

Sustainability Statement

(Cont'd)

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

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

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

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

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

Our Initiatives

ISO 45001 Occupational Health and Safety Management System

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

	FY2024
Sites in the Group certified with ISO 45001	67%

OSH Compliance

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

Risk Management, Hazard Identification and Risk Assessment

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

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

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

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5.4 Social Sustainability

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

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

5.4.1 Occupational Safety and Health

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

Our Approach

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

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

Employee Participation and Engagement

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

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

SOR and Safety Kaizen

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

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

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

Training

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

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

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

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

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Our Performance

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

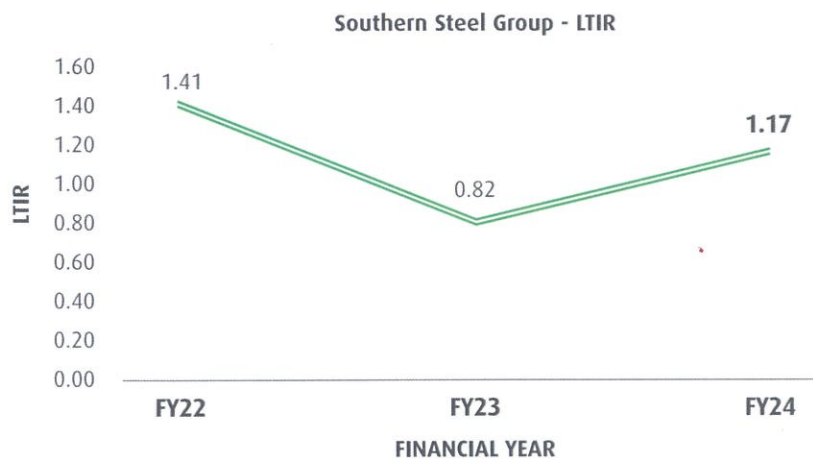
LTIR = (LTI in the financial year / total work hours of employees) x 200,000

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

The Group's LTIR target is as below:

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

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



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

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

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

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

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5S

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

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

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

