	—	1.02	1.09
Number of Child Labour Cases Identified During the Reporting Period	persons	0	0
Number of Forced Labour Cases Identified During the Reporting Period	persons	0	0
Occupational Health and Safety			
Number of Work-related Fatalities	persons	0	1
Lost Workdays Due to Work-related Injuries	days	193	364
Number of Work-related Injuries	cases	11	9
Number of Fatal Accidents	cases	0	1
Number of Near-miss Incidents (Permanent Employees)	cases	0	0
Number of Near-miss Incidents (Contract Employees)	cases	0	0
Number of Safety Training Sessions	sessions	110	112
Safety Training Coverage Rate	%	100	100
Employee Development and Training			
Total Number of Employees Trained	attendances	3,637	3,269
Percentage of Employees Trained	%	99.56	99.30
Percentage of Female Employees Trained	%	100	100

Indicator	Unit	2025	2024
Percentage of Male Employees Trained	%	99.54	99.27
Total Training Hours for Employees	hours	55,373.00	51,984.41
Average Training Hours per Employee	hours	15.22	15.90
Average Training Hours per Female Employee	hours	4.51	3.61
Average Training Hours per Male Employee	hours	15.78	16.50
Number of Employees Receiving Annual Performance Appraisals	persons	3,327	2,973
Number of Employees Promoted	persons	75	54
Community Development			
Total Donations	MYR	460,000	240,000
Number of Employees Participating in Community Activities	attendances	156	75
Sustainable Business			
Anti-Corruption			
Total Number of Employees Participating in Anti-Corruption Training	persons	3,653	3,292
Total Hours of Anti-Corruption Training Received by Employees	hours	3,653	3,292
Products and Services			
Number of Products Recalled for Safety and Health Reasons	units	0	0
Product Quality Pass Rate	%	98.81	99.99
Number of Complaints Regarding Products or Services	cases	103	71
Complaint Resolution Rate	%	100	100
Customer Satisfaction Rate	%	85.5	87
Supplier Management			
Total Number of Suppliers	companies	192	185
Number of Malaysian Suppliers	companies	152	153

INDICATOR INDEX

GRI Standard Indicator Index

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	About Eastern Steel	
	2-2 Entities included in the organization's sustainability reporting	About This Report	
	2-3 Reporting period, frequency and contact point	About This Report	
	2-4 Restatements of information	About Eastern Steel	
	2-5 External assurance	Omitted	Planned for future implementation.
	2-6 Activities, value chain and other business relationships	About Eastern Steel Products and Services Supply Chain Management	
	2-7 Employees	Appendix	
	2-8 Workers who are not employees	Appendix	
	2-9 Governance structure and composition	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-10 Nomination and selection of the highest governance body	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-11 Chair of the highest governance body	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance Structure	
	2-13 Delegation of responsibility for managing impacts	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance Structure	
	2-15 Conflicts of interest	Conflict of Interest	
	2-16 Communication of critical concerns	ESG Governance Structure	
	2-17 Collective knowledge of the highest governance body	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-19 Remuneration policies	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-20 Process to determine remuneration	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-21 Annual total compensation ratio	Omitted	Not applicable, as the Company is a non-listed subsidiary and the relevant governance disclosures do not apply.
	2-22 Statement on sustainable development strategy	ESG Strategy	
	2-23 Policy commitments	Environmental Sustainability Social Sustainability Sustainable Business	
	2-24 Embedding policy commitments	ESG Strategy	
	2-25 Processes to remediate negative impacts	Material Topics Identification and Management	
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	
	2-27 Compliance with laws and regulations	Compliance and Business Ethics	
	2-28 Membership associations	Omitted	The Company is not currently a member of any industry association. Membership will be considered in the future as appropriate.
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	
	2-30 Collective bargaining agreements	Omitted	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics Identification and Management	
	3-2 List of material topics	Material Topics Identification and Management	
	3-3 Management of material topics	Material Topics Identification and Management Material Topics	

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
Economic Performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Employee Welfare	
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Response	
	201-3 Defined benefit plan obligations and other retirement plans	Employee Welfare	
	201-4 Financial assistance received from government	Omitted	This topic is not currently applicable to the Company.
Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Disaster Relief and Emergency Assistance Education, Healthcare and Social Wellbeing	
	203-2 Significant indirect economic impacts	Disaster Relief and Emergency Assistance Education, Healthcare and Social Wellbeing	
Procurement Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Local Procurement	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption	
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption	
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption	
Anti-competitive Behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Anti-Unfair Competition	

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
Tax			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 207: Tax 2019	207-1 Approach to tax	Tax Compliance	
	207-2 Tax governance, control, and risk management	Tax Compliance	
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Compliance	
	207-4 Country-by-country reporting	Omitted	This topic is not currently applicable to the Company.
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Omitted	Commercially sensitive information.
	301-2 Recycled input materials used	Waste	
	301-3 Reclaimed products and their packaging materials	Omitted	This topic is not currently applicable to the Company.
Climate Change			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management Climate Change Response	
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Climate Change Response	
	102-2 Climate change adaptation plan	Climate Change Response	
	102-3 Just transition	Climate Change Response	
	102-4 GHG emissions reduction targets and progress	Climate Change Response	
	102-5 Scope 1 GHG emissions	Climate Change Response	
	102-6 Scope 2 GHG emissions	Climate Change Response	
	102-7 Scope 3 GHG emissions	Climate Change Response	
	102-8 GHG emissions intensity	Climate Change Response	
	102-9 GHG removals in the value chain	Climate Change Response	
	102-10 Carbon credits	Omitted	This topic is not currently applicable to the Company.

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management Energy Use	
GRI 103: Energy 2025	103-1 Energy policies and commitments	Energy Use	
	103-2 Energy consumption and self-generation within the organization	Energy Use	
	103-3 Upstream and downstream energy consumption	Omitted	Planned for future implementation.
	103-4 Energy intensity	Energy Use	
	103-5 Reduction in energy consumption	Energy Use	
Water and Effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resources	
	303-2 Management of water discharge-related impacts	Water Resources	
	303-3 Water withdrawal	Water Resources	
	303-4 Water discharge	Emission Control	
	303-5 Water consumption	Water Resources	
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity	Biodiversity and Ecological Protection	
	101-2 Management of biodiversity impacts	Biodiversity and Ecological Protection	
	101-3 Access and benefit-sharing	Omitted	This topic is not currently applicable to the Company.
	101-4 Identification of biodiversity impacts	Omitted	Planned for future implementation.
	101-5 Locations with biodiversity impacts	Omitted	Planned for future implementation.
	101-6 Direct drivers of biodiversity loss	Omitted	Planned for future implementation.
	101-7 Changes to the state of biodiversity	Omitted	Planned for future implementation.
	101-8 Ecosystem services	Biodiversity and Ecological Protection	

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
Effluents and Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 306: Effluents and Waste 2020	306-1 Water discharge by quality and destination	Emission Control	
	306-2 Waste by type and disposal method	Emission Control	
	306-3 Significant spills	Emission Control	
	306-4 Transport of hazardous waste	Emission Control	
	306-5 Water bodies affected by water discharges and/or runoff	Emission Control	
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management	
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Management	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Welfare	
	401-3 Parental leave	Employee Welfare	
Labor/Management Relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Labour and Human Rights	
Freedom of Association and Collective Bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Omitted	Not disclosed due to local social circumstances.
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Occupational Health and Safety	
	403-6 Promotion of worker health	Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	
	403-9 Work-related injuries	Occupational Health and Safety	
	403-10 Work-related ill health	Occupational Health and Safety	
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Appendix	
	404-2 Programs for upgrading employee skills and transition assistance programs	Labour and Human Rights Career Development and Training	
	404-3 Percentage of employees receiving regular performance and career development reviews	Career Development and Training	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Equality, Inclusion and Diversity	
	405-2 Ratio of basic salary and remuneration of women to men	Appendix	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equality, Inclusion and Diversity	
Child Labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Labour and Human Rights	
Forced or Compulsory Labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labour and Human Rights Supply Chain Management	
Rights of Indigenous Peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Community Development	
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Community Development	
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Development	

GRI Standard / Other Resource	Disclosure	Location	Omission Reason
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management	
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management	
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management Quality Management	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Quality Management Products and Services	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Management Products and Services	
Marketing and Labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Compliance and Contract Fulfilment	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Compliance and Contract Fulfilment	
	417-3 Incidents of non-compliance concerning marketing communications	Compliance and Contract Fulfilment	
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics Identification and Management	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	

SASB Index

Sustainability Disclosure Topics & Metrics

Topic	Code	Metric	Unit	2025
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global scope 1 emissions	tCO ₂ e	5,247,651.81
		Percentage covered under emissions-limiting regulations	%	67.12
	EM-IS-110a.2	Discussion of long- and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	Refer to "Climate Change Response"
Air Quality	EM-IS-120a.1	Air emissions of CO	tonne(s)	332.70
		Air emissions of NO _x (excluding N ₂ O)	tonne(s)	12.79
		Air emissions of SO _x	tonne(s)	785.59
		Air emissions of PM	tonne(s)	633.68
		Air emissions of manganese (MnO)	tonne(s)	Not applicable
		Air emissions of lead (Pb)	mg/m ³	<1
		Air emissions of volatile organic compounds (VOCs)	mg/m ³	-
		Air emissions of polycyclic aromatic hydrocarbons (PAHs)	tonne(s)	-
Energy Management	EM-IS-130a.1	Total energy consumed	GJ	49,824,294.01
		Percentage grid electricity	%	7.43
		Percentage renewable electricity	%	0
	EM-IS-130a.2	Total fuel consumed	GJ	49,570,692.37
		Percentage coal	%	99.66
		Percentage natural gas	%	0
		Percentage renewable	%	0

¹PM10 represents the average ambient air concentration monitored within the plant, expressed in mg/m³. As ambient air quality monitoring does not involve emission flow rates or operating time, it cannot be converted into total emissions (tonnes). Accordingly, the original PM10 indicator has been replaced with PM in this report.

Topic	Code	Metric	Unit	2025
Water Management	EM-IS-140a.1	Total water withdrawn	m ³	5,971,437.00
		Total water consumed	m ³	5,971,437.00
		Percentage of water withdrawn in regions with high or extremely high baseline water stress	%	0
		Percentage of water consumed in regions with high or extremely high baseline water stress	%	0
Waste Management	EM-IS-150a.1	Amount of waste generated	tonne(s)	117,762.96
		Percentage hazardous	%	0.04
		Percentage recycled	%	100.00
Workforce Health & Safety	EM-IS-320a.1	Direct employees total recordable incident rate (TRIR)	cases per 200,000 working hours	0.29
		Contract employees direct employees total recordable incident rate (TRIR)	cases per 200,000 working hours	Data not yet available
		Direct employees fatality rate	%	0
		Contract employees fatality rate	%	0
		Direct employees near miss frequency rate (NMFR)	%	0
		Contract employees near miss frequency rate (NMFR)	%	0
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	-	Refer to "Supply Chain Management"

IFC Performance Standard 2: Labor and Working Conditions Content Index

Key Topic	Location
Working Conditions and Management of Worker Relationship	
Human Resources Policies and Procedures	Labour Standards; Employee Benefits
Working Conditions and Terms of Employment	Labour Standards; Employee Benefits
Workers' Organizations	/ ¹¹
Non-Discrimination and Equal Opportunity	Equality, Inclusion and Diversity
Retrenchment	Labour Standards
Grievance Mechanism	Labour Standards
Protecting the Work Force	
Child Labor	Labour Standards
Forced Labor	Labour Standards
Occupational Health and Safety	
Occupational Health and Safety	Occupational Health and Safety
Workers Engaged by Third Parties	
Workers Engaged by Third Parties	Labour Standards
Supply Chain	
Supply Chain	Supply Chain Management

IFC Performance Standard 3: Resource Efficiency and Pollution Prevention Content Index

Key Topic	Location
Resource Efficiency	
Greenhouse Gases	Climate Change Response
Water Consumption	Water Resources
Pollution Prevention	
Wastes	Emission Control
Hazardous Materials Management	Emission Control
Pesticide Use and Management	Not applicable

¹¹ Information on Workers' Organizations is not currently disclosed in this report.



只争第一 点滴做起
Build from Basic Strive for Excellence



Address 地址 : Lot 6293 & 6294 Teluk Kalong Industrial Estate, Kemaman, Terengganu, Malaysia.

Tel 电话 : +609 8604000

Website 网站 : <https://www.easternsteel.com.my/>