Sustainability Policy

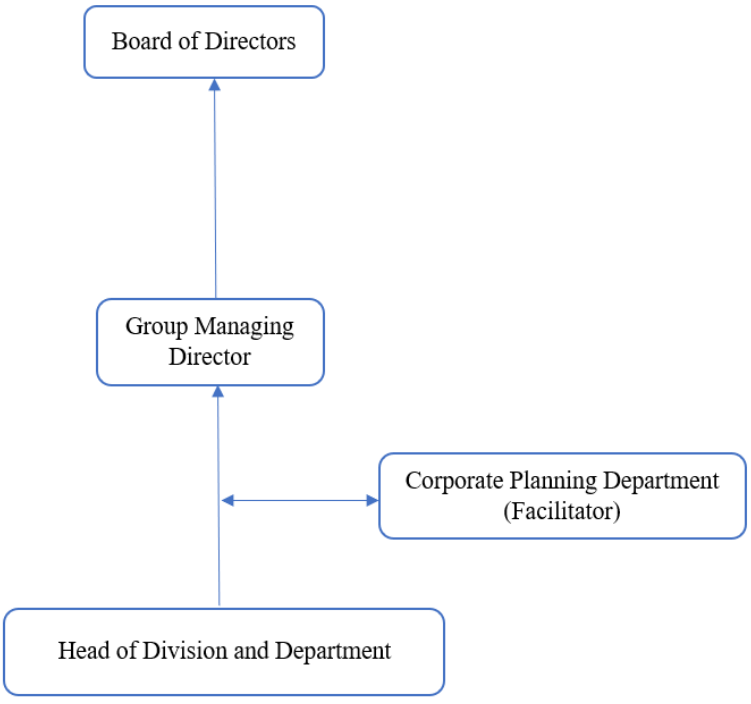
1. THE PHILOSOPHY

CSC Steel Holdings Berhad and its subsidiaries ("the Company" or "the Group") has adopted a set of sustainable practices that in line with the philosophy of parent company, China Steel Corporation ("CSC") in Taiwan. The Environmental, Social and Governance ("ESG") aspects are the key focuses that have formed an integral part of the Group's day-to-day operation. It is one of the key criteria to ensure the Group's long-term goals and business continuity are achievable.

As to achieve a more comprehensive engagement, the Group has identified several stakeholders relevant to its daily operations which includes the shareholders and investors, government and regulators, customers, employees, community, suppliers and financial institutions.

2. THE OVERSIGHT OF SUSTAINABILITY MANAGEMENT

The Group has adopted a functional organisation structure for planning, organising and executing the business operations to ensure its objectives are met. The oversight of the governance structure for the Group's sustainability management is as follows:



Board of Directors

- Primarily responsible for the sustainability management on group wide basis, which include approving the Group's sustainability policy and ensure the adequacy and effectiveness of the Group's sustainability management.

Group Managing Director

- Delegated with the task of ensuring the implementation of the Group's sustainability management is carried out effectively according to the tone set by the Board. The Group Managing Director is responsible to lead the internal discussion on matters related to sustainability management and to ensure that sustainable business practices adopted are aligned with the Group's business strategy.

Head of Division and Department

- The heads of division and department are the executor for the Group's sustainable management, which include executing and embedding the sustainable principles in the operations related to his/her department, as to ensure that the Group's business objectives are achieved with sustainability commitment, especially for the ESG aspects.

Corporate Planning Department

- Other than as one of the executors of the Group, Corporate Planning Department is also accountable for facilitating the execution of sustainability management within the Group and assisting the Top Management to liaise on all matters pertaining to sustainable management especially on ESG aspects.

3. THE SUSTAINABLE PRINCIPLES

The Group is committed as a company and as individuals to comply with the laws, respect the cultures and to have a positive impact to the communities where we conduct our businesses. The followings are the sustainable principles that in line with the key focuses of the Group for ESG aspects:

3.1 Sustainable Environment Principles

- To comply with all guidelines and regulations relating to the preservation of environmental aspects that relevant to the Group's operation.
- To implement appropriate measures to reduce the impact on the environmental aspects arising from activities of the Group, such as optimising production efficiency and energy efficiency, while committing to the reduction of Green House Gases ("GHG") emissions.
- To conserve the consumption of water, electricity, energy and other natural resources in the business operations.
- To implement "Reuse, Reduce and Recycle" practices within the Group to reduce wastage in day-to-day operation.
- To disclose necessary environmental data, performance and targets in accordance with relevant disclosure frameworks.
- To adopt good environmental practices while including climate-related risks and opportunities as part of the risk management and financial planning framework.

3.2 Sustainable Economic Principles

- To ensure the interests of all relevant stakeholders are preserved in our business operations and strategic business decisions.
- To prohibit agreements or other coordinated activities with competitors, customers or suppliers that limit competition.
- To uphold the quality and safety of our products as well as services with expected standard of legitimacy and integrity.
- To promote suppliers' awareness on the importance of sustainable supply chain specifically on environmental and social aspects.

3.3 Sustainable Social Principles

- To ensure that all stakeholders receive fair treatment and do not engage in or support discrimination based on race, nationality, religion, disability, gender and age.
- To support the development of local communities and non-profit organisations through charitable donations, events and activities.
- To nurture long term relationship with the local communities by respecting the local heritage and customs of the local communities.
- To work with the local authorities for the development of conducive environment for the communities.
- To uphold the highest standard in preserving confidentiality and privacy of information collected by the Group in accordance with applicable laws and regulations.

3.4 Sustainable Workplace Principles

- To ensure that the Group's employees and the suppliers/subcontractors are not to be discriminated against, to be treated with dignity and have the freedom of opinion and expression.
- To provide a safe and healthy workplace for its employees, customers, suppliers, subcontractors, business partners and visitors, consistent with applicable laws and regulations.
- To implement a people development strategy that focuses not only on knowledge advancement but also self-enhancement, helping the Group's employees to achieve a healthy work-life balance.

3.5 Sustainable Governance Principles

- To conduct its business in an open, honest and ethical manner with conflict-of-interest situation properly addressed and adopt a zero-tolerance approach to all forms of bribery and corruption.
- To progressively incorporate sustainability factors into the company strategy and decision-making.
- To provide fair and appropriate channels for stakeholders to access grievance mechanisms and protecting the whistleblowers in accordance with the relevant laws and regulations.

4. THE COMMITMENT FROM THE BOARD

The Board of the Company ("the Board") is committed to delivering sustainable value through various aspects such as policies, objectives and strategies of the Group and has entrusted the management team with the aim to create sustainable value to all stakeholders.

22 November 2024