

MYCRON STEEL BERHAD	
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Prepared by: Sustainability Working Committee	Approved by: Group Chief Executive Officer

1. INTRODUCTION

Mycron Steel Berhad (“**MSB**” or the “**Group**”) recognises that integrating sustainable business practices into its operations is fundamental to creating long-term value for stakeholders, strengthening business resilience and supporting the transition towards a green steel industry.

This Sustainability Policy (“**Policy**”) establishes the Group’s overarching sustainability principles and commitments, which apply across MSB and its subsidiaries.

2. PURPOSE

The purpose of this Policy is to establish the principles that guide MSB’s sustainability commitments and support the integration of economic, environmental, social and governance (“**EESG**”) considerations into business operations, decision-making and long-term value creation.

This Policy is guided by four strategic sustainability pillars: -

- 1) Delivering Sustainable Business Value through Responsible Supply Chain and Quality Excellence
- 2) Upholding Transparency, Integrity and Strong Governance Culture
- 3) Driving the Transition towards Green Steel Manufacturing
- 4) Advancing Workforce Well-Being and Positive Community Impact

3. SCOPE

The Policy applies to MSB and its subsidiaries, and serves as a guiding framework for our employees, business partners, contractors and suppliers.

This Policy shall be read in conjunction with the following policies: -

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| 1) Code of Conduct and Ethics | 5) Diversity Policy |
| 2) Occupational Health and Safety (“ OHS ”) Policy | 6) Whistleblowing Policy |
| 3) Environmental Policy | 7) Anti-Corruption Policy |
| 4) Energy Policy | 8) Quality Policy |

4. OUR KEY SUSTAINABILITY PRINCIPLES

4.1 Delivering Sustainable Business Value through Responsible Supply Chain and Quality Excellence

MSB strives to create sustainable economic value through responsible sourcing, quality excellence, operational efficiency and strategic investment.

- a) Strengthen financial performance and business resilience through strategic resource allocation and prudent risk management
- b) Align capital and investment decisions with MSB's sustainability goals, including GHG reduction, climate resilience and resource efficiency
- c) Promote responsible supply chain practices by encouraging suppliers, vendors and contractors to uphold ESG standards, including environmental compliance, responsible resource use and waste management
- d) Deliver consistent, high-quality steel products and reliable services that meet customer requirements and ensure long-term business value
- e) Leverage digitalisation, automation and smart manufacturing technologies

4.2 Upholding Transparency, Integrity and Strong Governance Culture

MSB remains steadfast in upholding the highest standards of integrity, transparency and accountability through effective governance, risk management and regulatory compliance, while maintaining the trust and confidence of our stakeholders.

- a) Uphold strong corporate governance and ethical business conduct in compliance with applicable laws, regulations, Code of Conduct and Ethics and the Malaysian Code on Corporate Governance 2021 ("MCCG")
- b) Enforce the Anti-Corruption Policy and maintain effective controls to prevent and address corruption and bribery across MSB and its stakeholders
- c) Maintain effective sustainability governance with Board oversight material sustainability matters and the implementation of MSB's sustainability strategy
- d) Integrate sustainability- and climate-related risks and opportunities into enterprise risk management and strategic decision-making
- e) Develop, implement and regularly review sustainability strategies, initiatives and targets to address material matters

4.3 Driving the Transition towards Green Steel Manufacturing

MSB is committed to advancing sustainable steel manufacturing by minimising the environmental impacts of our operations while supporting Malaysia's Net Zero Greenhouse Gas ("GHG") target by 2050 and the National Steel Industry Roadmap 2035.

- a) Drive operational decarbonisation in accordance with the MSB Climate Transition Pathway, targeting a 25% reduction in Scope 1 and 2 emissions by FY2029, 40% by 2035 and net zero emissions by 2050

- b) Improve energy efficiency and increase the adoption of renewable energy and low-carbon solutions across our operations
- c) Optimise the use of raw materials and water through responsible resource management
- d) Promote circular economy practices by reducing, reusing and recycling materials, while progressing towards Zero Waste to Landfill by 2050
- e) Ensure compliance with all applicable environmental laws, regulations and other obligations throughout our operations

4.4 Advancing Workforce Well-Being and Positive Community Impact

MSB is committed to providing a safe, inclusive and respectful workplace while contributing positively to the well-being of our employees, business partners, suppliers and the communities in which we operate.

- a) Maintain a safe and healthy workplace and strive for zero occupational injuries through effective risk management and robust health and safety practices
- b) Promote fair and inclusive employment practices, including equal opportunity, non-discrimination, fair and safe working conditions and freedom of association, while prohibiting child labour, forced labour and all forms of exploitation
- c) Invest in employee development, technical competency and leadership
- d) Engage with local communities through meaningful initiatives that contribute to sustainable social development

5. REVIEW OF THE POLICY

This Policy has been reviewed and approved by the Board of Directors and is effective from August 2026. It is available for reference on MSB's corporate website.

The Policy shall be reviewed annually, or as and when necessary, to ensure its continued relevance, effectiveness and alignment with MSB's sustainability strategies.

Any amendments to this Policy shall be subject to approval by the Board.