



Reinvent Spaces. Enhance Life.

CLIMATE CHANGE POLICY

INTRODUCTION AND OVERVIEW

Mah Sing Group Berhad and its subsidiaries (“**Group**”) is a diversified entity with businesses in property development, plastics manufacturing, and healthcare. The Board of Directors (“**Board**”) and Senior Management acknowledge the increasing risks posed by climate change and continues striving to minimise its overall carbon footprint generated through its property development operations as well as plastics and gloves manufacturing operations.

The commitment to climate change is in line with the Board and Senior Management’s increasing responsibility to address Environmental, Social, and Governance (“ESG”) related risks and to sustain long-term contributions to the business. The Board has oversight on climate change issues and mitigation strategies, with the Group’s sustainability governance structure across Mah Sing and its business divisions carrying out top-level decisions on climate change initiatives. One of the Board’s priorities on climate change was to deliberate and approve the inclusion of climate change and its business implications as a material topic for Mah Sing. The Board and Senior Management have committed to strengthening its oversight on climate change based on the following:

- Adoption of the Task Force on Climate-Related Financial Disclosures (“TCFD”)
- Inclusion of climate change and emissions as a material topic in all materiality assessment exercises involving internal and external stakeholders
- Assessment of the Group’s business operations for potential contributory impacts to climate change as well as assessments on how climate change risks – physical, transitional and legal / reputational risks can impact the Group’s business model and subsequently, stakeholder value creation.

The Group is firmly committed to playing a strategic role in instilling greater awareness and call to action among its employees, customers, and related stakeholders which include industry associations and its supply chain towards managing its environmental footprint, in particular in the areas of energy consumption, carbon emissions and waste management / recycling.

ADDRESSING CLIMATE CHANGE THROUGH TCFD

Mah Sing’s approach toward climate change is based on the framework and the four pillars of TCFD. By aligning with the TCFD framework, Mah Sing can develop oversight, identify related risks, develop mitigation plans and strategies and monitor related key performance indicators (“KPIs”) and metric and targets.



GOVERNANCE AND OVERSIGHT OF CLIMATE CHANGE

Governance and oversight of all risk and sustainability topics, including climate change, resides with the Board.

However, in providing further impetus, Mah Sing has established its Board Risk and Sustainability Committee ("BRSC") supported by a Senior Management level Risk and Sustainability Management Committee. ("RSMC").

The BRSC provides the necessary leadership oversight on all material ESG matters including climate change. The BRSC is tasked with reviewing reports detailing performance data on ESG matters. This includes energy consumption and emissions, waste and more.

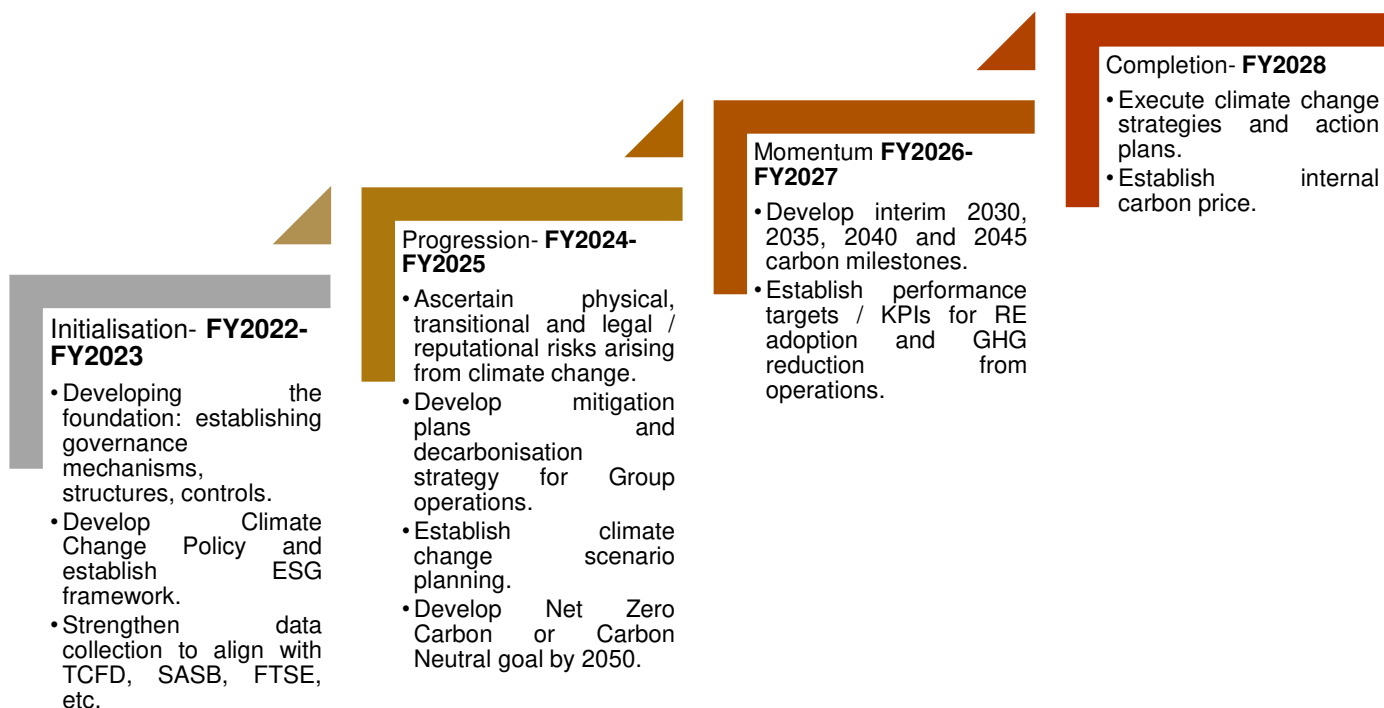
With the formation of the BRSC and RSMC, oversight on ESG which includes climate change and emissions performance is significantly strengthened. The establishment of both committees allows for more comprehensive and strategic oversight of related risks. It also supports a unified risk approach to avoid silo-based risk assessments towards ultimately integrating climate change risks (as well as other material ESG topics into the existing Group Risk Register.

The BRSC benefits the Group as it increases Board involvement with ESG matters and enables the highest decision body of the Group to play an active role (aside from maintaining effective oversight) on sustainability matters and to accelerate the Group's ongoing transition to a more sustainable approach to business and operations.

In addition, the existence of the BRSC improves the chances of successful adoption of the TCFD framework which is vital in providing the necessary impetus towards effectively addressing climate change.

STRATEGY

The below chart provides the adoption strategy that will be undertaken by Mah Sing with regard to climate change.



CLIMATE CHANGE RISKS AND OPPURTUNITIES

The BRSC and RSMC have oversight on climate change issues and mitigation strategies, with effective climate change initiatives being developed and carried out by the Group's sustainability governance structure across Mah Sing and its business divisions.

The Group is working towards integrating climate-related risks which have been identified into Mah Sing's Risk Management Framework.

Mah Sing acknowledges that the linkage between climate-related risks and business impacts is important, hence, the Group will be assessing the impacts of identified climate risks into its strategy development process.

As such, Mah Sing has developed a preliminary Risk Register. The Risk Register enables the Group to improve visibility on risks and the actual / potential impacts on Mah Sing's business operations. Given that such risks may change over time; risk analysis would be undertaken on a situational basis following changes in the business model or its operations. Below is our identified Risk Register for Climate Change Risks and its opportunities:

Risks and Opportunities Presented by Climate Change

Risks	Opportunities
Property Division [MSPD]	
Potentially impact the availability of suitable land for development due to changing weather patterns and lack of water sources.	Increased potential to seek government and regulatory support for incentives and other benefits for more environmentally friendly practices.
Increased temperatures may necessitate changes to planning and design, resulting in higher development costs.	Development of sustainable construction methods and designs for long-term feasibility, all of which reduces overall impacts on the climate.
Increased damages and liabilities from ongoing developments that are potentially affected by climate change-related natural disasters.	Greater acceptance for use of environmentally friendly design, materials and features within property development.
Manufacturing Division [MSPI, PTMSI and MSHC]	
Intense flooding due to severe rain patterns may disrupt manufacturing operations and introduce unprecedented logistical complexities.	Increased opportunity to seek government support to introduce new measures or to invest in the operations.
Increasing temperatures necessitate energy spent on cooling interiors of buildings.	Increased support to adopt solar energy to power assets.
Greater exposure to physical risks such as flash floods, which can lead to operational shutdown or total loss of assets.	Promulgation of sustainability practices across the business and value chains.
Increased operational costs for businesses due to the increased expenditure required to address climate change impacts.	Opportunity to reshape the business model and strategy to pivot towards a more sustainability-influenced system that can be utilised for the long term.
Greater requirement to incorporate climate change scenario planning in the lifecycle analysis of product.	Opportunity to promote environmental awareness across the value chain and to customers towards encouraging concerted action for greater cumulative impact.

GREEN BUILDINGS AND FEATURES

Mah Sing has looked to increase the number of “green” features in property development business through more eco-friendly designs as well as inclusion of more energy and water saving fixtures. The same approach has also been applied to the plastics and gloves manufacturing business, where solar panels have been used to tap renewable energy and increased efforts have been made to transition to LED lighting, to recycle waste and more.

In essence, Mah Sing is constantly working towards re-engineering its products and services to create positive impacts on the environment and the community. Mah Sing’s past and present projects possess most of the relevant green building features as outlined in the list below:

Mah Sing’s Green Features:

- Energy-efficient lighting in common areas
- Dedicated walkway and cycling network with proper signage and secured bicycle parking lots to encourage low-carbon mobility
- Public and circulation spaces are naturally ventilated and use natural lighting

- Rainwater harvesting system to reduce water consumption in common areas
- Water-efficient fittings installed
- Usage of low VOC paint and coatings on walls, ceilings flooring, and sealant
- Green passive design: North-South building orientation
- Automated Waste System to reduce bin storage space and reduce carbon emission for waste collection.
- Electric vehicle charging stations to encourage the usage of electric vehicles to reduce fossil fuel consumption and carbon emissions.
- Herb garden and community farming to support community-based farming and encourage community interaction.
- Laminated grey PVB glass windows which have better shading coefficient and U-value
- Planting greenery to reduce carbon emissions (e.g., trees and shrubs)
- Reasonable placement of developments to the nearest public transportation in the form of bus stops, train stations, transit stations, and more
- Natural ventilation at above-ground carpark levels
- All developments have at least 10% or more green spaces allocated.

With the implementation of these green features, the Company has earned green certifications from leading green building certification bodies, both domestically and internationally, including Malaysia's Green Building Index ("GBI"), Singapore's Building and Construction Authority's ("BCA") Green Mark, and many more.

Exploring The Potential of Renewables

At Corporate Level, the Sustainability team has been exploring renewable energy ("RE") to power its manufacturing operations. Essentially, the Group continues to explore the feasibility of solar PV installations at some of our Malaysian entities.

FORWARD SCENARIO PLANNING

To mitigate the Group's climate change impact, Mah Sing will aim to address its emissions management and energy consumption with more focus being placed on electricity and diesel consumption. This strategy will progressively reduce the carbon footprint from Mah Song's operations, but should also have a trickledown effect on its supply chain (towards creating a much larger effect)

Moving forward, Mah Sing shall establish relevant ESG key performance indicators (KPI) and targets to measure the Group's progress, including on GHG emissions, GHG emissions intensity and energy efficiency.

MEMBERSHIP OF INDUSTRY BODIES IN ADDRESSING CLIMATE CHANGE (EXTERNAL COLLABORATION FOR CLIMATE CHANGE)

Mah Sing will continue to be a strong advocate in promoting and adopting sustainable practices within the industry with hopes that the Group's actions will encourage our own supply chain and other businesses in the industry to also implement sustainable best practices. To strengthen the Group's commitment to sustainability, Mah Sing is an active member in various industry associations. Below are the associations that Mah Sing are members of.

- Malaysia Employee Federation ("MEF")
- Real Estate and Housing Developers' Association ("REHDA")
- Construction Industry Development Board ("CIDB")

- Master Builders Association Malaysia (“MBAM”)
- International Real Estate Federation (“FIABCI”) national committee member
- Malaysian Plastics Manufacturers Association (“MPMA”)
- Federation of Malaysian Manufacturers (“FMM”)
- Malaysia Pallet Association (“MPA”)
- Malaysian Rubber Glove Manufacturers Association (“MARGMA”)

Acknowledging that the perspectives of industry associations may not be consistent with ours all the time, Mah Sing will monitor the advocacy of the industry associations from time to time. Whenever necessary, Mah Sing will review its alignment with the policy positions adopted by the industry associations as well as the value of its membership.

- The Group is also committed to addressing climate change and have aligned with the following:
 - United Nations Sustainability Development Goal 13: Climate Action
- Global Compact Malaysia (MyClimate Action Guide)
- Malaysian Government’s National Policy on Climate Change

PERIODIC REVIEW

The Board of the Company shall periodically review and update the Policy where necessary, to align with the needs of the Group and any regulatory changes that may have an impact on the Policy.