

Sustainability Statement FY2024

ABOUT THIS REPORT

At Malaysia Smelting Corporation Berhad (“MSC” or the “Group”), sustainability is more than a corporate responsibility—it is embedded in how we operate, innovate, and create long-term value. As one of the world’s leading tin producers, we recognise the importance of balancing economic growth with environmental stewardship and social responsibility. To this end, we remain focused on integrating economic, environmental, social, and governance (“EESG”) principles across our business. Our dedication to sustainable tin mining and smelting practices allows us to contribute to the tin industry, while safeguarding the planet for future generations.

Reporting Scope and Boundaries

This Sustainability Statement (“SS2024”) covers MSC’s financial reporting period from 1 January 2024 to 31 December 2024 (“FY2024”). This SS2024 provides insights into MSC’s sustainability initiatives and performance across our tin smelting operations in Butterworth, Penang, and Pulau Indah, Port Klang, as well as our tin mining activities at the Rahman Hydraulic Tin (“RHT”) Mine in Klian Intan, Perak. Comparative data from previous years is included where relevant to provide a clear view of our sustainability performance over time.

Reporting Standards and Guidelines

The SS2024 has been prepared in compliance with the Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”), and in reference to Bursa Securities’ Sustainability Reporting Guide (3rd Edition), and the Securities Commission’s National Sustainability Reporting Framework (“NSRF”).

As MSC is dual listed on both the Main Market of Bursa Securities, as well as the Mainboard of the Singapore Exchange (“SGX”), this statement also aligns with SGX’s Mainboard Listing Requirements.

Where applicable, our reporting incorporates the United Nations (“UN”) Sustainable Development Goals (“SDGs”), a universal framework aimed at fostering a sustainable future for both society and the environment.

Statement of Assurance

This SS2024 has been reviewed and approved by MSC’s Board of Directors (the “Board”) on 15 April 2025. Information and data disclosed in the SS2024 has been verified for accuracy by respective data owners and subsidiaries within the Group. In strengthening the credibility of this statement, selected data and indicators of this SS2024 have been subjected to external independent assurance by Crowe Governance Sdn. Bhd., with the audit scope and details on pages 59 to 60 of this statement.

Report Availability and Feedback

This SS2024 is accessible within our FY2024 Annual Report, which can be downloaded from our corporate website at www.msmt.com. We welcome any feedback or inquiries regarding this report, which can be directed to msc@smelt.com.



ECONOMIC

Please refer to pages 32 - 34
for more information



ENVIRONMENTAL

Please refer to pages 35-43
for more information



SOCIAL

Please refer to pages 44-54
for more information



GOVERNANCE

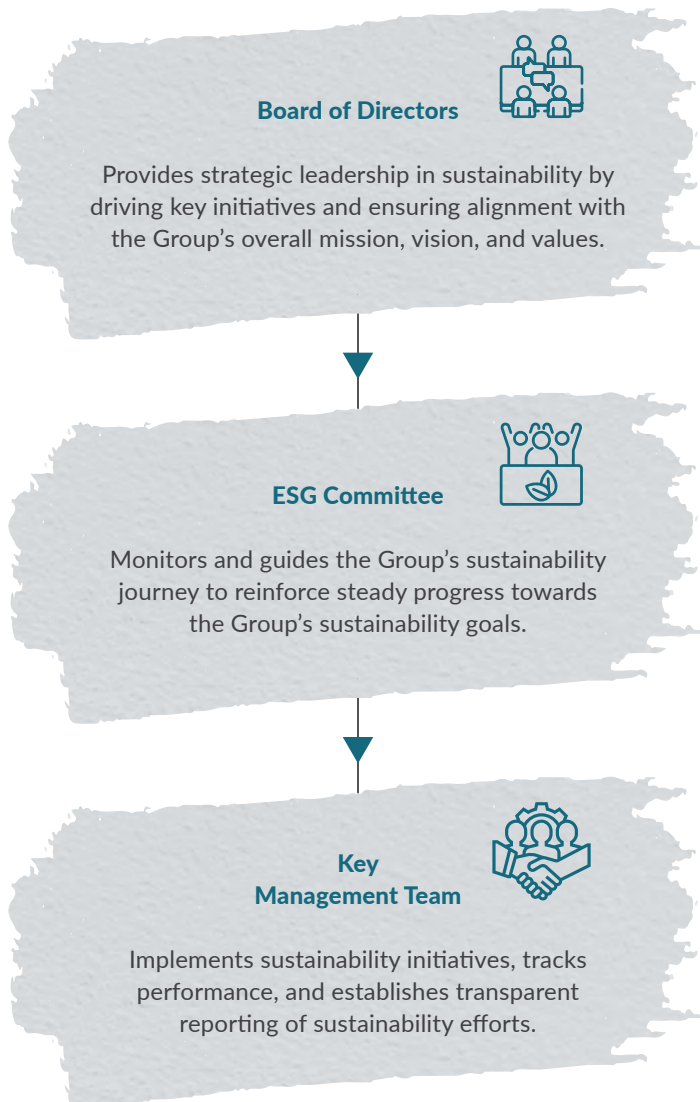
Please refer to pages 55 - 56
for more information

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SUSTAINABILITY GOVERNANCE

MSC's sustainability agenda is underpinned by a foundation of robust governance, upholding transparency, integrity, and accountability. Our sustainability governance framework—comprising the Board; the Environmental, Social, and Governance ("ESG") Committee; and the Key Management Team—provides clear oversight and strategic direction for our sustainability efforts.

MSC's Sustainability Governance Structure



● *Blending of molten tin in refinery kettle*

Membership of Associations

MSC reinforces our steadfastness to strong governance through active participation in industry bodies and associations. As a member, we adhere to their codes and regulations, upholding best practices in business ethics and ESG standards. These strategic affiliations enable collaboration, knowledge sharing, and thought leadership within the tin sector.

- International Tin Association ("ITA")
- Responsible Mineral Initiative ("RMI")
- *Jabatan Mineral & Geosains Malaysia* ("JMG")
- Tantalum and Niobium International Study Center ("TIC")
- Malaysia Chamber of Mines ("MCOM")
- Federation of Malaysian Manufacturing ("FMM")
- Malaysian Employers Federation ("MEF")
- National Institute of Occupational Safety and Health ("NIOSH")
- The Department of Atomic Energy Malaysia ("ATOM Malaysia")

MATERIALITY ASSESSMENT

Understanding material sustainability issues is critical to driving meaningful impact. MSC adopts a structured and risk-informed approach to determine key sustainability matters, aligning with Bursa Securities' Sustainability Reporting Guide and insights from our internal risk assessments through our Integrated Management System ("IMS"). This dual input ensures our sustainability agenda remains relevant and business-responsive.

For FY2024, we refined our material topics to improve categorisation and clarity, streamlining them into 14 sustainability matters under the **Economic (E)**, **Environmental (E)**, **Social (S)**, and **Governance (G)** pillars. These refinements were guided by internal benchmarking against regulatory requirements, industry peers, and emerging trends.

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MATERIALITY ASSESSMENT (CONTINUED)

Sustainability Pillars	Material Matters FY2023	Material Matters FY2024
Economic 	<ul style="list-style-type: none"> • Corporate Governance and Ethical Practices • Economic Performance • Responsible Procurement • Data Privacy and Security 	<ul style="list-style-type: none"> • Economic Performance • Supply Chain Management
Environmental 	<ul style="list-style-type: none"> • Environmental Compliance • Progressive Mine Rehabilitation • Energy & Climate Change • Water Management • Waste Management • Air Emissions • Materials 	<ul style="list-style-type: none"> • Mine Rehabilitation & Biodiversity Conservation • Waste Management • Water & Effluents Management • Climate Change & Energy Management • Air Emissions
Social 	<ul style="list-style-type: none"> • Human Rights and Fair Labour Practices • Diversity and Equal Employment Opportunity • Talent Management • Occupational Safety and Health • Community Engagement 	<ul style="list-style-type: none"> • Human Rights & Fair Labour Practices • Diversity & Equal Employment Opportunity • Talent Management • Occupational Safety & Health • Community Engagement
Governance 	Nil	<ul style="list-style-type: none"> • Corporate Governance & Ethical Practices • Data Privacy & Security

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Sustainability-Related Risks and Opportunities

In addition to materiality mapping, MSC also drew insights from our Integrated Management System (“IMS”) to help identify sustainability risk and opportunity (“SRO”) across our operations. While the SROs are informed by the IMS, they do not represent a comprehensive extraction of all elements within the IMS. Rather, they reflect selected areas aligned with MSC’s sustainability priorities and material topics. The table below outlines these SROs along with the corresponding practices currently in place. These will continue to be reviewed and refined in line with evolving ESG expectations and the NSRF.

Key Area	Sustainability Risk / Opportunity	MSC’s Response
Regulatory Compliance 	<p>Risk: Non-compliance with key regulatory requirements—including responsible sourcing standards (e.g. RMAP), environmental and labour laws, or sectoral licensing—may result in sanctions, penalties, or market exclusion.</p> <p>Opportunity: Regulatory alignment and engagement with national policies (e.g., Dasar Mineral Negara 2021) may unlock institutional support and promote regulatory compliance.</p>	<ul style="list-style-type: none"> Regular audits and alignment with ISO certifications—ISO 14001:2015, ISO 45001:2018, and ISO 9001:2015—and national laws. Ongoing training and monitoring sustain compliance.
Governance and Ethical Conduct 	<p>Risk: Weak governance systems, non-compliance with internal procedures, or unethical conduct may lead to reputational damage, regulatory scrutiny, or erosion of investor trust.</p> <p>Opportunity: Implementation of anti-bribery policies, increased integrity awareness, and revised internal SOPs improve ethical culture and compliance outcomes.</p>	<ul style="list-style-type: none"> Board oversight via ESG Committee. Integrity Pledge, anti-corruption clauses in contracts, and internal Code of Conduct embedded across business operations.
Supply Chain Resilience 	<p>Risk: Disruptions in supply of critical inputs, supplier misconduct, or weak due diligence may compromise operational continuity and stakeholder expectations.</p> <p>Opportunity: Exploring alternative feed sources and aligning with international sourcing initiatives (e.g. RMAP, ITSCI) strengthen supply security.</p>	<ul style="list-style-type: none"> Conduct due diligence using Responsible Minerals Sourcing (“RMS”) Policy, Responsible Minerals Assurance Process (“RMAP”), and International Tin Supply Chain Initiative (“ITSCI”) frameworks. Maintain traceability via Enterprise Resource Planning procurement system. Ethics clauses and onboarding protocols reinforce supplier standards.

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Sustainability-Related Risks and Opportunities (Continued)

Key Area	Sustainability Risk / Opportunity	MSC's Response
Climate Change 	<p>Risk: Changing climate patterns and increased environmental regulations may impact site operations, infrastructure stability, and cost structures.</p> <p>Opportunity: Adoption of green technology and transition to cleaner fuels (e.g. natural gas) reduce pollution and support compliance with environmental expectations.</p>	<ul style="list-style-type: none"> • Implement a decarbonisation strategy that includes solar energy, energy-efficient processes, and natural gas conversion. • Climate risks are integrated into enterprise risk assessments and site-level response planning.
Water Management 	<p>Risk: Inefficient water usage or contamination from effluent discharge may lead to regulatory non-compliance, environmental degradation, or community conflict.</p> <p>Opportunity: Upgrading water treatment facilities and implementing water reuse practices improve efficiency and help reduce pollution.</p>	<ul style="list-style-type: none"> • Adopt closed-loop systems and water reuse processes. • Regular sampling, effluent treatment, and water-saving efforts help reduce consumption and environmental impact.
Waste and Tailings Management 	<p>Risk: Ineffective waste handling, hazardous material leakage, or tailings facility failure may result in environmental harm, regulatory penalties, or reputational damage.</p> <p>Opportunity: Tin-bearing material recovery and pollution control systems enhance compliance and reduce environmental impact.</p>	<ul style="list-style-type: none"> • Maintain and expand Tailings Storage Facilities with geotechnical controls. • Recycle tin-bearing materials and manage hazardous waste per regulations. • Conduct environmental risk assessments and audits.
Human Rights and Labour 	<p>Risk: Failure to uphold fair labour practices or ensure a safe working environment may lead to legal consequences, workforce dissatisfaction, or reputational loss.</p> <p>Opportunity: Fair treatment and continuous workforce training promote morale and reduce turnover.</p>	<ul style="list-style-type: none"> • Labour Policy is aligned with ITA and RMI standards. • Employee Handbook includes Harassment, Ethics, Recruitment, and Employment Practices Policies. • Periodic training and grievance mechanisms in place.

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Sustainability-Related Risks and Opportunities (Continued)

Key Area	Sustainability Risk / Opportunity	MSC's Response
Community Expectations 	<p>Risk: Limited community engagement or inadequate contribution to local development may undermine social licence to operate and long-term relationships.</p> <p>Opportunity: Local employment and CSR programmes reinforce positive community ties.</p>	<ul style="list-style-type: none"> Local hiring is prioritised. CSR programmes include education, infrastructure, and health initiatives. Maintain two-way dialogue through engagement platforms.
Occupational Safety 	<p>Risk: Non-compliance with occupational safety regulations or inadequate hazard management may result in workplace incidents, regulatory action, or productivity loss.</p> <p>Opportunity: Regular training, safety drills, and effective risk control measures support safe and compliant operations.</p>	<ul style="list-style-type: none"> ISO 45001 and ISO 39001 certified. Hazard Identification, Risk Assessment, and Risk Control implementation, safety training, site inspections, and emergency response systems in place. Proactive incident investigation and control measures.

STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is essential for shaping the Group's sustainability strategies. Our stakeholders include individuals or groups who are impacted by or have an influence on our business operations. Understanding their perspectives allows us to align our sustainability initiatives with evolving expectations while addressing key ESG matters.

In FY2024, we continued to engage with stakeholders, fostering open two-way dialogue. These engagements help us assess material issues, prioritise sustainability matters, and allocate resources effectively. The table shown below summarises our key stakeholders, our engagement methods, their areas of interest, and the outcomes of engagement.

Stakeholders	Engagement Methods	Areas of Interest	Outcome of Engagement
Investors, shareholders, bankers and analysts 	<ul style="list-style-type: none"> Annual General Meetings Bursa announcements Press releases Corporate website Annual reports Investor briefings 	<ul style="list-style-type: none"> Business continuity Optimisation of shareholder value Integration of ESG-related matters Sustainable financial and operational performance Strategic risk management Maximising investment returns Corporate governance and regulatory compliance 	<ul style="list-style-type: none"> Provided further insights into MSC's business operations and financial performance




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STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholders	Engagement Methods	Areas of Interest	Outcome of Engagement
Customers 	<ul style="list-style-type: none"> Formal and informal meetings Engagement surveys Site visits Networking conferences 	<ul style="list-style-type: none"> Product supply chain transparency and traceability Product quality and compliance Timely & reliable delivery Competitive lead times Socio-economic impact Regulatory & industry certifications Incentives and financing support 	<ul style="list-style-type: none"> Heightened awareness of MSC's policies and commitment as a Conflict Free Smelter Improved understanding of customers' needs Kept abreast with changes in the tin industry in terms of demand and supply, tin technology and applications, among others
Employees 	<ul style="list-style-type: none"> Engagement sessions with management Employee training and development Social events such as Annual Dinner and Family Days Performance appraisal 	<ul style="list-style-type: none"> Fair employment practices Professional development opportunities Freedom of association and collective bargaining Occupational safety and health Job security 	<ul style="list-style-type: none"> Increased awareness of MSC's policies, culture and core values Enhanced morale and work environment
Local communities 	<ul style="list-style-type: none"> Meet-ups with the community Corporate volunteering programmes Charitable activities Informative talks 	<ul style="list-style-type: none"> Support towards community development Job creation for locals Undertaking business in a responsible manner 	<ul style="list-style-type: none"> Improved rapport with community Developed shared initiative and activities
Government (Ministries, Agencies, Regulators, Industry Associations) 	<ul style="list-style-type: none"> Meetings, engagements and dialogues Visit and inspections 	<ul style="list-style-type: none"> Support for government policies and initiatives Compliance with relevant regulations 	<ul style="list-style-type: none"> Compliance with laws and regulations

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STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholders	Engagement Methods	Areas of Interest	Outcome of Engagement
Industry associations 	<ul style="list-style-type: none"> Meetings, engagements or dialogues Industry events Interviews Task force Industry reports 	<ul style="list-style-type: none"> Relevant issues and updates in the industry, including environmental matters Outlook of tin industry Conflict-free operations 	<ul style="list-style-type: none"> Kept abreast with changes in the tin industry in terms of supply and demand, tin technology and applications, among others
Non-governmental organisations ("NGOs") 	<ul style="list-style-type: none"> Site visits Meetings, engagements or dialogues 	<ul style="list-style-type: none"> Sustainability-related matters Relevant reporting 	<ul style="list-style-type: none"> Deeper understanding of NGO's concerns Increased NGO's awareness of MSC's policies, operations and sustainability efforts
Suppliers and contractors 	<ul style="list-style-type: none"> Formal and informal meetings Supplier assessment review and audit 	<ul style="list-style-type: none"> Sustainable and ethical procurement practices Support of local businesses 	<ul style="list-style-type: none"> Increased awareness of MSC's policies Committed to sustainable smelting and mining procurement

MSC's Key Stakeholder Groups



● MSC's 2024 Annual Dinner



● MSC's 45th Annual General Meeting

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OUR COMMITMENT TO SUSTAINABILITY

At MSC, sustainability shapes the way we operate within the tin mining and smelting industry. As a key player in the global tin industry, we endeavour to set exemplary standards of environmental stewardship, strong governance, and meaningful social impact.

Our commitment lies in achieving a balance between commercial success and EESG priorities, ensuring MSC’s long-term business resilience. We endeavour to enhance efficiency and innovation in our operations, integrating sustainable technologies to minimise our carbon footprint and improve resource management.

At the same time, we place a strong emphasis on ethical business conduct, transparent governance, and social well-being, fostering a workplace culture that respects human rights, values diversity, and employee growth. Through these concerted efforts, we aim to deliver lasting value for our stakeholders while driving progress towards a more sustainable and equitable tin industry.

We align our operations with the UN SDGs, integrating relevant sustainability practices that contribute to shared global progress.

Pillars	UN SDG Supported	Material Matters
<div>Economic</div> <div></div>	<div><div>1 NO POVERTY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	<div><ul style="list-style-type: none">Economic PerformanceSupply Chain Management</div>
<div>Environmental</div> <div></div>	<div><div>6 CLEAN WATER AND SANITATION</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>15 LIFE ON LAND</div></div>	<div><ul style="list-style-type: none">Environmental MattersMine Rehabilitation and Biodiversity ConservationClimate Change & Energy ManagementWater & Effluents ManagementWaste ManagementAir Emissions</div>
<div>Social</div> <div></div>	<div><div>1 NO POVERTY</div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>5 GENDER EQUALITY</div><div>10 REDUCED INEQUALITIES</div></div>	<div><ul style="list-style-type: none">Human Rights & Fair Labour PracticesDiversity & Equal Employment OpportunityTalent ManagementOccupational Safety & HealthCommunity Engagement</div>
<div>Governance</div> <div></div>	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	<div><ul style="list-style-type: none">Corporate Governance & Ethical PracticesData Privacy & Security</div>

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ECONOMIC

MSC remains steadfast in ensuring economic sustainability through a resilient financial performance, responsible procurement practices, and adhering to the highest ethical standards. This approach enables us to generate enduring value for stakeholders, foster sustainable growth, and make a meaningful impact on the communities in which we operate.

ECONOMIC PERFORMANCE

Why is This Important?

MSC recognises that economic sustainability is the foundation upon which we build our business and create shared value for our stakeholders. Financial stability allows us to maintain our core tin mining and smelting operations, invest in innovation, and pursue growth prospects. This translates into job security for our workforce, and economic value distributed to our various stakeholders, including shareholders, investors, and suppliers.

Our Approach

In FY2024, we continued to invest in initiatives that boosts overall productivity and efficiency, which is expected to contribute positively to the Group's overall financial performance.

At the RHT Tin Mine, we are developing a new processing plant to recover tin content from sandy tailings and *amang* materials, supporting waste reduction and resource optimisation. With a processing capacity of 3,000 tonnes per day ("tpd"), the facility is expected to contribute to higher tin-in-concentrate production and improved operational efficiency. Construction has commenced, with targeted completion in 2025.

We also commissioned a new ball mill and a processing plant upgrade at Kota Bunyih Mill at the RHT Tin Mine. This enhancement is part of our ongoing efforts to increase processing efficiency and optimise tin recovery. With the new ball mill in operation, the plant now has greater ore grinding capacity and enhanced overall recovery rates, enabling tin concentrate production to exceed 11 tpd.

Furthermore, MSC has introduced an automated lime dosing system at Sungai Kepayang, ensuring consistent water quality management while reducing manpower and energy dependency.

In parallel, we are piloting a new mining method, currently in its "proof-of-concept" stage, which has the potential to improve mining yields and process performance.



● New ball mill



● Lime dosing station

At our smelting facility in Pulau Indah, we are expanding production capacity with the addition of a new rotary furnace. Currently in the testing phase, the furnace is scheduled for commissioning in 2025. Once operational, it is expected to boost crude metal production, while ensuring uninterrupted capacity during the TSL furnace's annual maintenance.

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Further details regarding our strategic actions for the year FY2024 can be found in the Management Discussion and Analysis (“MD&A”) of this year’s Annual Report.

Our Performance

In FY2024, MSC generated a total economic value of RM1,691.8 million and distributed RM1,722.1 million to stakeholders, resulting in a negative retained economic value of RM30.3 million. This outcome reflects MSC’s strategic investments in operational enhancements and its commitment to fulfilling stakeholder obligations, even amidst challenging economic conditions.

(RM million)	FY2022	FY2023	FY2024
Economic Value Generated	1,503.6	1,435.7	1,691.8
Group revenue	1,503.6	1,435.7	1,691.8
Economic Value Distributed	1,421.7	1,386.2	1,722.1
Cost of tin mining and smelting	1,270.4	1,214.2	1,448.1
Employee wages and benefits	66.0	77.0	81.2
Payment to providers of capital	46.4	74.7	146.3
Tax payment to government	38.7	20.0	46.3
Community investment	0.2	0.3	0.2
Economic value retained	81.9	49.5	(30.3)

Note: The financial information in the table above is derived from the audited financial statements, which are available for reference from pages 87 to 202 of this Annual Report FY2024.



● New rotary furnace

SUPPLY CHAIN MANAGEMENT

Why is This Important?

As a global leader in the tin industry, MSC understands the profound impact our actions have on stakeholders throughout the tin industry. The nature of tin mining and smelting inherently intersects with critical sustainability issues, including labour rights, environmental stewardship, and community well-being. Our procurement decisions, therefore, play a pivotal role in shaping these outcomes.

By prioritising ethically responsible suppliers, we minimise the risks related to labour exploitation, human rights violations, or environmental degradation. Robust supply chain management ensures compliance with applicable regulations and demonstrates our respect for communities impacted by the tin sector. Ultimately, a focus on responsible sourcing protects the Group’s reputation, builds trust with customers and partners, and aligns our operations with our core values.

Where feasible, we opt for local sourcing and provide opportunities to local suppliers. This not only contributes to the socio-economic

growth of the local communities but also offers commercial benefits such as faster lead times, and reduced logistics costs.

Our Approach

Ethical sourcing is fundamental to our procurement strategy, by which every stage—from supplier selection and contract negotiations to ongoing supplier relationships—aligns with the Group’s values. As a conflict-free smelter, we partner with suppliers and third-party service providers who share our pledge to ethical labour standards and good governance, in line with internationally recognised frameworks.

● Clear Policies and Standards

To uphold these standards, MSC adopts a systemic and risk-based approach, anchored in the Organisation for Economic Cooperation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risks Areas (“DDG for CAHRAs”). We implement this through the OECD 5-Step Due Diligence Framework, which serves as the foundation of our supply chain due diligence system.

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MSC’s internal policies, including the Responsible Minerals Sourcing (“RMS”) Policy and Conflict-Free Supply Chain Policy, set out supplier expectations and aligns with international frameworks, including the:

- o OECD DDG for CAHRAs;
- o UN Guiding Principles on Business and Human Rights;
- o EU Conflict Minerals Regulation; and
- o Responsible Minerals Assurance Process (“RMAP”).

MSC is also a member of the International Tin Supply Chain Initiative (“ITSCI”) which supports traceability, on-the-ground risk assessment, and incident management in sourcing from high-risk sourcing regions.

In line with our RMS Policy, MSC strictly prohibits any activity that funds armed groups, fuels conflict, or contributes to human rights violations in both CAHRA and non-CAHRA regions. We will promptly suspend or cease engagement with suppliers suspected of such links.

● **Risk-Based Due Diligence**

Thorough supplier assessments are conducted through a risk-based approach aligned with the OECD 5-Step Framework under the OECD DDG for CAHRAs. We maintain strong internal systems—including our internal policies, Know Your Supplier (“KYS”) processes, and contractual safeguards—to manage supplier onboarding and compliance. All suppliers are screened and evaluated based on a structured risk assessment process. This includes red flag indicators—such as sourcing from high-risk regions or links to human rights violations—and plausibility reviews to assess whether declared mineral outputs are reasonable and consistent with known production capabilities.

When actual or potential risks are identified, MSC engages suppliers to adopt mitigation measures in accordance with OECD Annex II recommendations. Where risks cannot be resolved, we suspend or terminate the relationship. Suppliers who fail to meet our compliance standards under the RMAP and ITSCI frameworks may be removed from our list of qualified suppliers to source feed materials from.

● **Embedding Ethical Standards**

To reinforce ethical conduct across our supply chain, MSC requires all new vendors to sign a Supplier Integrity Pledge during registration and includes anti-corruption clauses in all tin-bearing contracts. These measures support our zero-tolerance stance on bribery and misconduct, ensuring that our

procurement practices remain aligned with our governance values.

To strengthen these safeguards, MSC has implemented a centralised Enterprise Resource Planning (“ERP”) system during the year, enabling real-time procurement visibility and streamlined sourcing processes.

Meanwhile, all contractors and external service providers are required to comply with MSC’s Safety, Health & Environmental (“SHE”) standards. Supplier performance is evaluated biannually, with feedback provided to drive improvement and accountability.

● **Independent Audits and Certifications**

MSC’s sourcing practices are independently verified through annual Conflict-Free Smelter audits under the RMAP, and third-party assessments under the ITSCI. These audits reaffirm our commitment to responsible sourcing and provide stakeholders with confidence in the ethical origins of our materials.

In support of transparency, we publish an annual Public Due Diligence Report, which outlines our due diligence process, risk mitigation efforts, and continued alignment with international best practices. The report is publicly accessible on our corporate website at www.msmelt.com.

Our Performance

In FY2024, MSC upheld its status as a Tin Code-compliant smelter and completed the RMAP audit, demonstrating our continued commitment to responsible sourcing. The audit is currently under review by the relevant authority.

During the year, 56.3% of the Group’s procurement spending was allocated to local suppliers, who comprise 94.3% of our overall supplier base.

	FY2023	FY2024
Proportion of spending on local suppliers	44.0%	56.3%
Percentage of local suppliers	94.2%	94.3%

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ENVIRONMENTAL

At MSC, we recognise the intrinsic link of our operations and the environment. As a responsible industry leader, we are taking steps to minimise our environmental impact across our tin mining and smelting activities. We aim to become a sustainable tin producer by adopting practices to reduce pollution and waste as well as optimise resource efficiency, while providing assurance of due diligence and environmental management.

Environmental compliance is a critical enabler of this commitment. MSC operates in full compliance with Malaysia’s environmental laws and regulations, including the Environmental Quality Act 1974 (“EQA 1974”), along with its relevant regulations, such as the Environmental Quality (Scheduled Wastes) Regulations 2005 and the Environmental Quality (Clean Air) Regulations 2014. Our adherence extends to mining-specific legislations, including the Mineral Development Act 1994 (“MDA 1994”) and the Perak State Mineral Enactment 2003. Our compliance with these frameworks ensures that we stay aligned with legal expectations and maintain our licence to operate.

Guided by our Environmental Policy, we implement a structured framework to mitigate our ecological footprint and pollution risks, as well as cultivate environmental responsibility across our workforce. This includes targeted training programmes and capacity building, proactive risk management, and alignment with international best practices. At the same time, we are progressing towards obtaining globally recognised ISO certifications for our environmental management systems.

In FY2024, MSC invested approximately RM10.0 million in environmental initiatives. We also recorded zero (0) major incidents involving fines, penalties or non-monetary sanctions for non-compliance with environmental laws and regulations in FY2024. Meanwhile, 33.3% of the Group’s active sites remain covered by recognised environmental management systems (e.g., ISO 14001) during the year.

RM10.0 million
INVESTMENT IN ENVIRONMENTAL
MANAGEMENT IN FY2024

	FY2022	FY2023	FY2024
Total investment in environmental management (RM million)	9.9	8.9	10.0
Total costs of environmental fines and penalties (RM)	0	0	0
Percentage of MSC sites covered by recognised environmental management system (e.g., ISO 14001)	0%	33.3%	33.3%

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MINE REHABILITATION & BIODIVERSITY CONSERVATION

Why is This Important?

At MSC, we recognise that all mines eventually reach the end of their operational life once the minerals have been extracted, causing all mining activities to cease. The restoration of mining land is crucial as it allows the natural ecosystem to revitalise itself and promote wildlife, as well as greenery. A successful rehabilitation strategy builds public trust and supports our ongoing social license to operate.

Our Approach

Our Mine Rehabilitation Plan ("MRP") adopts a phased approach, integrating environmental restoration efforts at every stage of the mine's lifecycle—from pre-construction to decommissioning and post-closure.

In 2024, MSC secured approval for our revised MRP from the Director of Lands and Mines Perak ("PTG"), following reviews and discussions with the Perak Menteri Besar, the Perak State Executive Council, and the State Mineral Resources Committee ("SMRC").

With the MRP now in motion, rehabilitation efforts at the RHT Mine have resumed. We continue to collaborate with environmental consultants, including a Forestry Consultant formerly with the Forest Research Institute of Malaysia ("FRIM") to support post-planting activities and long-term ecosystem recovery. We are also developing a Standard Operating Procedure ("SOP") for afforestation and reforestation on ex-mining land—believed to be the first of its kind in Malaysia—specifically tailored for the mining sector.

In parallel, MSC's RHT Tin Mine is exploring the innovative use of mining by-products to support sustainable water treatment solutions. If successfully implemented, this research could contribute to enhanced water quality and resource utilisation beyond the mine's operational life.

Our Performance

In FY2024, MSC progressed with the implementation of our approved MRP, resuming restoration works at the RHT Tin Mine. A total of 600 new seedlings were planted across various disturbed and inactive areas to support biodiversity restoration. These include high-value timber species such as *Pokok Meranti Temak Nipis*, *Pokok Batai*, *Pokok Kelat Paya*, alongside other riparian species.



● Progressive mine rehabilitation



● Natural gas distribution centre

CLIMATE CHANGE & ENERGY MANAGEMENT

Why is This Important?

Climate change presents a critical challenge for our planet. As a responsible organisation, MSC is cognisant of the impact of our operations on the environment. We understand that industries, including the tin sector, play a significant role in addressing climate change and transitioning to a low-carbon future. At MSC, we are committed to doing our part by adopting climate-conscious practices across the Group.

Our Approach

MSC stands firm in its pledge to achieving a net-zero carbon footprint, supporting the Paris Climate Agreement and Malaysia's ambition to become a carbon-neutral nation by 2050.

To realise this vision, our decarbonisation strategy is centred on energy efficiency, renewable energy adoption, and technological innovation to reduce emissions and optimise resource use.

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During the year, we continued efforts to minimise greenhouse gas (“GHG”) emissions across the Group. The relocation of our smelting operations to Pulau Indah enables us to substitute liquefied petroleum gas (“LPG”) and fuel oils with natural gas, a cleaner and more sustainable energy source readily available at Pulau Indah. At the same facility, we harness solar power via the installation of 1.26 MWp solar photovoltaic (“PV”) panels and are exploring waste heat recovery systems to further reduce emissions. To ensure accountability, we track our Scope 1 and 2 GHG emissions on a monthly basis using the GHG Protocol framework.

MSC sources electricity from the national power grid. To lower consumption, we adopt energy-saving measures, such as real-time energy monitoring, upgrading to light-emitting diode (LED) lighting, and optimising processes to reduce energy intensity at the Pulau Indah smelter. These efforts are supported by our Efficient Electrical Energy Management Policy, which outlines clear directives, including prioritising energy-efficient machinery in new projects, fostering energy-conscious practices, and appointing dedicated energy management personnel at each active site.

Beyond our smelting operations, MSC’s RHT Tin Mine is actively working towards carbon neutrality. We conduct energy awareness programmes to educate employees on efficient energy management practices at RHT. Furthermore, we are in the initial stages of exploring solar power at the RHT Tin Mine as a viable long-term alternative to traditional energy sources.

Additionally, MSC partners with academic institutions to support research on sustainable ways to operate:

- **Universiti Tunku Abdul Rahman (“UTAR”):** We incorporate the ITA’s Life Cycle Assessment (“LCA”) framework to gain deeper insights into the environmental impact of our operations. The Life Cycle Perspective (“LCP”) is integrated into our IMS to assess and minimise environmental risks. In collaboration with UTAR, we conducted a simulated LCA for our tin smelting process, highlighting opportunities to reduce our footprint. Moreover, we collaborate with UTAR to explore greener metal extraction methods from mining tailings and smelting tin intermediates.
- **National University of Singapore (“NUS”):** Focuses on research and development (“R&D”) to develop more efficient and environmentally friendly processes for precious metal recovery.

Climate Governance

Climate-related risks and opportunities are overseen by our ESG Committee, as stipulated in its Terms of Reference. The ESG Committee is responsible for guiding MSC’s approach to climate-related matters, with internal discussions ongoing to strengthen Board-level oversight.

We have initiated incorporating climate-related risks into the Group-wide risk management framework, including enhancements to emergency response plans. In alignment with the NSRF timeline, we are expanding the scope of SROs captured within our enterprise risk approach and are in the process of establishing relevant climate-related targets. In FY2024, ESG training was carried out across relevant departments to build awareness and readiness. At the same time, strategic planning is underway to guide the management of climate-related risks and opportunities.

Additionally, we aim to conduct scenario-based analysis to evaluate the potential impacts of regulatory changes, carbon pricing, and emerging market dynamics on our business strategy. In the future, we plan to disclose the financial impacts of climate change risks and opportunities.

Materials

As part of our broader climate agenda, MSC is improving how we manage and use raw materials across our operations. Rather than reducing absolute input volumes—which remain critical to our production—our focus is on extracting greater value from every tonne of material processed.

Operational Optimisation

In FY2024, our efforts were directed at optimising tin recovery, shortening production turnaround time, and enhancing tin extraction from intermediates to reduce reliance on additional raw material input. Across our sites, we monitor the use of raw materials to identify inefficiencies and target areas for improvement.

Technology and Maintenance

We invest in technologies to enhance increase operational efficiencies. At our Pulau Indah smelter, the installation of a rotary furnace with oxygen injection is expected to improve energy efficiency. We also source premium-grade coal to optimise combustion, and thereby lower overall material consumption.

Sustainability Statement FY2024

● Collaboration and Innovation

Beyond internal improvements, MSC engages with industry groups and regulatory bodies to promote responsible resource use. As a member of organisations such as the ITA, RMI, MCOM, and ATOM Malaysia, we contribute to global discussions on sustainable material sourcing and best practices.

To drive innovation in sustainable resource use, MSC also undertakes R&D efforts. We are working with NUS to develop greener processing methods that enhance valuable metal recovery from intermediates.

Looking ahead, MSC intends to develop time-bound targets for responsible material use in line with the NSRF, with oversight from the ESG Committee.

Our Performance

Energy Consumption and Carbon Emissions

In FY2024, our total energy consumption reached 46.6 million kWh, with 0.9 million kWh sourced from renewable energy ("RE") sources (FY2023: 43.5 million kWh; 0.2 million kWh). This increase in RE usage was driven primarily by the solar panels at our smelting facility in Pulau Indah.



● Liquid oxygen tanks

As for carbon emissions, the Group reduced Scope 1 emissions by 8% to 117,212.7 tCO₂e in FY2024, reflecting efficiency improvements and lower reliance on fossil fuels. Flaring emissions also declined to 36,312.6 tCO₂e, indicating better energy management practices.

	FY2022	FY2023	FY2024
Energy Consumption			
Total energy consumption (million kWh)	43.3	43.5	46.6
- Grid electricity consumption	*	*	44.0
- Electricity produced by our generators			1.8
- Renewable energy consumption	1.3	0.2	0.9
Grid electricity consumption (%)	*	*	94.3
Total renewable energy (solar) (%)			1.9
Carbon Emissions			
Total Scope 1 emissions (CO ₂ e)		127,122	117,212.7
Total Scope 2 emissions (CO ₂ e)		19,826	19,078.0
Fleet fuel efficiency (gCO ₂ /km)		-	-
Flaring emissions (CO ₂ e)	*	41,132	36,312.6
Methane emissions (tonne)		156	135.1
Electricity produced by energy type (MWh)		188	863.5
GHG emissions per megawatt-hr (tCO ₂ e/MWh)		1	0.7
GHG emissions per tonne of cement material (tonne)		-	-

*Data was not tracked or reported in respective year.

Sustainability Statement FY2024

Materials

The Group saw a notable increase in natural gas consumption during the year, signalling a shift towards cleaner-burning fuel sources. Conversely, coal usage declined, aligning with decarbonisation efforts.

Raw Material	Unit	FY2023	FY2024
Coal	Tonnes	10,628.0	8,772.7
Natural gas	Gigajoules	211,453.0	239,564.0
Fuel oil	Million litres	9.4	7.5
Liquefied petroleum gas	Tonnes	141.0	126.7
Diesel	Million litres	7.6	7.5

WATER & EFFLUENTS MANAGEMENT

Why is This Important?

Water is a critical resource for all living things and our business. However, climate change, poor management of resources, and contamination are creating a growing threat: water scarcity. Recognising this escalating risk, the Group is taking a proactive stance by implementing efficient water management practices across all our operations. This ensures not only the long-term sustainability of our business but also contributes to a healthier planet.

Our Approach

Water is an essential resource in our mining and smelting operations. While none of our operations are located in water-stressed areas, we are mindful to utilise this finite resource responsibly and reduce reliance on natural water sources. Our approach focuses on optimising water consumption and maximising reuse, in compliance with environmental standards.

Efficient Water Use

Across our operations, we actively minimise water usage through strategic measures. At the RHT Tin Mine, we operate a closed water circuit system, where large volumes of water are retained in open reservoirs, with only minimal losses replenished by pumping

freshwater from a nearby river. Notably, 100% of the processed water from the ore processing plant is reused, significantly reducing our need for fresh water.

Strategic measures include deploying a long-arm excavator to improve final pond storage. In addition, the pumping stations were raised to enhance water retention across the site. We also reorganised workflows to improve pumping efficiency, ensuring water use is optimised throughout the mining process.

Meanwhile, at our smelting facilities, we recycle used water in our processes. Water-efficient appliances are utilised to further enhance conservation efforts.

Water Quality Management and Treatment

We ensure all wastewater effluents from our mining and smelting activities meet the parameters set by the JMG and the Department of Environment (“DOE”). At the RHT Tin Mine, we conduct rigorous monitoring and sampling of the Sungai Kijang and Sungai Kepayang rivers to detect and mitigate any potential environmental risks, including regular pH level testing at multiple sampling points.

Lime dosing is used to neutralise the acidity of mine water and suspend heavy metal content, ensuring that all discharged effluents adhere to the Mineral Development (Effluent) Regulations 2016.

Sustainability Statement FY2024



● Water monitoring

We continue to invest in R&D for water treatment solutions. At the RHT Tin Mine, we are exploring techniques to enhance passive water treatment (“PWT”) methods that help remove toxic metals and improve overall water quality. These efforts include exploring techniques using native plant species and beneficial bacteria. In 2024, we expanded our efforts through a partnership with FRIM to explore more effective and nature-based treatment to remove residual heavy metals.

Water-Conscious Culture

We remain committed to instilling water-saving habits across our operations by promoting mindful usage among employees. Simple behavioural practices—such as switching off taps and equipment when not in use—are encouraged as part of daily routines. These practices help foster a culture of responsibility, where every individual plays a role in supporting our broader water conservation goals.

Our Performance

In FY2024, the Group maintained a total water usage of 1.7 million cubic meters (“m³”), indicating a slight decrease compared to the previous year. This reduction is attributed to lower production activities and increased water recycling efforts. The Group also recorded a total water consumption intensity of 565.6 m³ per metric tonne, establishing a baseline for future efficiency tracking.

(million m ³)	FY2022	FY2023	FY2024
Total water withdrawal	1.6	1.8	1.7
- Surface water from rivers	1.4	1.6	1.4
- Municipal potable water	0.2	0.3	0.3
Total water discharged	0.0	0.0	0.0
Total water consumption	1.6	1.8	1.7
Total water recycled	0.2	0.2	0.3
Total volume of water used	1.8	2.0	2.0
Total water consumption intensity (m³/metric tonne)	*	*	565.6
Non-Compliance Cases			
No. of non-compliance cases with water quality or quantity permits, standards and regulations	0	0	0

*Data was not tracked or reported in respective year.

WASTE MANAGEMENT

Why is This Important?

Our mining and smelting activities generate diverse waste streams. Improperly handled, these wastes can have consequences for the environment, the health of communities, and our own employees. With this in mind, we take this responsibility seriously and implement effective waste management practices throughout our operations.

Sustainability Statement FY2024



● Schedule waste management

Our Approach

We adopt a structured approach, guided by our Environmental Policy and internal SOPs, which align with national waste disposal and effluent control regulations, including the Environmental Quality (Scheduled Wastes) Regulations 2005. These SOPs govern all aspects of waste handling, storage, and disposal across our mining and smelting operations.

Our approach prioritises minimising waste generation, maximising recycling, and ensuring the safe and compliant disposal of both hazardous and non-hazardous waste.

Mining Waste

Our mining activities generate by-products such as tailings (leftover sand and sludge after tin ore extraction) and overburden waste (excess material removed during mining). These are stored within MSC's Tailings Storage Facilities ("TSFs"), which comprise tailing ponds for slurry-like residues and an overburden waste dump located at the base of Gunung Paku.

Recognising that our existing TSFs will reach capacity, MSC has initiated the development of new tailings storage infrastructure adjacent to the RHT Tin Mine. In FY2024, we undertook preliminary planning for the new tailing ponds and waste dump areas near the RHT Tin Mine. These additional facilities are designed to accommodate future waste volumes and ensure long-term mining continuity.

To maintain the ongoing stability of our existing TSFs, we implement a robust geotechnical monitoring system, which includes the use of settlement markers and inclinometers. Looking ahead, we plan to enhance our monitoring by using remote sensing technology that can detect changes more accurately.

Emergency preparedness is an integral component of our tailings management. The RHT site has a dedicated Emergency Preparedness and Response Plan ("EPRP") tailored to TSF-related risks such as overtopping, seepage, or slope failure. This plan is supported by a trained Emergency Response Team ("ERT") and is periodically reviewed to incorporate regulatory updates and site-specific conditions.

Smelting Waste

At our Pulau Indah and Butterworth smelting facilities, waste is carefully managed to minimise environmental impact and comply with national regulations. We generate both hazardous and non-hazardous waste through our tin smelting processes.

Non-hazardous waste includes slag, scrap metal, and tin-bearing sludge. Where tin content remains, these materials are retained for further processing and recovery. Final slag without recoverable content is either sold to licensed industrial processors or sent to designated landfills for safe disposal.

We also operate in-house recycling initiatives that repurpose domestic waste, used paper, and sludge, supporting our efforts to reduce landfill dependency and promote a circular economy. These efforts are guided by the principles of the 5Rs—Refuse, Reduce, Reuse, Repurpose, and Recycle—which shape how we manage waste responsibly across our smelting operations. We also participate in global initiatives, such as collaborations with the ITA and the RMI, to source higher-grade feedstock and reduce overall waste production from the outset.

Hazardous waste management is governed by MSC's internal guidelines, in line with the Environmental Quality (Scheduled Wastes) Regulations 2005. A DOE-certified Competent Person in Scheduled Waste Management ("CePSWaM") oversees hazardous waste handling to ensure full compliance with national regulations. Additionally, we follow ATOM Malaysia's guidelines for high-radiation material storage, including storage, segregation, barricades, and monthly radiation checks.

To address potential risks associated with chemical handling and industrial processes, EPRPs are in place at both smelting plants. These plans, which comply with the Control of Industrial Major Accident Hazards ("CIMAH") regulations, are reviewed every five years with ATOM Malaysia's involvement. In addition, we have an ERT that conducts regular drills to maintain readiness in the event of an incident.

Sustainability Statement FY2024

Our Performance

In FY2024, total waste generated amounted to 7.2 million tonnes, with vast majority of this waste comprising non-hazardous waste, primarily tailings produced from mineral processing, and overburden materials removed and dumped during mining operations. Hazardous waste remains minimal at 0.07 million tonnes.

Meanwhile, we recorded one (1) incident in FY2024 related to hazardous waste management, involving an oil spillage at the smelting facility in Pulau Indah. A thorough investigation was carried out to identify the root cause, and appropriate corrective measures were implemented to prevent reoccurrence.

('000 tonnes)	FY2022	FY2023	FY2024
Total waste generated	4,825.1 ⁽¹⁾	7,134.0 ⁽¹⁾	7,198.6
- Hazardous	0.03	0.06	0.07
- Non-hazardous	4,285.0 ⁽¹⁾	7,133.9 ⁽¹⁾	7,198.5
Total waste diverted from disposal	0.2	0.0	0.0
Total waste directed to disposal	4,824.9	7,134.0	7,198.6

Note: ⁽¹⁾ Figures have been restated to correct previous inconsistencies in measurement units.

AIR EMISSIONS

Why is This Important?

MSC's operations have the potential to impact air quality, and we have a responsibility to minimise those impacts for the health of our communities and the environment. Compliance with air quality regulations is essential, and proactive emission reduction demonstrates our commitment to sustainability.

Our Approach

Our primary emissions stem from core operational activities, including fuel combustion, furnace operations, material handling, and blasting. In mining, pollutants such as particulate matter arise from heavy equipment usage and material movement, while smelting operations release emissions from furnaces and fuel combustion.

Ensuring compliance with air quality regulations remains a priority. We monitor key air pollutants, including carbon dioxide (CO₂), particulate matter, nitrogen dioxide (NO₂), and sulphur dioxide (SO₂). To manage and mitigate air emissions, MSC employs a range of control measures across our sites:

- **Smelting Operations**

At our smelting facilities, we control dust emissions using a bag filter system, which is part of our broader Air Pollution Control System ("APCS"). The baghouse captures and filters particulates before discharge, and its performance is monitored through routine maintenance, with filters replaced or upgraded as needed to maintain efficiency.



● Air pollution control system - Baghouse

Sustainability Statement FY2024

Our Continuous Emission Monitoring Systems (“CEMS”), as part of the APCS, provide real-time monitoring of key pollutants such as particulate matter and gas emissions from furnace stacks. We are currently in the process of linking the CEMS to the DOE’s regulatory system, which will enhance transparency and improve reporting accuracy. We conduct regular calibration of the APCS to ensure emission control remains effective and data reporting remains accurate.

● Mining Operations

At the RHT Tin Mine, dust emissions are primarily generated during the tin concentrate drying process. These are managed using a wet scrubber system, which captures airborne particulates before release. Additional measures include water tankers and sprinklers along mine roads, speed limit controls, and reforestation efforts further reduce ambient dust. Dust levels are monitored, and a Certified Environmental Professional in Scrubber Operation (“CePSO”) oversees compliance with the APCS.

In FY2024, MSC allocated approximately RM144,000 for an R&D project with a consultant from NUS to develop a greener prototype for precious metals recovery. This initiative aims to reduce emissions generated during the extraction process, compared to conventional high-temperature methods.

In parallel, MSC also engages with regulatory authorities to enhance air quality management. While no formal partnerships exist with other organisations for pollution reduction, we engage with the DOE on efforts to strengthen overall air quality governance.

Our Performance

In FY2024, our emissions adhere to the Environmental Quality (Clean Air) Regulations of 1978, and the Environmental Quality (Clean Air) Regulations 2014.



● Dust control system - Wet Scrubber

(tonnes)	FY2022	FY2023	FY2024
Total NOx emissions (Nitrogen oxides)	*	447.5	412.1

*Data was not tracked or reported in respective year.