SCIENTEX®

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# SUSTAINABILITY REPORT 2026

SCIENTEX BERHAD

196801000264 (7867-P)

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# About This Report

## INTRODUCTION

Scientex Berhad ("Scientex" and/or the "Group") proudly presents our annual Sustainability Report (the "Report"), highlighting our sustainability commitments, initiatives and performance for the financial year ended 31 July 2026.

This Report outlines how we manage environmental, social and governance ("ESG") matters across our operations and create long-term value for our stakeholders.

This Report has been prepared with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021 and Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Sustainability Reporting Guide (3rd edition). It has also been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements and the International Financial Reporting Standard ("IFRS") S2 Climate-related Disclosures, issued by the International Sustainability Standards Board ("ISSB").

This Report should be read alongside our Integrated Annual Report 2026 ("IAR 2026") for a comprehensive overview of how sustainability supports our value creation journey.

## Our Reporting Approach

### SCOPE AND BOUNDARY

This Report discloses the sustainability matters, initiatives and performance of Scientex, covering our Malaysian and international subsidiaries across our Packaging and Property Divisions. Joint ventures and associates of the Group are excluded from this Report unless otherwise stated.

### REPORTING PERIOD

This Report covers the period from 1 August 2025 to 31 July 2026 ("FY2026"), unless specified otherwise. Our previous edition was published on 18 November 2025.

### REPORTING PRINCIPLES

This Report has been developed in line with the Reporting Principles outlined in the GRI Universal Standards 2021, which include:

- **Accuracy:** Reporting information that is correct and sufficiently detailed to enable an assessment of our impacts.
- **Balance:** Reporting information in an unbiased way that provides a fair representation of our positive and negative impacts.
- **Clarity:** Presenting information in an accessible and understandable format.
- **Comparability:** Selecting, compiling and reporting information consistently to enable analysis of changes in impacts over time and relative to other organisations.
- **Completeness:** Providing sufficient information to enable an assessment of our impacts throughout the reporting period.
- **Sustainability Context:** Reporting information about our impacts within the broader context of sustainable development.
- **Timeliness:** Reporting information on a regular basis and making it available in time to support informed decision-making.
- **Verifiability:** Gathering, recording, compiling and analysing information in a manner that allows it to be examined and evaluated for quality.

Our sustainability disclosures are also aligned with the United Nations Sustainable Development Goals ("UN SDGs"). Refer to p. 26 for further details on the specific goals and initiatives that we support.

### RESTATEMENTS

In FY2026, the Group has restated its historical greenhouse gas ("GHG") emissions data (p. 90) following a revision to the methodology and emissions factors used for calculating GHG emissions.

The restatement reflects the application of the revised calculation methodology to our emissions data, enabling a more consistent basis for year-on-year comparison and performance tracking.

### ASSURANCE

Governance and internal reporting practices have been applied in the preparation of this Report. This includes a review by our internal audit team and subsequent approval by the Board of Directors ("Board"). We continue to explore potential enhancements to our data collection, analysis and reporting processes to support more robust and transparent disclosures in future reporting cycles.

### FEEDBACK AND CONTACT

This Report is accessible at www.scientex.com.my/investors-relations/financial-reports/. We welcome your feedback and suggestions on this Report, which may be directed to sustainability@scientex.com.my.




Our **Sustainability Report** provides comprehensive disclosures on ESG matters that are material to the Group and our stakeholders.

It is prepared with reference to the GRI Universal Standards 2021 and Bursa Malaysia's Sustainability Reporting Guide (3rd edition). The Report is also prepared in accordance with IFRS S2 Climate-related Disclosures issued by the ISSB, as well as Bursa Malaysia's Main Market Listing Requirements. The topics covered are aligned with the UN SDGs.




Our **Integrated Annual Report** highlights how we utilise our resources to create value over the short, medium and long term, reflecting our commitment to our vision of 'Fly Higher Grow Stronger'.

It is prepared in compliance with the Value Reporting Foundation's International Integrated Reporting Framework (January 2021 version) ("<IR> Framework") and adheres to the Malaysian Financial Reporting Standards, Malaysian Code on Corporate Governance 2021 and Malaysian Companies Act 2016.



# Overview


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# Our FY2026 Sustainability Highlights

## CREATING SHARED SUSTAINABLE VALUE

**RM3.9 billion in economic value**
distributed to shareholders, employees, suppliers and governments

**42 product innovations**
successfully commercialised

**5,582 units of affordable homes**
completed

FTSE4Good
Listed as a constituent company of the FTSE4GOOD Bursa Malaysia ("F4GBM") Index

## FOR THE BETTERMENT OF THE ENVIRONMENT

**6.6% reduction in hazardous waste**

**8.1% recycled resin used in production**

**195,735 MT $CO_2e$**
**Group-wide GHG emissions**

**9 manufacturing plants** received the **ISCC PLUS Certification**
for post-consumer recycled resin traceability

Our total **solar installation capacity** reached **23.9 MWp**, generating **29,335 MWh of renewable energy**

## OUR PEOPLE, OUR PRIDE

Members of local communities comprise **75%** of our workforce

**6,400 training hours**
for occupational safety and health

**ZERO**
on-site fatalities recorded

**28,360 training hours**
provided to employees

# Our Sustainability Achievements

Our sustainability performance continues to be evaluated by leading international ESG rating agencies and analysts. These independent assessments provide valuable insights for investors and stakeholders, showcasing our ongoing progress in addressing ESG matters and demonstrating our commitment to long-term value creation.

## ESG RATINGS

### FTSE4GOOD ESG Rating

***Assesses a company's exposure to and management of ESG factors across various dimensions.***

- We have been a constituent of the FTSE4GOOD Bursa Malaysia Index since FY2022.

### S&P Global Corporate Sustainability Assessment

***Evaluates a company's performance across ESG factors impacting growth, profitability, capital efficiency, and risk exposure.***

- In FY2026, our company performed in the top third in the Chemicals Industry in the S&P Global Corporate Sustainability Assessment. (Score date: 27 Jul 2026)

### Sustainalytics ESG Risk Rating

***Measures the extent to which a company's economic value is at risk due to unmanaged ESG risks.***

- As of June 2026, we achieved an ESG Risk Rating of 17.0, indicating a low risk of experiencing material financial impacts resulting from ESG factors.

### MSCI ESG Rating

***Assesses a company's exposure to industry-specific, financially material ESG risks, and its ability to manage them relative to industry peers.***

- In FY2026, we received an 'A' rating (on a scale of AAA to CCC) in the MSCI ESG Rating assessment.

*Notes:*

- *In no event shall the above ESG ratings be construed as investment advice or expert opinion as defined by the applicable legislation.*
- *The use by Scientex of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute sponsorship, endorsement, recommendation, or promotion of Scientex by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.*

A Message From Our

# CHIEF EXECUTIVE OFFICER

## Dear Stakeholders,

At Scientex, sustainability forms an integral part of how we conduct our businesses and pursue growth. Over the years, we have continued to embed sustainability considerations across our operations, creating positive impact for our stakeholders.

I am pleased to present our Sustainability Report for FY2026, covering the period from 1 August 2025 to 31 July 2026. This Report highlights our sustainability progress and continued efforts to create shared value for our stakeholders, communities and the environment.

### ALIGNING OUR BUSINESS AND SUSTAINABILITY OBJECTIVES

FY2026 was marked by a volatile and uncertain operating environment. Against this backdrop, we remained focused on strengthening our businesses, pursuing opportunities and maintaining our long-term growth trajectory.

As we navigate changing circumstances, we are guided by our renewed vision, 'Fly Higher Grow Stronger'. It reflects our determination to pursue growth with courage and ambition as we chart our path towards becoming a RM10 billion company, while continuously strengthening our organisation and foundations that support our future.

**"Fly Higher"**

represents our courage to step outside our comfort zones, explore new possibilities, venture beyond established boundaries, and pursue new opportunities.

**"Grow Stronger"**

reflects our belief that rather than predicting the future, we embrace volatility by strengthening our ability to navigate changing conditions. We strengthen our foundations by building buffers and options, eliminating complexity and negativity, and continuously learning and improving through all challenges. This enables us to adapt to changing conditions and capture opportunities as they arise.

Together, these principles shape how we approach growth – pursuing opportunities with ambition while building strong foundations for the long term. Sustainability is an important part of these foundations, and we continue to embed sustainability considerations across our Packaging and Property Divisions while creating value for our people, communities and the environment.

Our continued inclusion as a constituent of the F4GBM Index, together with recognition from multiple international rating agencies, reflects our continued commitment to sustainability.




## CREATING SHARED SUSTAINABLE VALUE

Creating shared sustainable value requires us to manage our businesses responsibly while maintaining the foundations that support long-term growth. Our governance frameworks, policies and decision-making processes provide the basis for managing key operational and sustainability matters across the Group.

In FY2026, we enhanced our sustainability data management through the implementation of sustainability software, centralising sustainability data collection and monitoring to support performance tracking and informed decision-making.

Across our Packaging and Property Divisions, we continued to create value through product innovation, resource-efficient solutions and the incorporation of recycled materials, alongside the development of quality affordable homes and well-planned townships. In FY2026, we commercialised 42 product innovations, while our Property Division continued to advance its development pipeline, supported by its strategically managed land bank.

With our established presence as an integrated plastic packaging player in Malaysia and a trusted provider of quality affordable housing, we continue to generate value that supports economic progress. To date, we have exported our packaging solutions to more than 60 countries, while our Property Division has completed 47,846 affordable homes across Malaysia. Collectively, the Group has contributed over RM3.95 billion to the economy.

*For further details on how we create shared sustainable value, please refer to pp. 32-46 of this Report.*

## FOR THE BETTERMENT OF THE ENVIRONMENT

Environmental management remains an important component of our sustainability agenda. We continue to advance our climate action through renewable energy adoption, energy efficiency and initiatives to reduce our environmental impact.

Our rooftop solar photovoltaic ("PV") project with a total installed capacity of 23.9 MWp, generated 29,335 MWh of renewable energy in FY2026, avoiding approximately 21,700 MT of carbon dioxide equivalent ("$CO_2e$") emissions.

Across our businesses, we remain focused on resource efficiency and reducing our environmental footprint. Within our Packaging Division, we continue to advance the use of recycled resin and maintain robust waste management practices. In our Property Division, we continue to incorporate environmental considerations into our construction practices, including efforts to optimise material use and minimise waste.

In FY2026, we began reporting in accordance with the IFRS S2 Climate-related Disclosures, enhancing the transparency of our climate-related reporting and providing greater insight into climate-related risks and opportunities across our businesses.

*For further details on our environmental initiatives, please refer to pp. 48-66 and pp. 83-92 of this Report.*

## OUR PEOPLE, OUR PRIDE

Our employees continue to play a vital role in shaping our success and growth. Their commitment, capabilities and diverse contributions strengthen our businesses, while we remain committed to supporting their safety, well-being and development. We strive to foster a workplace where our people feel supported, valued and empowered to contribute and grow.

Across the Group, we continue to prioritise occupational safety and health, employee development, career progression and engagement. Through targeted training, open communication and employee well-being initiatives, we seek to equip our people to perform effectively and contribute to the Group's continued growth. Our continued focus on workplace safety contributed to zero on-site fatalities in FY2026.

Beyond our workforce, we remain committed to supporting the communities in which we operate. In our Property Division, we continue to expand access to quality affordable homes while developing integrated and connected townships that stimulate local economic growth and extend benefits to surrounding communities. In our Packaging Division, our flexible plastic packaging ("FPP") solutions continue to provide protection, convenience, hygiene and safety across the value chain, while helping to reduce incidental food waste and supporting more sustainable consumer choices through recyclability.

*For further details on our people and community initiatives, please refer to pp. 68-82 of this Report.*

## CLOSING REMARKS

The progress we have made during the year reflects the continued commitment of our people across the Group. Their dedication and collective efforts remain central to how we respond to challenges, pursue opportunities and advance our sustainability agenda.

As we move forward, our vision of 'Fly Higher Grow Stronger' will continue to guide the Group as we advance towards our ambition of becoming a RM10 billion company.

On behalf of the Board and Management, I would like to thank all of our stakeholders for their continued trust and support.

**LIM PENG JIN**
Managing Director/Chief Executive Officer

# About Scientex Berhad

## OUR BUSINESSES

### PACKAGING

### PROPERTY

We are a leading global manufacturer of stretch films, an integrated producer of flexible plastic packaging ("FPP"), and a prominent developer of affordable homes in Malaysia. Established in 1968, our growth and value creation journey reached a major milestone with our listing on the Main Market of Bursa Malaysia in 1990.

Over the years, we have steadily expanded our footprint across the packaging value chain, offering a comprehensive portfolio of stretch films, base films, printed films, bags and multi-layered solutions. We continue to strengthen our capabilities to serve both industrial and consumer segments while driving synergistic product offerings and broadening our market reach.

Through our Property Division, we remain committed to addressing the growing demand for affordable housing within local communities. Backed by our reputation as a trusted developer of quality affordable homes, we continue to expand our presence across seven states in Peninsular Malaysia.

## OUR NEW VISION

*Fly Higher Grow Stronger*

Introduced in FY2026, our renewed vision reflects our ambition to become a RM10 billion company and establishes the mindset that will guide our long-term growth and development.

**"Fly Higher"** represents our courage to step outside our comfort zones, explore new possibilities, venture beyond established boundaries, and pursue new opportunities.

**"Grow Stronger"** reflects our belief that rather than predicting the future, we embrace volatility by strengthening our ability to navigate changing conditions. We strengthen our foundations by building buffers and options, eliminating complexity and negativity, and continuously learning and improving through all challenges. This enables us to adapt to changing conditions and capture opportunities as they arise.

## PURPOSE

OUR PACKAGING DIVISION STRIVES TO PROVIDE FLEXIBLE PLASTIC PACKAGING SOLUTIONS FOR

**Protection** | **Convenience** | **Hygiene and Safety** | **Food Waste Reduction**

OUR PROPERTY DIVISION ENDEAVOURS TO SUPPORT LOCAL COMMUNITIES IN OUR LOCATIONS OF OPERATION THROUGH THE PROVISION OF **AFFORDABLE YET QUALITY HOMES**

# Our Corporate Philosophy

Our corporate philosophy of **'Management Like Water'** has been the driving force behind our achievements. While our strategies may evolve, this philosophy remains the foundation of our operations. It encompasses six distinct yet interconnected facets, as outlined below:

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### BELIEF

We instil belief that what we produce is as vital and valuable as water, and our output contributes to the betterment of society

### NATURE & SCIENCE

We respect the laws of nature and science as we seek solutions and attempt to tackle different challenges

### ENERGY

Flowing water gathers momentum and builds up energy that we harness to break barriers, leap forward and surge ahead

### MODESTY

We remain humble, like a drop of water in the ocean, yet like the mighty waves, we think big and aim high

### FLEXIBILITY

Like the flexibility of water, we always adopt a fluid and adaptable stance in responding to challenges

### PURITY

In the face of success or failure, the purity and cleansing properties of water remind us to always stay true to ourselves and move forward with positivity

# Our Corporate Tagline

SCIENTEX®

healthy, friendly & happy ...



## healthy ...

We strongly believe that a healthy culture is important, as this ensures our employees can reap the benefits of a balanced living, and are focused and committed to their work. The positive flow of energy results in a healthy company with strong ethics to guide compliance and encourage transparency in all business dealings.



## friendly ...

Being friendly speaks of the way we develop user-friendly products and solutions, and at the same time, extend courtesy, attentiveness and care to suppliers, customers, authorities and society as well as to the global environment.



## happy ...

Being happy is an emotional state of mind where people find pleasure, real meaning and fulfilment in family, work and life in an environment where they can realise their full potential and embrace a keen sense of belonging in the Group.

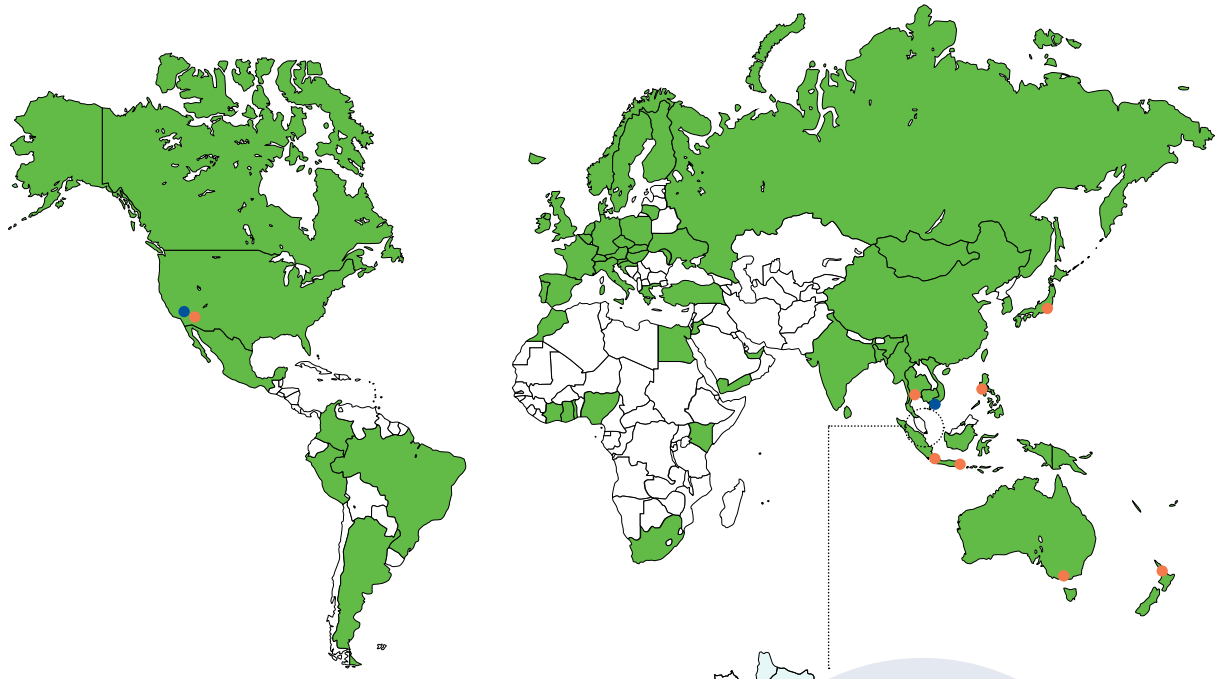
# Our Reach and Market Presence

Backed by an established market presence and extensive global reach, we are well-positioned to capture growth opportunities and create sustainable value across our businesses.

Our Packaging Division exports a broad range of products to more than 60 countries worldwide, supported by strategically located manufacturing facilities and sales offices across key markets. Meanwhile, our Property Division has established 36 matured, ongoing and new developments across Peninsular Malaysia.

Both divisions operate from our corporate headquarters in Selangor, Malaysia, which serves as the Group's central hub for strategic leadership and operational management.

## OUR PACKAGING PRESENCE



**MANUFACTURING PLANTS**

- Pulau Indah, Selangor (3 plants)
- Shah Alam, Selangor (2 plants)
- Klang, Selangor
- Rawang, Selangor
- Kajang, Selangor
- Sg Siput, Perak
- Chemor, Perak
- Tanjung Kling, Melaka (2 plants)
- Jasin, Melaka
- Ayer Keroh, Melaka
- Teluk Emas, Melaka
- Seremban, Negeri Sembilan
- Ho Chi Minh City, Vietnam
- Phoenix, Arizona, USA

**OVERSEAS SALES OFFICES**

- Auckland, New Zealand
- Bangkok, Thailand
- Jakarta, Indonesia (2 offices)
- Manila, Philippines
- Melbourne, Australia
- Phoenix, Arizona, USA
- Surabaya, Indonesia
- Tokyo, Japan

**EXPORT COUNTRIES**

Exporting to more than **60** countries

Overseas sales offices in **7** countries

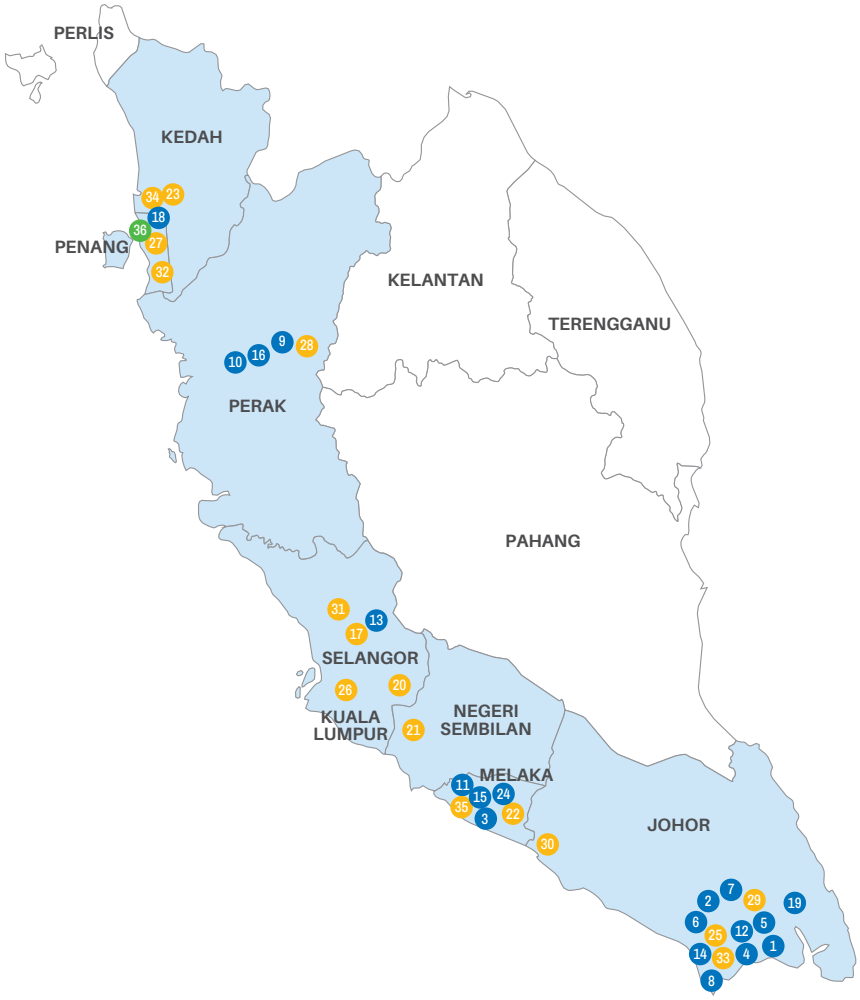
**18** manufacturing plants worldwide

# OUR PROPERTY PRESENCE

## MALAYSIA

1. Scientex Pasir Gudang
2. Scientex Kulai
3. Scientex Heights
4. Scientex Skudai
5. Scientex Senai
6. Scientex Kulai 2
7. Scientex E'Roca Hills
8. Scientex Pulai
9. Scientex Klebang
10. Scientex Meru
11. Scientex Durian Tunggal
12. Scientex Senai 2
13. Scientex Rawang
14. Scientex Amber Land
15. Scientex Durian Tunggal 2
16. Scientex Meru 2 & 3
17. Scientex Kundang Jaya
18. Scientex Tasek Gelugor
19. Scientex Kota Tinggi
20. Scientex Cheras
21. Scientex Seremban
22. Scientex Bandar Jasin
23. Scientex Sungai Petani
24. Scientex Jasin
25. Scientex Pulai 3
26. Scientex Jenjarom
27. Scientex Sungai Dua
28. Scientex Ipoh
29. Scientex Bandar Kulai
30. Scientex Muar
31. Scientex Bestari Jaya
32. Scientex Jawi
33. Scientex Pulai 4
34. Scientex SP Astana
35. Scientex Melaka
36. Scientex Bertam

**36**
**townships and developments across Malaysia**



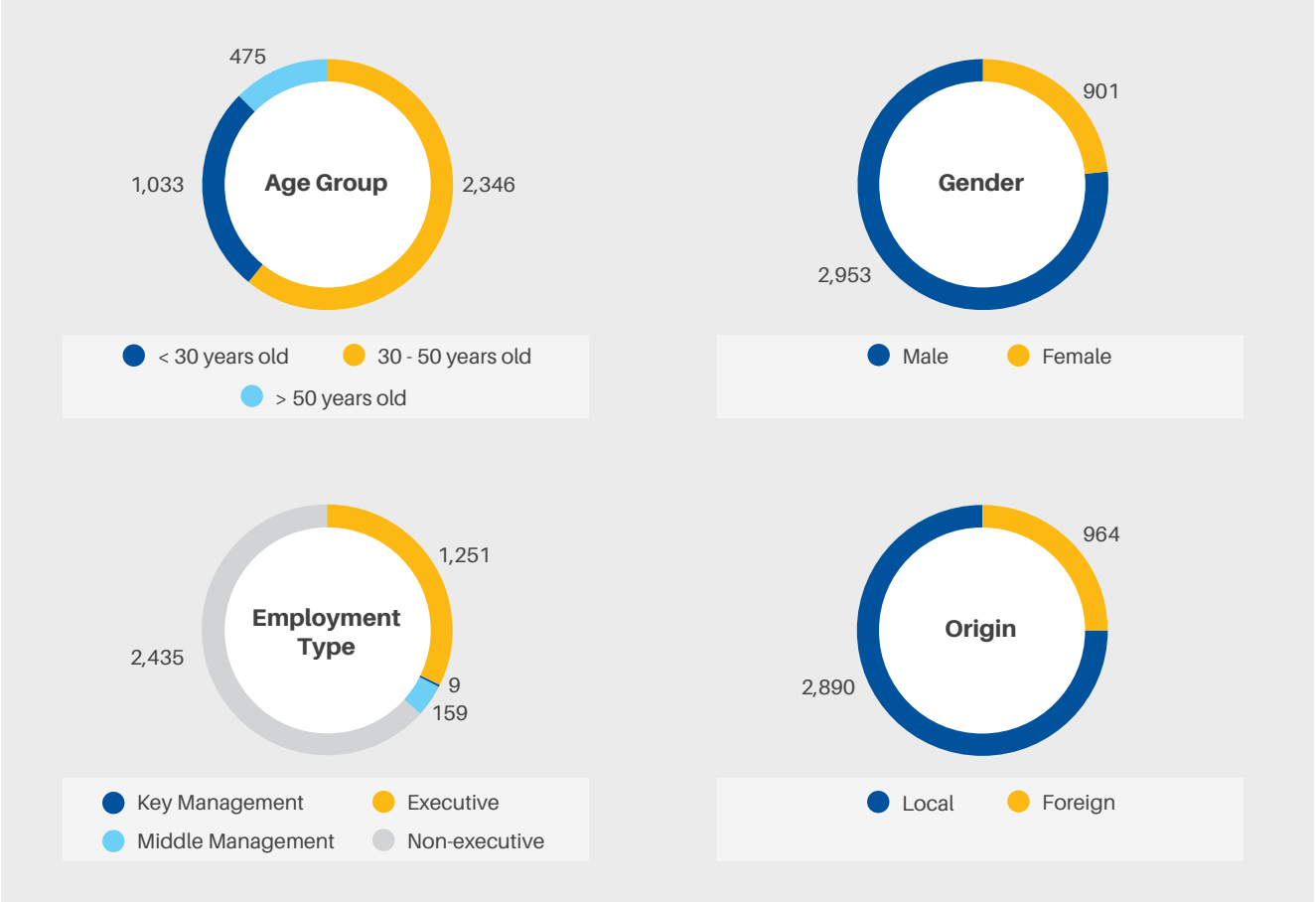

| | |
|---|---|
| 19 | Matured Developments |
| 16 | Ongoing Developments |
| 1 | New Development |

# Our Workforce and Our Value Chain

At Scientex, our sustainability journey is guided by the belief that adapting to global challenges is key to creating lasting, positive change. By empowering our people, partnering with responsible suppliers and working closely with our customers, we create shared value across the value chain. These efforts strengthen our operations, support long-term growth, foster innovation, and make a meaningful contribution to the communities we serve.

## OUR WORKFORCE

Our employees, numbering 3,854 as of FY2026, are the backbone of our organisation and the key drivers of our long-term success. Beyond the numbers, we are committed to creating an environment where our people can truly thrive. We nurture a culture that values innovation, inclusivity and continuous learning, empowering employees to share ideas and challenge the status quo. This approach not only drives talent retention but also supports the sustained growth of our human capital.




## OUR VALUE CHAIN

### Our Suppliers

We work with a broad range of suppliers and service providers, including those providing raw materials, machinery, contractors, logistics and other services. Each of our suppliers plays a crucial role in helping us fulfil our commitment to delivering FPP solutions and affordable housing to our customers.

Our interactions with suppliers are driven by the principles of sustainability, underscoring our commitment to building a responsible and resilient supply chain. We view sustainable practices and ethical business standards as value-adding

attributes that enhance the overall strength of our partnerships. Through ongoing engagement, we encourage suppliers to progressively adopt ESG-aligned strategies that support our shared vision.

Wherever possible, we prioritise working with local suppliers to help circulate economic value within local business ecosystems and reduce the environmental impacts associated with long-distance sourcing.

**Our Customers**

Through our Packaging Division, we serve a wide range of customers, including logistics providers, industrial end users and brand owners, across various industries and regions. We collaborate closely with our customers to create innovative and sustainable products, including recyclable FPP solutions that contribute to the circular plastics economy.

Meanwhile, our Property Division caters to middle-to-lower-income groups, addressing the growing demand for affordable housing. Our goal is to complete 50,000 affordable homes by 2028, providing more people from local communities with the opportunity to realise homeownership.

## OUR MEMBERSHIP IN ASSOCIATIONS

We actively engage in industry associations to:

- Drive collective action on sustainability, quality and regulatory standards and practices.
- Collaborate meaningfully with regulators to drive positive change.
- Stay abreast of industry trends and innovations that can be adopted to create shared value for stakeholders and communities.

Below is a summary of the associations we participate in and our respective roles.

| Association | Business Division | Our Role |
|---|---|---|
| **Malaysian Plastics Manufacturers Association ("MPMA")** | Packaging | Member and Representative in Central Committee |
| **Malaysian Employers Federation ("MEF")** | Packaging | Member |
| **Federation of Malaysian Manufacturers ("FMM")** | Packaging | Member |
| **Real Estate and Housing Developers' Association ("REHDA")** | Property | Member |
| **Construction Industry Development Board ("CIDB")** | Property | Member |
| **Master Builders Association Malaysia ("MBAM")** | Property | Member |

# Our Sustainability Journey

Since publishing our first Sustainability Statement in 2017, we have continuously strengthened our sustainability journey by enhancing our governance, disclosures and management practices in line with evolving stakeholder expectations and global reporting standards. Each milestone reflects our commitment to embedding sustainability into our business while creating long-term value for our stakeholders.

## 2017

- Changed our Corporate Responsibility Statement to become our first Sustainability Statement.
- Expanded disclosures pertaining to our Economic, Environmental and Social ("EES") impacts and initiatives.

## 2018

- Developed a structured approach towards strengthening our corporate sustainability approach.

## 2019

- Aligned our initiatives with 4 out of the 17 UN SDGs.
- Strengthened our reporting transparency by transitioning from the GRI-G4 Sustainability Reporting Framework to the GRI Standards 2016.

## 2020

- Established a sustainability governance structure, which includes our Sustainability Steering Committee ("SSC") and Sustainability Working Groups.

## 2021

- Published our inaugural standalone Sustainability Report, reflecting our growing commitment and action on sustainability.
- Conducted an in-depth materiality exercise, leading to the expansion of our sustainability reporting from 5 to 11 topics.

## 2022

- Expanded our alignment with the UN SDGs, with initiatives matched to 13 of the goals.
- Listed as a constituent company of the F4GBM Index.
- Expanded our sustainability commitments through the establishment of our Group Sustainability Team.

## 2023

- Transitioned our reporting framework to the latest GRI Universal Standards 2021.
- Improved our Sustainalytics ESG Risk Rating score to "low risk" of material financial impacts driven by ESG factors, ranking in the top 3% within our sub-industry group.
- Improved our performance in the S&P Global Corporate Sustainability Assessment, placing in the 80th percentile (top quintile) of the Chemicals Industry category.
- Achieved an 'A' rating in the MSCI ESG Rating assessment.

## 2024

- Further strengthened our approach to sustainability reporting by adopting Bursa Malaysia's Enhanced Sustainability Reporting Framework.
- Drove carbon emissions reductions by commencing the installation of solar PV systems across 10 of our manufacturing plants and our Shah Alam headquarters.
- Committed to integrating the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations within our reporting framework by FY2026.

## 2025

- Completed solar PV system installations at 10 key manufacturing plants, our Shah Alam headquarters and a sales gallery, contributing an additional 22.0 MWp of renewable energy capacity.
- Reaffirmed our commitment to progressively align our climate-related disclosures with the IFRS S2 Climate-related Disclosures.

## 2026

- Prepared our Sustainability Report in accordance with IFRS S2 Climate-related Disclosures, strengthening our sustainability disclosures
- Implemented sustainability software to enhance ESG data management, streamline reporting processes and monitor progress towards our sustainability objectives.



# Our Sustainability Approach


18 Sustainability Framework

19 Embedding Sustainability in Our Business Processes

20 Sustainability Governance

22 Engaging Our Stakeholders

24 Materiality

26 Supporting the United Nations Sustainable Development Goals

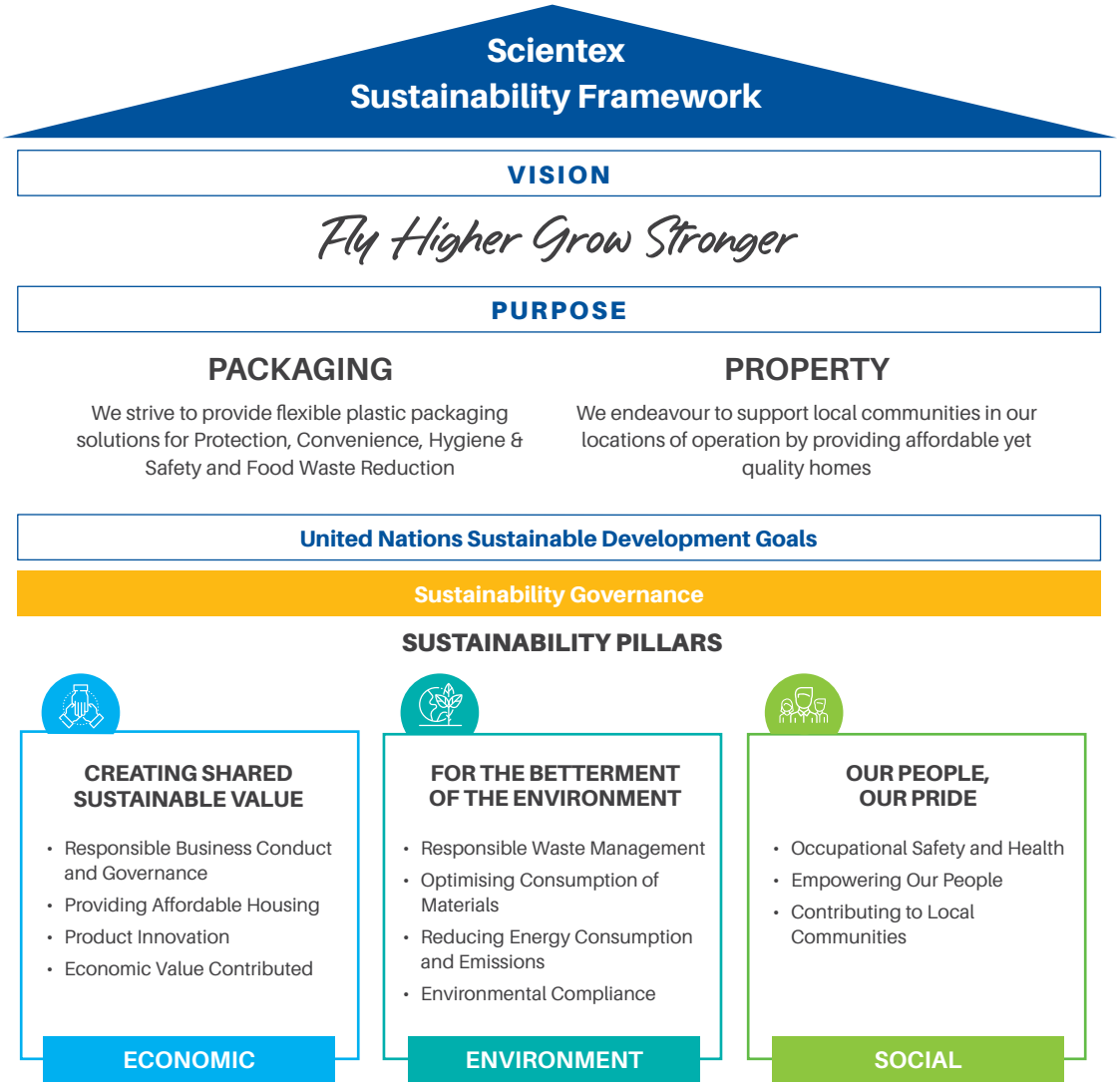
# Sustainability Framework

Our Sustainability Framework provides the foundation for how we approach sustainability at Scientex, bringing together our business processes, governance structure and initiatives to support our long-term value creation.

At the core of our framework are our three sustainability pillars: 'Creating Shared Sustainable Value' (p. 31), 'For the Betterment of the Environment' (p. 47) and 'Our People, Our Pride' (p. 67). These pillars encompass the material sustainability topics that are shaped through ongoing stakeholder engagement (p. 22) and regular materiality assessments (p. 24), enabling us to develop strategies and initiatives that create sustainable shared value.

These strategies and initiatives are embedded across the business processes of our Packaging and Property Divisions (p. 19), guiding the delivery of our Vision and Purpose while supporting the UN SDGs relevant to our business.

This framework is supported by our Sustainability Governance structure (p. 20), which promotes a collaborative, accountable and informed approach to sustainability. The structure assigns clear roles and responsibilities across the Group for strategising, monitoring and assessing our initiatives, empowering us to maximise the positive impact of our actions.



# Embedding Sustainability in Our Business Processes

Sustainability considerations are embedded across the operational processes of both our business divisions, guiding how we create value while maximising the positive environmental, social and economic impacts of our activities.

## PACKAGING DIVISION

| > DEVELOP | > PROCURE | > PRODUCE | > SELL |
|---|---|---|---|

### SUSTAINABLE PROCESSES

| > DEVELOP | > PROCURE | > PRODUCE | > SELL |
|---|---|---|---|
| • Research and development ("R&D") of sustainable packaging solutions<br>• Co-creating products with our customers | • Centralised procurement of raw materials<br>• Sourcing of sustainable raw materials | • Investing in advanced, energy-efficient production machinery and lighting<br>• Implementing renewable energy solutions, including investing in solar PV systems for our plants<br>• Efficient production planning<br>• Upholding best practices in water usage, waste and effluent management | • Engaging with customers to understand their long-term sustainability objectives<br>• Maintaining efficient and time-tested distribution channels and methods |

### SUSTAINABLE OUTCOMES

| > DEVELOP | > PROCURE | > PRODUCE | > SELL |
|---|---|---|---|
| • Recyclable FPP solutions<br>• Biodegradable and compostable packaging solutions<br>• Products with reduced material usage<br>• Increased range of sustainable products innovated | • Reduced emissions from transportation due to centralised procurement<br>• Increased access to sustainable raw materials | • Reduced material use, energy use and waste generation<br>• Using recycled resin as a production input<br>• Recycling plastic waste and converting non-recyclable waste to Processed Engineered Fuel<br>• Reducing Scope 2 GHG emissions due to lower use of conventional electricity | • Continuous increase in sustainable products sold<br>• Reduced energy usage and emissions related to product distribution<br>• Continuous expansion of our market base |

## PROPERTY DIVISION

| > ACQUIRE | > PLAN | > LAUNCH | > BUILD |
|---|---|---|---|

### SUSTAINABLE PROCESSES

| > ACQUIRE | > PLAN | > LAUNCH | > BUILD |
|---|---|---|---|
| • Continuously expanding our presence through land bank acquisitions in Malaysia<br>• Identifying suitable land banks at competitive prices | • Efficient planning of land use and house designs<br>• Developing plans that incorporate connectivity and transport infrastructure to larger population hubs and encourage job creation within local communities<br>• Including green spaces and recreation facilities | • Adopting digital channels to promote our developments<br>• Adopting systematic online procedures for property purchasing<br>• Installing solar PV systems to power our sales galleries | • Utilising the IBS construction technique<br>• Adopting good practices in waste and effluent management<br>• Reusing construction materials across multiple construction sites<br>• Optimising logistics planning to minimise emissions |

### SUSTAINABLE OUTCOMES

| > ACQUIRE | > PLAN | > LAUNCH | > BUILD |
|---|---|---|---|
| • Capacity to grow in the affordable housing market and enable homeownership for more people in the middle-to-lower- income groups<br>• Cost effective acquisitions of land banks, with savings passed on to homeowners | • Creation of townships that cater to holistic economic and social needs<br>• Improved the quality of life for residents<br>• North-south building orientations that reduce heat exposure of dwellings | • Providing equal opportunities for affordable homeownership to people in middle-to-lower-income groups<br>• Enhanced convenience and safety for potential home buyers<br>• Reduced Scope 2 GHG emissions due to installation of solar PV systems at our sales galleries | • Improved employee safety due to the use of the Industrialised Building System ("IBS") construction technique<br>• Reduced waste generation and optimised material usage due to reuse of materials and use of the IBS construction technique |

# Sustainability Governance

Our sustainability governance structure provides clear oversight and accountability, ensuring sustainability matters are effectively identified, managed and monitored across the Group.

The structure instils responsibility for sustainability at all levels of the Group, from the Board – who bear responsibility for setting our overall agenda – to our workforce at individual departments and across all subsidiaries. It provides trusted avenues for all employees to raise matters relevant to their work and ensures oversight of actions taken to address these matters, with the Sustainability Steering Committee ("SSC") playing a central role in this process.




*(Composition of working groups are determined based on the specific needs of sustainability topics and their associated initiatives)*

Sustainability Governance

## 1 Board of Directors ("Board")

- Assumes overall responsibility for and oversight of the Group's sustainability agenda, including climate-related matters, by identifying sustainability topics, setting objectives, and implementing policies and practices.
- Meets at least quarterly, or as required, to effectively discharge its duties and responsibilities.
- Nominated by the Nomination and Remuneration Committee, which further evaluates the Board's performance on sustainability matters through a peer evaluation process.
- The Board's sustainability responsibilities are led by our Managing Director/Chief Executive Officer, Mr. Lim Peng Jin.

## 2 Sustainability Steering Committee ("SSC")

- Comprises members of the Scientex Executive Committee ("EXCO") and is led by the Managing Director/Chief Executive Officer, Mr. Lim Peng Jin.
- Meets on a monthly basis, or as required, to oversee and actively manage the Group's sustainability agenda.
- Engages regularly with stakeholders and staff at the departmental and subsidiary levels to identify potential sustainability topics.
- Reviews and presents identified sustainability topics to the Board for consideration.
- Develops strategies and establishes key performance indicators for approved sustainability topics, supported by appropriate data management systems, reporting processes and internal controls.
- Develops sustainability-related policies governing sustainability practices across the Group and tables these policies to the Board for approval.

## 3 Group Sustainability Team

- Led by the Chief Sustainability Officer ("CSO").
- Recommends potential sustainability topics to the SSC and supports the development and execution of strategies for approved sustainability topics.
- Supports the SSC in the nomination of specific working groups responsible for executing approved strategies.
- Works with the Sustainability Working Groups to implement sustainability initiatives across the Group.
- Reports the progress and outcomes of sustainability initiatives to the SSC at its monthly meetings.
- Monitors sustainability initiatives and maintains records to support the review of sustainability management procedures and performance.
- Leads the preparation and presentation of sustainability-related reports in compliance with applicable reporting requirements.

## 4 Sustainability Working Groups

- Appointed on a topic-by-topic basis according to the nature of each sustainability topic and its associated initiatives.
- May comprise representatives from various departments and divisions across the Group.
- Works with the Group Sustainability Team to implement approved sustainability strategies in accordance with established management procedures.
- Collaborates with the Risk Management Team to identify, assess and monitor sustainability-related risks and opportunities.
- Maintains accurate records of actions taken and the results achieved.
- Reports on the implementation and outcomes of sustainability initiatives during monthly management meetings.
- Serves as a communication channel between the Group Sustainability Team, Risk Management Team, individual departments and subsidiaries, enabling employees to raise and escalate sustainability-related matters for consideration.

# Engaging Our Stakeholders

We actively engage with our stakeholders to better understand our business impact, strengthen relationships and guide the development of our sustainability strategies and initiatives. Through ongoing and meaningful engagement, we gather valuable insights into the priorities and expectations of our stakeholders, which also inform our materiality determination process, as outlined on p. 24.

Our stakeholder groups are identified based on two key considerations:

1. Their potential to influence or be influenced by the Group's ESG impact; and
2. Their ability to affect the Group's reputation in the markets where we operate, either by enhancing or diminishing our capacity to create positive ESG outcomes through our products and services.

The table below outlines our key stakeholder groups, the ways in which we engage with them, the frequency of these engagements and their respective expectations.

| Stakeholder Group | Mode of Engagement | Frequency of Engagement | Expectations |
|---|---|---|---|
| **Customers** | • Customer feedback channels<br>• Social media platforms<br>• The Scientex corporate website<br>• Marketing and promotional events<br>• Customer service offices<br>• Regular meetings and plant visits<br>• Product development collaborations (Packaging Division) | RG<br>AWR | • Fulfilment of product expectations in terms of quality, cost, price and delivery<br>• Delivery of sustainable and innovative products that benefit them and end-consumers<br>• Prompt support in addressing any questions related to the use of our products |
| **Suppliers** | • Regular meetings and progress updates<br>• Site visits<br>• Code of Conduct for Suppliers and ongoing evaluations<br>• Participation in exhibitions and trade fairs<br>• Technical seminars | RG<br>PR<br>AWR | • Ethical procurement practices with consideration for environmental and social factors<br>• Clear standards for product quality, delivery and payments<br>• Support for local suppliers and the surrounding business ecosystem<br>• Stable demand and trust-based business relationships |
| **Employees** | • Quarterly Rolling Budget ("QRB") dialogues<br>• Employee appraisals<br>• Employee engagement events<br>• Internal bulletins<br>• Progress update meetings<br>• Monthly management meetings | RG<br>PR<br>AWR | • Long-term, stable employment<br>• Safe and supportive working environment addressing physical, social and mental well-being<br>• Inclusive, non-discriminatory work culture<br>• Opportunities for training, development and career progression |
| **Investors and Shareholders** | • Annual General Meetings ("AGMs")<br>• Investor relations activities<br>• Scientex Integrated Annual Reports and Sustainability Reports<br>• The Scientex Corporate website<br>• Bursa Malaysia announcements | AN<br>PR<br>AWR | • Sustainable financial performance aligned with annual and long-term targets<br>• Consistent returns through dividends and share value growth<br>• Upholding good corporate governance and ESG practices<br>• Transparent communication of strategy, performance and outlook<br>• Clear and effective responses to economic challenges |

| Stakeholder Group | Mode of Engagement | Frequency of Engagement | Expectations |
|---|---|---|---|
| **Governments and Regulators** | • Regular meetings and consultations<br>• Seminars, training, dialogues and forums organised by authorities<br>• On-site inspections and audits | AWR | • Support for national policies, such as affordable housing for middle-to-lower-income Malaysians<br>• Contribution to the environmental goals of the Malaysia Plastic Sustainability Roadmap ("MPSR") 2021-2030 established by the Ministry of Natural Resources and Environmental Sustainability ("NRES")<br>• Participation in regulatory briefings, dialogues and stakeholder engagements<br>• Adherence to all applicable laws and regulations, including tax obligations<br>• Upholding best practices across the ESG spectrum<br>• Compliance with relevant regulatory frameworks, including the latest National Sustainability Reporting Framework ("NSRF") issued by Securities Commission ("SC") Malaysia |
| **Local Communities** | • Social media platforms<br>• The Scientex corporate website<br>• Customer service offices (Property Division)<br>• Community events<br>• Dialogue sessions | RG<br>PR<br>AWR | • Contribution to socioeconomic development and community upliftment<br>• Development of infrastructure in our property developments to improve connectivity, access to services and employment opportunities<br>• Local hiring and career growth opportunities<br>• Delivery of environmentally responsible products and services across both business divisions |

**LEGEND:** AN = Annually RG = Regularly PR = Periodically AWR = As and when required

In addition to these engagement channels, we participate in a range of voluntary initiatives and programmes that enable us to engage with stakeholders and exchange insights. These engagements help us better understand emerging trends and matters that may shape our industry, business landscape, society and the nation as a whole.

| Initiative | Nature of Initiative | Stakeholders We Engage |
|---|---|---|
| **'Cross Border Development Strategy' initiative** | Voluntary | |
| **State-level affordable housing initiatives:**<br>**- Rumah Mampu Milik (Johor)**<br>**- Rumah Mampu Milik (Melaka)**<br>**- Rumah Selangorku (Selangor)**<br>**- Rumah Mutiaraku (Penang)** | Voluntary | |
| **Participation in environmental initiatives (including talks, discussions and webinars)** | Voluntary | |
| **The Green Truck, 'Back to Earth' food composting programme and our mangrove planting initiative** | Voluntary | |
| **Regulatory and industry engagements** | Voluntary | |

For further details, please refer to the topic-level disclosures within this Report.

# Materiality

## OUR MATERIALITY DETERMINATION PROCESS

Our material sustainability matters are identified and prioritised through stakeholder engagement, workforce input, and analysis of relevant industry and sustainability trends. This process informs the development of strategies that create long-term value while minimising adverse impacts.

### OUR MATERIALITY DETERMINATION PROCESS

#### IDENTIFY

Drawing on credible internal and external sources, the SSC reviews industry developments, sustainability trends and the Group's existing sustainability topics to identify potential new sustainability topics for further consideration.

1

#### SHORTLIST

Potential sustainability topics are assessed against a range of factors, including stakeholder priorities and concerns, impacts on the communities where we operate, regulatory developments and their significance to our business operations.

2

#### PRIORITISE

The shortlisted sustainability topics are evaluated through consultations with key stakeholder groups and heads of departments to assess their relative significance and determine their materiality.

3

#### VALIDATE

A materiality matrix is generated based on the outcomes of the preceding stages and reviewed by the Managing Director/Chief Executive Officer for validation before being presented to the Board for final approval.

4



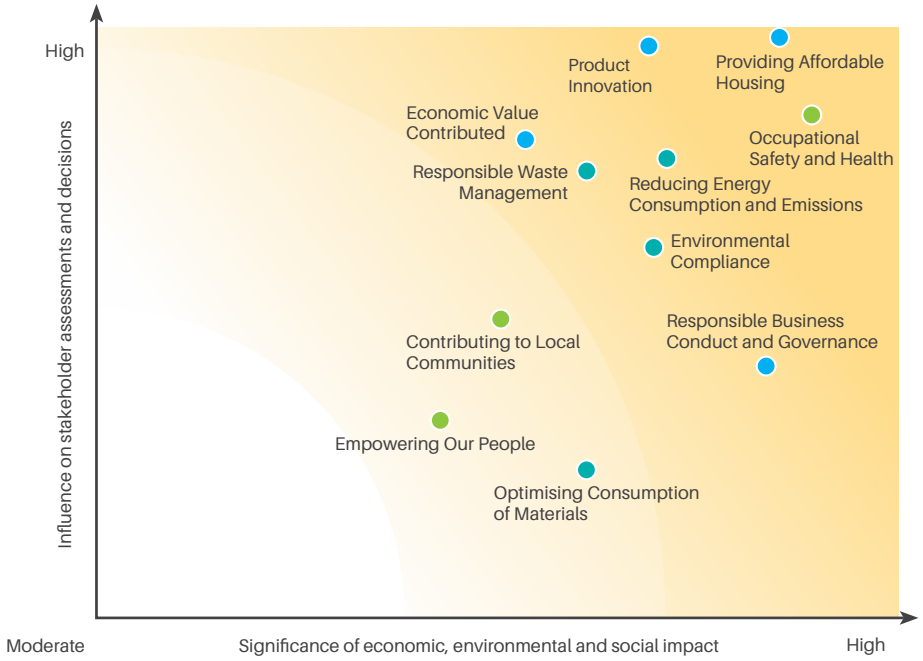
## MATERIALITY MATRIX

The materiality matrix illustrates the significance of each material sustainability topic to both the Group and our stakeholders.

Our material sustainability topics and materiality matrix remained unchanged in FY2026, reflecting their continued relevance to our business and stakeholders. The following four topics continue to represent the areas of greatest significance to the Group and our stakeholders:

- **Providing Affordable Housing** – Supporting homeownership by progressing towards our goal of delivering 50,000 quality affordable homes by 2028.
- **Product Innovation** – Driving innovation to develop products that support our environmental objectives while meeting evolving customer needs.
- **Occupational Safety and Health** – Fostering a culture of safety that protects, supports and empowers our people.
- **Reducing Energy Consumption and Emissions** – Implementing a comprehensive approach to reduce our carbon footprint.

The materiality matrix presented below, together with our materiality determination process, has been reviewed by the SSC and approved by the Board.




## CLASSIFYING OUR SUSTAINABILITY TOPICS

Our material sustainability topics are organised under three sustainability pillars, providing a clear strategic framework for driving sustainable growth and maximising value creation.

### CREATING SHARED SUSTAINABLE VALUE

- Responsible Business Conduct and Governance
- Providing Affordable Housing
- Product Innovation
- Economic Value Contributed

### FOR THE BETTERMENT OF THE ENVIRONMENT

- Responsible Waste Management
- Optimising Consumption of Materials
- Reducing Energy Consumption and Emissions
- Environmental Compliance

### OUR PEOPLE, OUR PRIDE

- Occupational Safety and Health
- Empowering Our People
- Contributing to Local Communities

# Supporting the United Nations Sustainable Development Goals

We align our material sustainability topics with the UN SDGs, which comprise 17 goals identified by the United Nations as vital to global sustainable development.

Through our strategies and initiatives, we actively contribute to 13 of the 17 UN SDGs. As our business evolves, we will continue evaluating our contributions and align with additional UN SDGs where relevant.



| United Nations Sustainable Development Goal ("UN SDG") | Aligned Sustainability Topics | How We Contribute |
|---|---|---|
| <br>**NO POVERTY**<br>End poverty in all its forms everywhere | • Providing Affordable Housing<br>• Empowering Our People<br>• Contributing to Local Communities | • Enabling homeownership for more people in middle-to-lower-income groups<br>• Providing gainful, long-term employment opportunities to members of local communities, thereby improving income security<br>• Initiating and contributing to meaningful charitable initiatives that improve livelihoods in local communities |
| <br>**GOOD HEALTH AND WELL-BEING**<br>Ensure healthy lives and promote well-being for all at all ages | • Product Innovation<br>• Occupational Safety and Health<br>• Contributing to Local Communities | • Innovating packaging solutions with enhanced food hygiene and safety standards to support health and well-being<br>• Upholding best practices in employee safety and health at our workplaces, including introducing measures to mitigate non-work-related health issues<br>• Promoting physical, social and mental health through employee activities and initiatives<br>• Providing free health screenings and health talks to local communities<br>• Developing townships with facilities that promote a healthy and active lifestyle |
| <br>**QUALITY EDUCATION**<br>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | • Empowering Our People<br>• Contributing to Local Communities | • Providing training and development programmes that offer employees opportunities for lifelong learning and continuous professional development<br>• Developing school-based programmes that raise awareness of and educate children on the benefits of recycling<br>• Providing valuable industry experience to local students through internships |
| <br>**AFFORDABLE AND CLEAN ENERGY**<br>Ensure access to affordable, reliable, sustainable and modern energy for all | • Reducing Energy Consumption and Emissions | • Adopting energy-efficient production machinery and low-energy lighting solutions at our plants and development sites, while continuously upgrading our production machinery to improve energy efficiency<br>• Embracing solar energy as part of our renewable energy transition, with solar PV systems installed across our manufacturing plants, sales galleries and headquarters |

| United Nations Sustainable Development Goal ("UN SDG") | Aligned Sustainability Topics | How We Contribute |
|---|---|---|
| <br>**DECENT WORK AND ECONOMIC GROWTH**<br>Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all | • Economic Value Contributed<br>• Occupational Safety and Health<br>• Empowering Our People | • Contributing to the Malaysian economy through taxes, capital investments, wages and payments made to suppliers, among others<br>• Achieving milestones under our Vision and sharing the benefits of our growth through employee benefits and professional development opportunities<br>• Ensuring work environments that prioritise the physical safety, security and well-being of our workforce, in line with global standards in occupational safety and health<br>• Supporting the Malaysian Government's talent development agenda by providing employment opportunities to local talent and offering equal pay and fair wages<br>• Adhering to and upholding national labour laws to ensure good labour practices for our employees |
| <br>**INDUSTRY, INNOVATION AND INFRASTRUCTURE**<br>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation | • Providing Affordable Housing<br>• Product Innovation | • Adopting IBS construction techniques to promote efficient construction and material utilisation<br>• Building sustainable infrastructure, including access roads and community services, as a key part of our property developments<br>• Collaborating with customers and industry partners to develop sustainable packaging solutions and process innovations that contribute to the circular plastics economy and promote packaging that enhances convenience, hygiene and safety<br>• Utilising innovative and resource-efficient machinery, as well as recycling infrastructure, in our operations to achieve more sustainable and efficient industrial processes |
| <br>**REDUCED INEQUALITIES**<br>Reduce inequality within and among countries | • Responsible Business Conduct and Governance<br>• Providing Affordable Housing<br>• Empowering Our People | • Enforcing our Code of Conduct for Suppliers and Code of Ethics to strengthen our business practices and mitigate incidents of corruption and discrimination in the workplace<br>• Providing affordable yet quality homes to middle-to-lower-income groups, thereby contributing to an equal opportunity environment for homeownership<br>• Maintaining a fully inclusive and non-discriminatory approach to recruitment, including providing equal professional development opportunities to all employees |

| United Nations Sustainable Development Goal ("UN SDG") | Aligned Sustainability Topics | How We Contribute |
|---|---|---|
| <br>**SUSTAINABLE CITIES AND COMMUNITIES**<br>Make cities and human settlements inclusive, safe, resilient and sustainable | • Providing Affordable Housing<br>• Economic Value Contributed<br>• Contributing to Local Communities | • Contributing to greater connectivity through the development of access roads, in addition to developing infrastructure such as public parks surrounding our developments<br>• Continuously expanding our affordable housing presence, thereby providing more people with safe and inclusive living environments<br>• Placing increased emphasis on the development of self-sustaining townships that not only provide housing but also generate economic benefits for local communities |
| <br>**RESPONSIBLE CONSUMPTION AND PRODUCTION**<br>Ensure sustainable consumption and production patterns | • Product Innovation<br>• Responsible Waste Management<br>• Optimising Consumption of Materials<br>• Reducing Energy Consumption and Emissions<br>• Environmental Compliance | • Developing sustainable, recyclable and resource-efficient packaging solutions in our Packaging Division, while introducing efficient construction methods in our Property Division<br>• Introducing and adhering to our waste management framework and waste management hierarchy to reduce and minimise waste and its impacts on the environment<br>• Continuing our recycling efforts across both business divisions, including the reuse of construction materials, recycling of plastic waste and incorporation of recycled resin in packaging production<br>• Investing in efficient machinery and continuously improving our production processes to reduce waste and energy consumption<br>• Prioritising the procurement of materials from environmentally responsible suppliers and encouraging responsible utilisation of materials across our supplier base<br>• Upholding our commitment to all relevant environmental laws and regulations in our countries of operation |
| <br>**CLIMATE ACTION**<br>Take urgent action to combat climate change and its impacts | • Optimising Consumption of Materials<br>• Reducing Energy Consumption and Emissions<br>• Contributing to Local Communities | • Recycling plastic waste to produce recycled resin for packaging production, thereby reducing material use and our carbon footprint<br>• Downgauging films produced in our Packaging Division to reduce their thickness, raw material consumption and carbon footprint related to production<br>• Adopting energy-efficient production machinery and low-energy lighting solutions at our plants and development sites, while continuously upgrading production machinery to improve energy efficiency<br>• Integrating renewable energy use across our operations to support long-term reductions in Scope 2 GHG emissions |

| United Nations Sustainable Development Goal ("UN SDG") | Aligned Sustainability Topics | How We Contribute |
|---|---|---|
| | | • Considering and addressing indirect emissions that may be generated throughout our supply chain and countering GHG emissions through corporate activities, such as our mangrove-planting initiative<br>• Advocating environmental responsibility in our processes and among our suppliers, while promoting environmental awareness within local communities through collaborations with the MPMA |
| <br>**LIFE BELOW WATER**<br>Conserve and sustainably use the oceans, seas and marine resources for sustainable development | • Responsible Waste Management<br>• Environmental Compliance | • Utilising post-consumer recycled ("PCR") resin derived from ocean-bound plastics in our packaging solutions<br>• Undertaking mangrove-planting activities and contributing towards the restoration of a mangrove habitat that was formerly used as a dumpsite |
| <br>**LIFE ON LAND**<br>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss | • Environmental Compliance<br>• Contributing to Local Communities | • Undertaking Environmental Impact Assessment ("EIA") for property developments of 50 hectares or more, focusing on the environmental impact of land use changes on local biodiversity and ecosystems<br>• Clearing property development sites in phases to encourage the gradual migration of fauna<br>• Planting various species of trees and shrubs, including vulnerable and endangered species, within our property development sites<br>• Restoring mangrove forests while preserving their high biodiversity value through our mangrove-planting activities |
| <br>**PEACE, JUSTICE AND STRONG INSTITUTIONS**<br>Promote just, peaceful and inclusive societies | • Responsible Business Conduct and Governance | • Promoting ethical business conduct and upholding justice and the rule of law at all levels and in all jurisdictions where we operate<br>• Upholding our Anti-Bribery and Anti-Corruption ("ABAC") Policy, which applies to our employees, suppliers and other stakeholders<br>• Creating awareness of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and all associated stipulated requirements |



# Creating Shared Sustainable Value


32 Responsible Business Conduct and Governance

35 Providing Affordable Housing

38 Product Innovation

45 Economic Value Contributed

RESPONSIBLE BUSINESS CONDUCT AND GOVERNANCE

# Upholding Ethics and Integrity

## WHY IT MATTERS

As a global industry player, we recognise our responsibility to uphold high standards of ethics and integrity at all times. These principles are central to our business practices, play a critical role in fostering trust and strengthening our relationships with stakeholders.

By cultivating a culture of integrity that embeds ethical considerations into decision-making processes and empowers us to respond swiftly to evolving regulatory expectations, we reinforce our reputation as an accountable and trustworthy organisation. This supports our ability to pursue new opportunities and drive sustainable business growth.

## OUR APPROACH

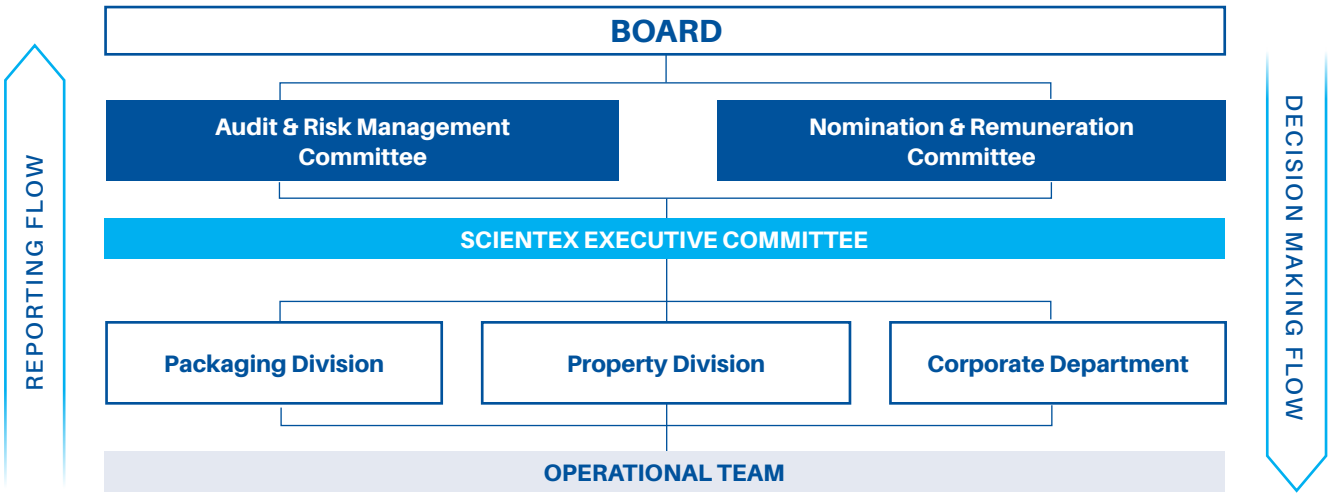
We adopt a zero-tolerance approach to unethical behaviour, with accountability embedded across all levels of the organisation. Our standards are supported by a governance framework that involves executive-level staff and top management across both business divisions and is underpinned by a comprehensive range of policies and codes aligned with applicable local, international and industry-specific regulations.

Guided by these standards, employees are provided with relevant learning and development programmes to strengthen their awareness of and compliance with evolving regulatory requirements. In parallel, data privacy safeguards and ethical business practices are integrated into our operations to reinforce responsible conduct and support long-term value creation.

### Our Robust Governance Structure

Our governance framework facilitates systematic oversight, accountability and the effective monitoring of business conduct. A bottom-up reporting mechanism ensures that the Board receives timely and reliable information on operational matters, enabling it to make informed decisions and implement measures that support long-term value creation.

In FY2026, we merged the Audit Committee and Risk Management Committee into a single Audit & Risk Management Committee ("ARMC") to optimise governance efficiency and provide more holistic oversight of the Group's risk management and internal audit functions.




*Note: For further details on the respective roles and responsibilities of each party within our governance structure, please refer to the Corporate Governance section on p. 90 of our IAR 2026.*

As part of our responsible business practices, we rotate our external auditors every seven years, or earlier if deemed necessary by the Board, in accordance with the stipulations of the Malaysian Institute of Accountants ("MIA"). Similarly, our external auditors rotate the engagement quality control partners assigned to the Group every seven years.

To further safeguard our operations, we conducted our annual corruption risk assessment across 100% of our business entities in FY2026 to identify potential vulnerabilities and reinforce internal controls.

## Our Suite of Codes and Policies

We uphold a clear and comprehensive suite of Group-wide codes and policies designed to foster consistent, ethical and lawful behaviour. These frameworks are reviewed periodically to remain aligned with relevant legal requirements and organisational needs. Employees and other stakeholders, including third-party vendors, are informed of the policies relevant to their engagement with the Group and are expected to be familiar with and adhere to the applicable rules and regulations governing their responsibilities.

To promote accessibility and transparency, these documents are publicly available on our corporate website.

### SCIENTEX GROUP POLICIES

**Whistleblowing Policy**

Outlines the procedures to be followed by stakeholders when reporting actual or suspected instances of improper business conduct

**Code of Ethics**

Establishes clear standards of business conduct, encompassing labour standards, anti-bribery and anti-corruption, data confidentiality and security, and conflicts of interest, guided by the principles of trustworthiness, fairness and objectivity

**Anti-Bribery and Anti-Corruption Policy**

Sets out our zero-tolerance approach to bribery and corruption for employees and other relevant stakeholders, while outlining measures to ensure compliance with applicable laws and regulations

**Code of Conduct for Suppliers**

Provides suppliers with comprehensive guidance on our sustainability principles, including ethical business conduct, environmental and social responsibility, to promote responsible business practices throughout our supply chain

**Safety and Health Policy**

Sets out our commitment to protecting the safety and health of our workforce by outlining governance procedures, the role of the Scientex Occupational Safety and Health Administration ("OSHA") Committee, our approach to prevention, protection and control, emergency preparedness and response protocols, and employee awareness programmes

**Environmental Policy**

Outlines our commitment to environmental management and the established practices we adopt across key environmental matters, including energy and emissions, waste management, resource utilisation and biodiversity

## Fortifying Our Cyber Resilience

To maintain an effective data privacy and security framework, we have implemented clear measures to protect the data entrusted to us and safeguard against increasingly sophisticated cyber threats.

Our approach is guided by our Data Privacy Policy, which, together with our Code of Ethics, outlines specific practices and standards for managing personal data. Developed in line with the Personal Data Protection Act ("PDPA") 2010, the policy reflects our commitment to full compliance with all relevant data privacy regulations.

We also continue to strengthen awareness of data protection requirements by providing employees with relevant PDPA training. These efforts support responsible data handling practices and reinforce awareness of data privacy requirements across the Group.

To support our employees in managing data privacy matters appropriately, we encourage them to seek guidance from their supervisors or department heads and promptly report any suspicious activity or cyber threats to our Corporate IT Team. Meanwhile, the Corporate IT Team conducts regular health checks and software updates on our IT infrastructure to strengthen protection against unauthorised access, data leakage and misuse of personal data.

All stakeholders are provided with relevant contact details and channels for raising enquiries or concerns regarding their personal data.

### Driving Ethical Value Creation

We uphold responsible governance by embedding sustainability and ESG considerations into our business strategy, exemplified by our EXCO's pledge to pursue our business goals with efficiency and sustainability at the forefront.

A key focus in recent years has been strengthening our alignment with evolving global and national sustainability reporting expectations. Following Malaysia's introduction of the National Sustainability Reporting Framework ("NSRF"), which adopts the IFRS Sustainability Disclosure Standards issued by the ISSB, our FY2026 Sustainability Report marks our first annual publication incorporating climate-related disclosures in accordance with the IFRS S2 Climate-related Disclosures.

Recognising the vital role of digitalisation and data analytics in supporting more robust sustainability reporting, we successfully implemented a sustainability software in FY2026. The platform enables more efficient collection, management and analysis of large volumes of sustainability data, enhancing the accountability and traceability of sustainability information while supporting improved monitoring of sustainability performance, informed decision-making and long-term value creation.

### Promoting Awareness and Adherence to Ethical Standards

We promote a culture of integrity among stakeholders and employees by ensuring our codes and policies are communicated consistently, with relevant employees receiving appropriate training and periodic refresher sessions.

All newly hired executive-level employees are required to attend a dedicated onboarding briefing on our Anti-Bribery and Anti-Corruption ("ABAC") Policy. We also conduct ABAC awareness talk for our employees to strengthen their understanding of relevant laws and regulations while reinforcing our Group-wide commitment to integrity, transparency and ethical business practices.

We also recognise the importance of equipping our procurement team with the knowledge to engage suppliers responsibly. Training is provided to familiarise our procurement personnel with the principles of our Code of Conduct for Suppliers and to support consistent application of these requirements throughout the supplier selection and procurement process.

To ensure our ethical expectations extend across the value chain, our ABAC Policy and Code of Conduct for Suppliers are communicated to all new suppliers with annual supply values exceeding RM50,000. These measures help align supplier practices with our ethical and governance standards, reinforcing responsible conduct across our business relationships.

## OUR PERFORMANCE

### Corruption Risk Assessments

In FY2026, we conducted our annual corruption risk assessment across 100% of our business entities.

### Anti-Corruption Training Coverage

The table below details the percentage of employees that received ABAC training.

| Employee Category | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Key Management | 100% | 100% | 100% |
| Middle Management | 100% | 100% | 100% |
| Executive | 100% | 100% | 100% |

### Compliance

There were no material cases of bribery, corruption, unethical business conduct, data privacy breaches or human rights violations reported or investigated during FY2026. The Group also did not make any political contributions during the financial year under review.

PROVIDING AFFORDABLE HOUSING

# Widening Access to Homeownership

## WHY IT MATTERS

Access to affordable, quality housing plays an important role in improving living standards and supporting the development of inclusive and thriving communities. For Scientex, it is also integral to our business strategy and sustainability goals, enabling us to address the housing needs of middle-to-lower-income Malaysians while contributing to wider socioeconomic development in the communities where we operate.

Stable demand for affordable homes, alongside national efforts to broaden access to homeownership, reinforces the relevance of our longstanding focus on this market segment. By responding to these needs, we support the continued growth of our property business while strengthening our position as a trusted developer of quality affordable homes.

## OUR APPROACH

Since the inception of our Property Division, we have remained committed to addressing the housing needs of middle-to-lower-income Malaysians. In response to ongoing affordability challenges, we continue to expand our presence across Peninsular Malaysia, while supporting government initiatives aimed at enhancing homeownership opportunities.

Our goal is to complete 50,000 affordable homes by 2028, guided by the following three key principles:

### Improve Quality and Value

Leveraging innovative methods to enhance the quality and value of our developments while maintaining price competitiveness

### Utilise Efficient Construction Methods

Employing construction methods and techniques that improve time and cost efficiency

### Maintain Affordable Pricing

Ensuring that our developments are priced at an accessible level for people in the middle-to-lower-income segment

### Optimising Construction Efficiency

We employ several proven construction methods to maximise time and cost efficiency across our developments, supported by standardised building designs and the increasing adoption of IBS construction techniques.

Our standardised designs feature practical layouts that optimise land use, reduce material waste and minimise downtime arising from equipment or workforce changeovers. This approach shortens design and construction timelines, lowers costs and unlocks the economies of scale required to develop large-scale townships that deliver competitive prices and strong value to our customers.

Our adoption of IBS also contributes to construction speed and efficiency. Initially used for shear walls, our utilisation of IBS has since been expanded to include all wall sections and other areas of our homes, streamlining construction processes and optimising material usage.

Meanwhile, we continue to transition from conventional materials such as timber and plywood towards steel and aluminium formwork, which offer significantly longer reusable lifespans. These pre-engineered systems enable faster construction, reduce reliance on manual labour and improve build consistency, supporting the reliable completion of projects within planned timelines and budgets.



*A sample of our aluminum formwork*



*A visual representation of integrated township living at Scientex Bestari Jaya*

### Strengthening Our Presence in Affordable Housing

Since our Property Division's first development in Johor, we have progressively expanded our footprint from the southern to the northern states of Peninsular Malaysia in response to sustained demand for affordable housing.

Our expansion continues to be guided by our 'Cross Border Development Strategy', through which we identify and secure land banks that provide an appropriate balance of accessibility, connectivity, cost efficiency and market demand. These attributes remain essential to supporting the long-term viability and success of each development.

To maintain a strong and sustainable project pipeline, we strategically reinvest our profits to secure cost-effective land banks. As at FY2026, we have a total land bank of 11,049 acres, providing a strong foundation for the continued development of quality affordable homes and integrated townships.

Supported by our focus on the affordable housing segment and favourable federal and state housing policies, we have established Scientex as one of the leading players in this sector. To date, we have delivered 47,846 affordable homes, improving the lives of more than 100,000 households nationwide and contributing to the advancement of communities and townships across Malaysia.

### Uplifting Communities Through Integrated Townships

Of the homes we have delivered so far, approximately 70% are priced below RM300,000. This reflects our ongoing commitment to improving the lives of middle-to-lower-income Malaysian families by providing a more accessible pathway to homeownership.

As a responsible and community-driven developer, we also deliver impacts that extend beyond providing housing. By integrating commercial lots into our townships and engaging local vendors, we stimulate local economies and create employment opportunities. We further invest in essential infrastructure, such as improving road access and extending public transport connectivity where possible. Throughout the development process, we remain guided by applicable environmental and social requirements and seek to minimise potential adverse impacts.

Through these efforts, we aim to create inclusive and thriving townships that generate lasting value not only for our homeowners, but also for the wider communities surrounding our developments.

## OUR PERFORMANCE

Our performance in FY2026 reflects continued progress towards our goal of completing 50,000 affordable homes by 2028. During the year, we completed 5,582 affordable homes, bringing the cumulative number of affordable homes completed to 47,846 units.

**Affordable Homes Completed (cumulative units)**

| PRICE RANGE (RM) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| <100K | 3,253 | 3,253 | 3,562 |
| 100K-200K | 13,325 | 14,465 | 15,614 |
| 200K-300K | 9,370 | 12,175 | 14,370 |
| 300K-400K | 6,546 | 7,819 | 8,451 |
| 400K-500K | 3,930 | 4,552 | 5,849 |
| **Total** | **36,424** | **42,264** | **47,846** |

*As at FY2026, approximately 99.8% of the Group's completed affordable homes have been sold.*

## MEETING ROBUST DEMAND FOR QUALITY AFFORDABLE HOMES IN PENANG

Scientex Jawi, our latest township development in Penang, reflects our continued commitment to expanding access to quality and affordable homes in well-connected locations.

Spanning 723 acres of freehold land, the integrated township brings together affordable residential and commercial components within a strategically located development offering convenient access to major highways and public transport. Residents also benefit from essential amenities in the surrounding area, including reputable schools, healthcare services, shopping centres and recreational parks, supporting the development of a vibrant and connected community.

During FY2026, we launched two phases of double-storey terrace homes comprising a total of 636 units. A testament to our strong market reputation and the robust demand for affordable homes, Scientex Jawi has received a strong response from homebuyers. The first phase achieved a 99% take-up rate, while the second phase recorded a take-up rate of 63% within just one month of launch.

The encouraging take-up reflects the importance of providing quality homes at accessible price points in Penang. Through Scientex Jawi, we contribute to broadening homeownership opportunities and supporting the housing needs of local communities.



*An artist's perspective of our development at Scientex Jawi*

PRODUCT INNOVATION

# Unlocking Sustainable Value Through Innovation

## WHY IT MATTERS

Innovation remains a fundamental driver of value creation and sustainable growth across our business (see "Our Drivers of Growth" on p. 36 of our IAR 2026). Guided by a forward-thinking and technology-driven approach, we continuously deliver value-added products and solutions with greater efficiency and capability, strengthening our position within the global FPP supply chain.

Innovation also plays a pivotal role in advancing our sustainability strategy. By developing recyclable FPP products that support the circular plastics economy, maximising the use of post-industrial recycled ("PIR") and PCR resins, and downgauging our products to reduce material consumption, we not only minimise our environmental footprint but also reinforce our reputation as a responsible, future-ready organisation trusted by stakeholders and investors.

## OUR APPROACH

### Leveraging a Strong Foundation for Innovation

Our innovation initiatives are underpinned by our state-of-the-art innovation centres and continued investments in new machinery, advanced technologies and factory enhancements, which totalled RM49.7 million in FY2026. These capabilities form the backbone of our R&D efforts, enabling the creation of advanced and environmentally sustainable FPP products and solutions.

As an integrated player in the FPP industry, we continue to strengthen our innovation capabilities through expertise spanning the development chain, from base films to laminating and converting them into finished products. This enables us to develop prototypes efficiently and cost-effectively while maintaining the flexibility to respond to changing market requirements. It also allows us to work closely with customers across the fast-moving consumer goods ("FMCG"), food and beverage ("F&B") and other consumer sectors to develop customised base films and recyclable multi-layered FPP structures from the ground up, effectively addressing evolving customer needs and market trends.

In FY2026, we invested
**RM49.7 million**
across the Group to drive innovation and continuous improvements

### Contributing to the Circular Plastics Economy

Circularity lies at the heart of our innovation journey. By rethinking our products and processes, we aim to create lasting value while minimising waste throughout the product life cycle.



| Stages of the Circular Plastics Economy | Description | How We Contribute |
|---|---|---|
|  **INNOVATE** | Innovation of recyclable FPP solutions that accelerate the transition towards a circular plastics economy | • Collaborating with customers to design recyclable multi-layered FPP structures that can effectively replace existing non-recyclable structures<br>• Continuously investing in the innovation of additional recyclable packaging solutions to meet growing market demand<br>• Continuing to offer packaging products incorporating PCR content manufactured at our ISCC PLUS-certified plants |
|  **PRODUCE** | Production of FPP solutions that enable enhanced:<br>• Protection of goods during transit<br>• Consumer convenience<br>• Hygiene and safety<br>• Food waste reduction | • Enhancing the energy efficiency of our production processes<br>• Utilising recycled resin wherever practicable to reduce reliance on virgin resin<br><br>*For more information, please refer to the "Reducing Energy Consumption and Emissions" topic on p. 57* |
|  **CONSUME** | Consumption of FPP by manufacturers across various industries, as well as end consumers | • Collaborating with the MPMA to educate consumers and the public on the responsible disposal of packaging waste after use |
|  **WASTE MANAGEMENT** | Management of industrial waste (i.e. plastic trimmings) and waste disposed of by end users | • Collecting and segregating recyclable plastic trimmings and other waste materials for recycling<br><br>*For more information, please refer to the "Responsible Waste Management" topic on p. 48* |
|  **RECYCLE** | Recycling collected waste into PCR or PIR resin for reuse in production | • Recycling waste collected from our production processes into PIR resin, which is subsequently used as a production input for manufacturing FPP products.<br>• Procuring PCR resin from our suppliers as a substitute for virgin resin.<br>• Collaborating with a plastic pallet manufacturer to recycle general plastic waste into new pallets for transporting our goods<br><br>*For more information, please refer to the "Optimising Consumption of Materials" topic on p. 53* |

## Meeting Industrial and Consumer Needs

Through continued investment in our innovation capabilities, we are well-positioned to deliver sustainable solutions across diverse packaging formats and market segments, meeting the evolving needs of both industrial and consumer customers.



### INDUSTRIAL PACKAGING SOLUTIONS

Catering to customers primarily in heavy industries such as the petrochemical, oleochemical, logistics and warehousing sectors



### KEY INNOVATION INITIATIVES

- Downgauging our films for greater resource efficiency and enhanced quality and performance attributes
- Developing products with a proportion of PIR or PCR resin as an input



### CONSUMER PACKAGING SOLUTIONS

Predominantly serving customers in the FMCG and F&B sectors



### KEY INNOVATION INITIATIVES

- Developing mono-material laminates for recyclable plastic packaging structures
- Developing compostable and biodegradable packaging
- Developing products with a proportion of PIR or PCR resin as an input
- Developing paper-based laminates

The following pages highlight our sustainable innovations across the industrial and consumer packaging sectors. Further insights into our innovation and R&D efforts can be found in the "Operational Review – Packaging section" on p. 61 of our IAR 2026.

# INDUSTRIAL PACKAGING INNOVATIONS

## Downgauging our Stretch Films

We are committed to reducing material use and carbon emissions through the downgauging of our stretch films, minimising thickness without compromising quality and performance.

As one of the world's leading stretch film manufacturers, we have achieved significant milestones over the years. Our portfolio today includes the Elite Series films (8 to 12 microns thick), the Nano 6 Series film (6 microns thick) and an ultra-thin 4.5-micron film with reinforced edges, among the thinnest stretch films in the world produced directly from a cast line machine in a single process.

We also utilise our advanced Nano 67-layer stretch film cast line to produce stretch films designed specifically for high-speed wrapping machines under our Nano Ultra XE product line. These highly stretchable films reduce material consumption by up to 50% while fully meeting the rigidity and load safety requirements of EUMOS 40509:2020. We further reduced the film thickness from 10 to 9 microns, introducing the Nano Ultra XE-9 stretch film to further lower the carbon footprint of stretch films used in high-speed wrapping machines.

## Sustainable Packaging for Powdered Products

Powdered products demand highly specialised packaging, and we remain committed to meeting these requirements with high-quality FPP structures that are also recyclable.

Our trademarked Ventiflex range provides innovative recyclable packaging solutions for heavy-duty, moisture-sensitive and fine powder products. Available in both VentiFlex Form-Fill-Seal ("FFS") and VentiFlex Valve Sack ("VS") formats, these solutions feature integrated venting systems and sift-proof films that allow excess air to escape during high-speed filling without compromising product integrity.

We supply these recyclable packaging solutions to various companies, including one of Malaysia's largest chemical producers and a leading lime producer, helping them advance their sustainability commitments. Strengthening our sustainability efforts further, we have also successfully downgauged our VentiFlex FFS products to reduce their environmental footprint.

## Integrating Recycled Resin Within Our Products

We continue advancing plastic circularity by developing products that incorporate PCR or PIR resin, reducing reliance on virgin resin while supporting greater resource efficiency across our product portfolio.

Building on our existing innovations, we continue to offer coated polypropylene ("PP") strapping bands manufactured using PIR resin derived from metallised and printed film waste from our own film and converting plants. We also offer low-density polyethylene ("LDPE") collation shrink films containing 30% PCR content for aluminium canned beverages and plain LDPE collation shrink films containing 30% PIR content for carbonated beverages.

In FY2026, we further expanded our sustainable packaging portfolio with the commercialisation of plain LDPE stretch hoods containing 30% chemically recycled PCR resin, produced at our ISCC PLUS-certified facility. We also collaborated with a plastic recycler to develop FFS packaging incorporating 40% PCR content, demonstrating our continued commitment to increasing recycled content in our packaging solutions while maintaining product quality and performance.




*A sample of our FFS packaging containing 40% PCR resin*

To further strengthen circularity within our operations, we established a closed-loop recycling system with one of our raw material suppliers. Under this initiative, used FFS packaging is collected, recycled and incorporated into new packaging containing 30% PCR resin before being supplied back to the same supplier for use in their operations, reinforcing a shared commitment to responsible resource use within our supply chain.

# CONSUMER PACKAGING INNOVATIONS




*We are continually innovating to develop a wider range of recyclable FPP solutions*

## Innovating Recyclable FPP Solutions

We continue to advance the development of mono-material laminates, in which a single type of resin is used across the layers of the packaging structure to enhance recyclability.

As the first company in Malaysia to commercialise such structures, we have continued enhancing their barrier properties and heat-sealing performance to broaden their applications across a wider range of industries. These innovations help customers replace non-recyclable packaging while supporting the transition towards a circular plastics economy.

Our efforts include partnering with brand owners to convert more of their packaging into mono-material, multi-layered laminated FPP structures, supporting their sustainability ambitions.

We continued to offer a range of recyclable FPP solutions with metallised properties for a variety of packaging applications, including products such as snacks, cereals, oats, frozen food, powdered drinks and chocolate bars, eliminating the need for polyethylene terephthalate ("PET") content. These solutions are available in various formats, including gusseted bags, pillow pouches, three-side seal pouches and cold seal bar wrappers.




*A sample of our recyclable metallised stand-up pouch for chocolate products*

In developing these recyclable packaging solutions, we also addressed specific customer requirements. For example, our chocolate bar wrapper incorporates a cold seal function for pressure sealing heat-sensitive products, enabling easy opening while supporting faster and more efficient packaging processes.

### Manufacturing Sustainable Base Films

To support the development of mono-material laminates, we manufacture specialised base films that serve as one of the key components in recyclable FPP solutions.

We manufacture flexo-grade oriented polypropylene ("OPP") films for packaging applications. Our in-house developed biaxially oriented polypropylene ("BOPP") and metallised oriented polypropylene ("MOPP") films support the development of recyclable FPP structures that meet stringent quality, barrier and heat-sealing requirements. By developing these structures locally, we can reduce reliance on imported films, contributing to lower transportation costs and associated GHG emissions.

We have also developed a resilient, high-integrity retort cast polypropylene ("CPP") film as a practical and cost-effective alternative to cans in food packaging, together with a range of recyclable high-barrier MOPP films that offer enhanced adhesion and barrier performance compared with conventional foil and metallised polyester.

Leveraging our R&D facilities, we work closely with customers to develop customised film solutions and enhance the barrier properties of our base films, improving aroma, oxygen and moisture resistance to extend product shelf life while strengthening the competitiveness and sustainability of our Packaging Division.

One of our latest innovations is a high-impact CPP film incorporating a low seal initiation temperature ("SIT") variant. The high-impact film supports the production of larger, heavier-load packaging, such as 5 kg and 10 kg rice packs, due to its exceptional puncture resistance and impact durability. The low SIT variant enables sealing at lower temperatures, reducing energy consumption and increasing packaging speed, making it particularly suitable for heat-sensitive products such as 2.5 kg pet food packaging. Additionally, the CPP base film supports the production of recyclable packaging that can replace nylon and PET content.

### Utilising Recycled Resin Where Possible

In line with our industrial packaging innovations, we continue to provide consumer packaging products that incorporate PCR resin, helping brand owners reduce their reliance on virgin plastic resin.

Looking ahead, we will continue to collaborate with customers to develop FPP packaging with PCR resin content across a broader range of products and applications.

## OUR PERFORMANCE

In FY2026, we undertook 222 R&D projects across our operations, resulting in the successful commercialisation of 42 innovations across the Group.

We remain committed to investing in efficiency improvements and cutting-edge production techniques to reduce the environmental footprint of our products, reinforcing our position as a trusted provider of sustainable packaging solutions while deepening relationships with our customers.

## OUR RANGE OF SUSTAINABLE PACKAGING SOLUTIONS

Our enduring focus on advancing the circular plastics economy through innovation has enabled us to build a broad range of sustainable packaging solutions for both industrial and consumer markets. This progress has strengthened our business while allowing us to contribute positively to the environment.

### Resource-Efficient Innovations




Stretch films



Eco-friendly polyethylene ("PE") valve sacks

### Recyclable Mono-Material Laminates





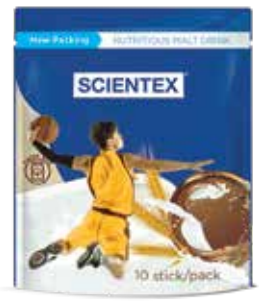





### Packaging with Recycled Content such as PCR/PIR




### Recyclable Paper-Based Packaging






ECONOMIC VALUE CONTRIBUTED

# Delivering Sustainable Value for Our Business, Stakeholders and Countries of Operation

## WHY IT MATTERS

Our packaging and property development operations generate significant economic value each year, creating benefits that extend across our stakeholders and the communities in which we operate. By directing this value to our stakeholders and supporting national development priorities, particularly in Malaysia, we contribute to stronger local economies, improved livelihoods and more resilient communities.

## OUR APPROACH

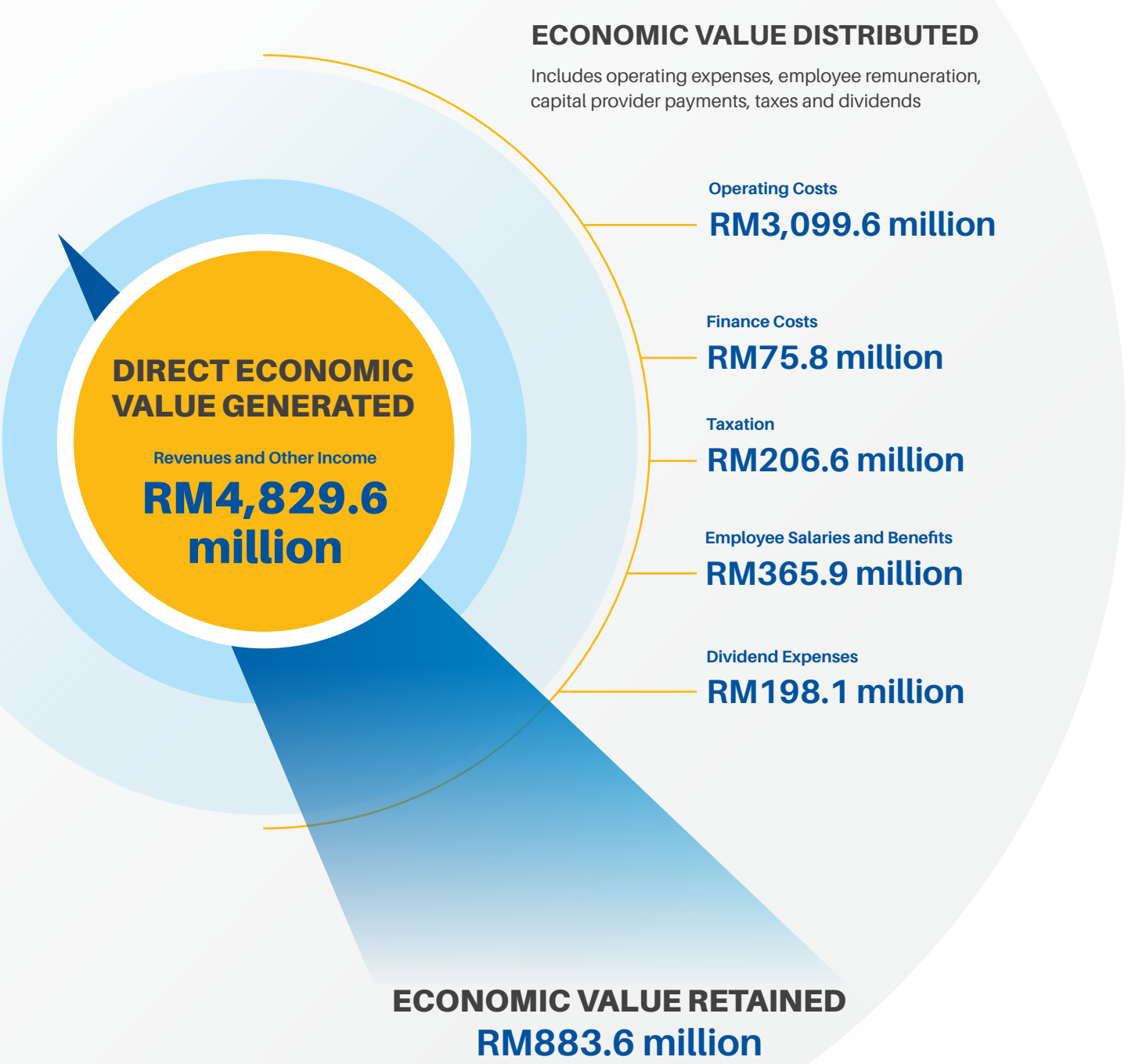
We generate and distribute economic value through the taxes we pay, employment opportunities we create, suppliers we engage and profits we reinvest in our business and sustainability initiatives. Collectively, these contributions support socioeconomic progress, enhance the well-being of local communities and strengthen the resilience of the economies in which we operate.

Beyond these economic contributions, we seek to maximise our positive impact by pursuing strategies that create shared and sustainable value for both our business and stakeholders. These strategies are outlined below, along with the value we generate for each group.

| STAKEHOLDERS | THE VALUE WE GENERATE |
|---|---|
| **Customers**<br>We place the utmost priority on delivering products and services that meet high standards in quality, reliability, safety and convenience, while continuously innovating our products and processes to meet evolving customer demands and market trends | • High-quality packaging products that meet the stringent requirements of our customers<br>• Sustainable and recyclable packaging products that use less raw materials and energy, and generate less waste<br>• Affordable housing that improves quality of life and promotes greater fairness and equality in homeownership |
| **Suppliers**<br>We support local suppliers and their products wherever practicable, striving to maintain long-term relationships with our supplier base to support their business growth and drive economic value creation | • Enhanced ability of long-term suppliers to expand their operations and provide employment opportunities<br>• 100% of materials used in our Property Division are procured from local suppliers |
| **Employees**<br>We hire local talent wherever possible, and provide our workforce with an inclusive work environment, fair employment benefits and a range of training and development opportunities to support their professional growth | • Wages and benefits paid to members of our workforce<br>• Development of relevant skills and capabilities, and enhanced career advancement opportunities, as a result of training and development initiatives |
| **Governments and Regulators**<br>We ensure that our operations are carried out with strict compliance to all applicable rules and regulations, while also fulfilling statutory contributions to governments | • Taxes paid to national governments<br>• Associational benefits derived from our adherence to best practices in corporate governance<br>• Continued support of government-led sustainability initiatives, including through our provision of affordable homes for the middle-to-lower-income groups and our innovations that support the circular plastics economy, in line with the MPSR 2021-2030 |
| **Investors and Shareholders**<br>We commit to best practices in corporate governance and stewardship, supported by our Group-wide policies, to maintain discipline and accountability at all levels of our organisation | • Consistent dividends paid to shareholders<br>• Associational benefits derived from our adherence to best practices across the ESG spectrum |
| **Local Communities**<br>We undertake community investments and participate in initiatives and projects that bring benefit to local communities, either directly through financial investment or indirectly through the development of skills and capabilities amongst community members | • Investments made towards community development programmes<br>• Townships that offer holistic community services and catalyse job opportunities, driving economic empowerment and community enrichment |

## OUR PERFORMANCE

In FY2026, we continued to generate and distribute significant economic value across our stakeholder groups. A total of RM3,946.0 million was distributed to suppliers, shareholders, employees, governments and other stakeholders, while RM883.6 million was retained to support the Group's long-term business growth ambitions.





# For the Betterment of the Environment


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RESPONSIBLE WASTE MANAGEMENT

# Advocating Responsible and Circular Practices

## WHY IT MATTERS

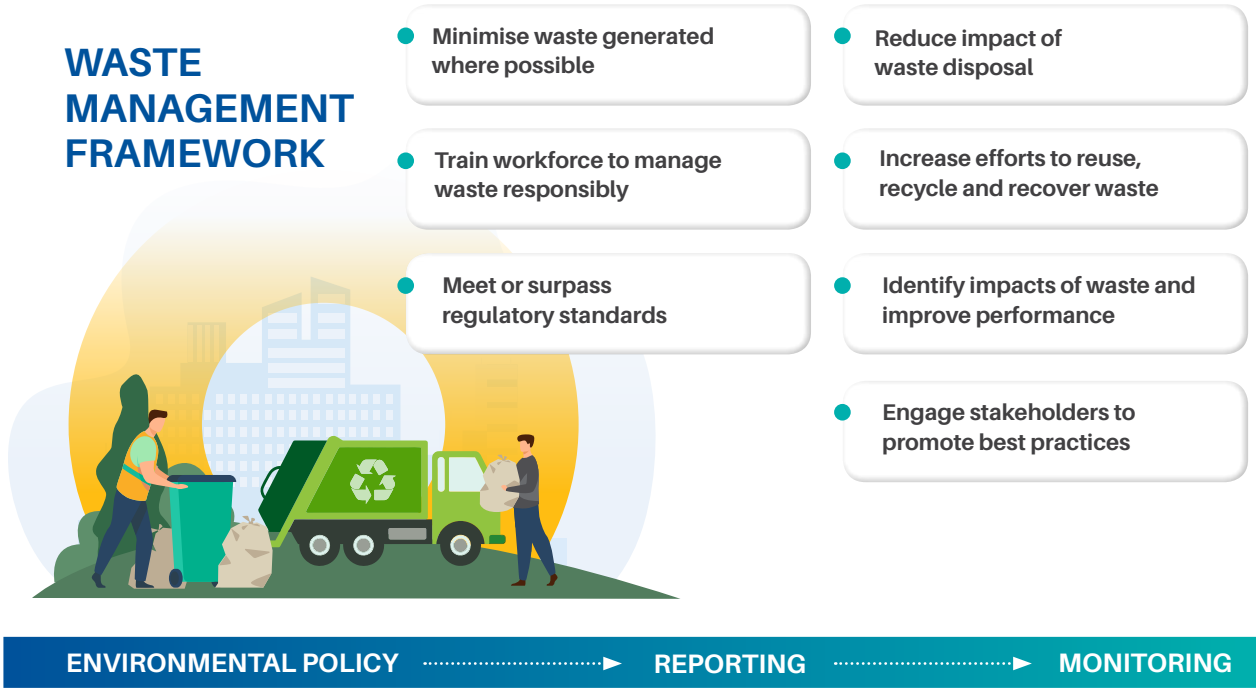
As a responsible corporate citizen, we support the global transition towards a circular economy by advocating solutions that minimise negative waste impacts across both our production processes and the lifecycle of our products.

This commitment continues to grow in importance as legislation on plastic circularity evolves worldwide, and stakeholders place greater emphasis on responsible waste management, which is essential to maintaining our reputation and supporting our long-term sustainability.

## OUR APPROACH

### Adhering to our Waste Management Framework

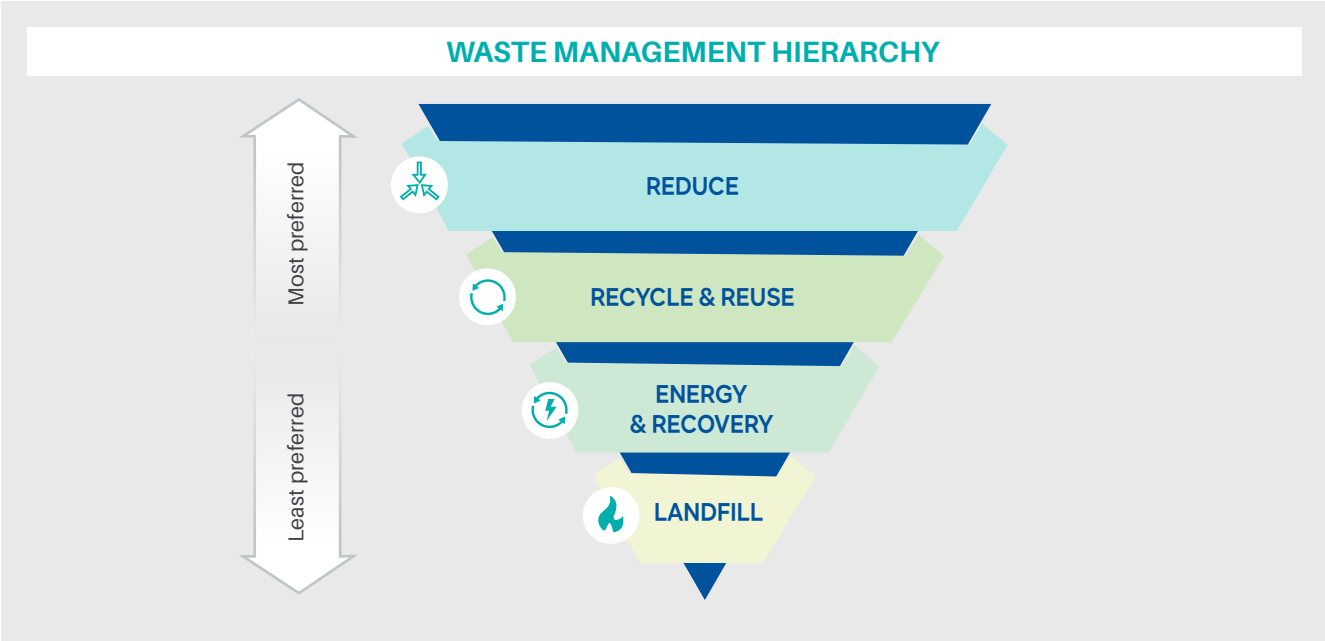
Our multifaceted approach to waste management is guided by a well-defined framework, illustrated below, which ensures our efforts extend across various key areas of focus.




Guided by our Group-wide Environmental Policy and supported by established monitoring and reporting practices, our framework outlines clear strategies to reduce the environmental impacts of waste across our operations. It focuses on minimising waste generation and promoting the responsible utilisation of materials. This includes limiting landfill disposal, continuing to offer recyclable mono-material laminates and incorporating PCR resin to support the circular plastics economy. The framework also promotes broader initiatives, including engaging stakeholders on responsible waste management, ensuring compliance with evolving regulations, and providing staff with ongoing training and development.

Competent persons or management representatives at each business premise support the effective implementation of this framework by monitoring waste management practices and ensuring alignment with our standards. Performance is regularly reported to management through monthly meetings, with key findings and recommendations subsequently shared with the EXCO for review and action.

Complementing this framework, our waste management hierarchy guides teams across the Group to prioritise the most impactful and environmentally responsible actions. Reducing waste at source through improved processes and product design remains our primary focus. Where this is not feasible, waste is recycled or reused, or converted into energy where possible. Disposal to landfill is considered only as a last resort, in full compliance with applicable regulations and recognised best practices.




## Reducing Waste Through Innovation

Waste reduction remains a key focus of our innovation efforts (see p. 38). We aim to minimise environmental impacts by downgauging our films, developing recyclable and compostable FPP solutions, and continuously improving our production processes to become more material-efficient and less waste-intensive.

### Downgauging Films

We continue to downgauge our stretch films and other industrial and consumer packaging products to optimise resin usage and reduce incidental raw material waste during production. Our ongoing innovation efforts have resulted in the commercialisation of market-leading stretch films, highlighted by our ultra-thin 4.5-micron film with reinforced edge and 9-micron Nano Ultra XE-9 stretch film solution for high-speed wrapping machines.

By reducing film thickness without compromising quality or performance, our customers are able to use less material in their respective operations, thereby lowering waste generation across the value chain while improving efficiency and supporting sustainability.

### Advancing Sustainable Packaging Solutions

In line with the transition towards a circular plastics economy, we continue rethinking product design by developing recyclable mono-material laminates that utilise only one type of plastic resin within their structure. This supports recycling efforts by replacing complex multi-material structures, such as those incorporating aluminium foil or nylon, with recyclable alternatives while maintaining product quality and functionality.

These innovations are already applied across our consumer product portfolio, particularly in food packaging, where enhanced recyclability helps reduce end-user waste without compromising barrier performance.

### Continuing PCR Utilisation

We continue incorporating the use of PCR resin across our packaging portfolio, giving used plastics a second life and recycling consumer waste that would otherwise have ended up in landfills.

Our use of PCR resin across a range of packaging applications includes the recent commercialisation of a coffee stick pack with 50% PCR resin and a new FFS

packaging with 30% PCR content. The latter was developed in collaboration with our raw material supplier and utilises packaging previously used to deliver goods to our business, forming a closed-loop initiative that reinforces circularity across our customer-supplier partnerships.

In FY2026, we further integrated recycled PCR resin into our FPP solutions, including stretch hoods and FFS packaging. Leveraging virgin-grade recycled material derived from highly diverse waste streams, these innovations further enhance the sustainability and circularity of our packaging solutions.

All of these products are manufactured at our ISCC PLUS-certified facilities, ensuring the traceability of recycled materials throughout the supply chain through a mass balance approach.

### Advancing Waste-Conscious Production Processes

Complementing our product-centric waste management efforts, we continue to progressively enhance the efficiency of our production processes through initiatives that reduce waste and minimise the use of hazardous materials. Key initiatives include:

- Solventless lamination, which eliminates solvent use and disposal during the lamination of our FPP products; and
- Extended Colour Gamut ("EXG") printing, which reduces solvent and ink consumption during the printing process.

A notable recent development is our internally developed pitch monitoring system, which continuously monitors the dry lamination process to ensure consistent alignment, improve product quality consistency and minimise material waste. These enhancements also empower greater precision in cutting and sealing during our customers' packaging operations and support more reliable performance when used in our customers' high-speed packing lines, contributing to waste reduction across the value chain.

### Recycling Waste Wherever Possible

In line with our waste management hierarchy and commitment to plastic circularity, we continue to reuse and recycle production waste wherever possible. Key examples include:

- Recycling leftover metallised film trimmings into high-quality strapping bands;
- Using resin recycled from metallised film waste to produce side disk protectors that safeguard our film roll ends during transportation;
- Collaborating with our plastic pallet supplier to recycle general plastic waste into pallets for product delivery; and
- Selling excess recycled resin and recyclable waste to third parties for use in their production processes.

Waste that cannot be recycled is channelled for conversion into Processed Engineered Fuel ("PEF") where appropriate, in accordance with our waste management hierarchy. In FY2026, 3,426 MT of waste was converted into PEF.

### Disposing of Scheduled Waste Responsibly

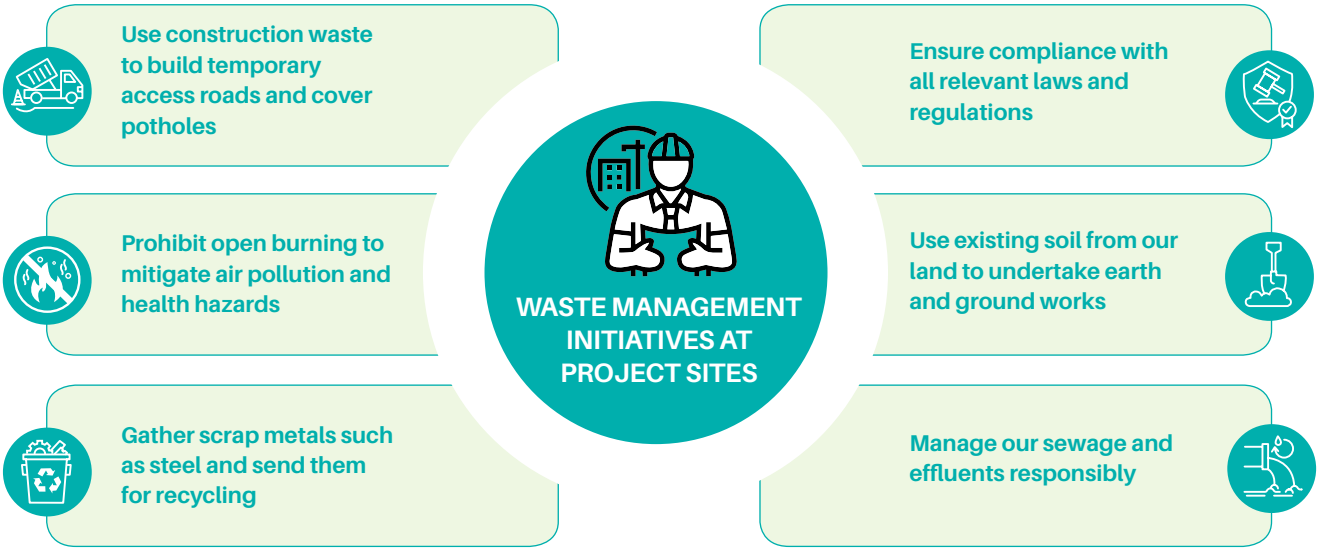
Scheduled and hazardous waste is managed in strict adherence to the Environmental Quality (Scheduled Wastes) Regulations 2005, as issued by Malaysia's Department of Environment ("DOE"), and other applicable regulatory requirements. Competent personnel at each site generating scheduled waste oversee these regulated waste management processes, supported by practices such as:

- Managing and updating the Electronic Scheduled Waste Information System ("eSWIS");
- Ensuring the secure storage of hazardous waste, segregated from production areas; and
- Coordinating proper scheduled waste disposal through certified contractors.

Our operations also generate a small volume of water effluents, which are managed in accordance with the Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B) and other applicable standards. To ensure effluent quality remains within regulatory limits, we conduct periodic assessments through third-party analyses and carry out regular inspections of storage and management practices to prevent leaks and potential contamination of natural water bodies.

### Reducing Waste in Property Development

In our Property Division, we take a proactive approach to waste management, focusing on reducing material use and minimising disposal wherever possible. This approach is guided by the waste management initiatives outlined on the following page, which are aligned with the Environmental Quality Act 1974.




The above initiatives are further complemented by the expanded use of IBS construction techniques to enable more precise use of building materials and minimise waste throughout the construction process. We are also progressively replacing timber and wood formworks with longer-lasting steel and aluminium formworks, which reduce construction waste through their extended reusability lifespans.

In FY2026, we began introducing the use of Ground Granulated Blast Furnace Slag ("GGBS") as a sustainable partial replacement for Ordinary Portland Cement ("OPC") in our concrete mixes. Utilising GGBS enhances concrete strength and durability while supporting circular economy practices by repurposing industrial steel and iron by-products and reducing reliance on virgin raw materials such as limestone and clay.

### Cultivating Responsibility at All Levels

Our approach to responsible waste management also encompasses fostering a culture of environmental responsibility across our workforce.

Our Back to Earth programme (read more in our "Contributing to Local Communities" topic on p. 80) continues to encourage employees to participate in food composting, demonstrating how everyday actions can make a tangible difference and contribute to a more circular economy. Alongside this, our Reduce, Reuse and Recycle ("3R") initiatives provide dedicated bins for recyclable plastics and paper.

We also continued our fabric recycling efforts in FY2026, with over 600 kg of fabric waste donated and recycled that would otherwise have ended up in landfills. This is particularly significant as synthetic materials can take decades to decompose, potentially releasing harmful chemicals and GHG emissions. Our previous Group-wide e-waste recycling drives also helped reduce the disposal of obsolete electrical and electronic equipment in landfills, while encouraging employees to extend responsible recycling practices beyond the workplace.

Meanwhile, our Property Division continues to promote resource efficiency through the use of QR codes for sales brochures, reducing paper usage and wastage across its operations.




*Giving fabric waste a second life through our fabric recycling initiative*

## OUR PERFORMANCE

Guided by our Waste Management Framework, we continued to effectively manage our overall waste footprint and limit landfill disposal in FY2026.

Data on scheduled waste is captured through the eSWIS and supported by waste transfer notes. 100% of scheduled waste was collected by DOE-licensed contractors for off-site treatment in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

| Type of Waste by Metric Tonne (MT) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **Scheduled (Hazardous) Waste** | **1,421** | **1,476** | **1,379** |
| **Total Non-Hazardous Plastic Waste** | **11,594** | **11,499** | **13,763** |
| - Recycled | 7,359 | 6,751 | 7,972 |
| - Recycled (Converted to Energy) | 2,650 | 3,053 | 3,426 |
| - Non-Recycled (Others) | 1,585 | 1,695 | 2,365 |

| Waste as a Percentage of Output (%) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **Scheduled (Hazardous) Waste** | **0.5** | **0.6** | **0.5** |
| **Total Non-Hazardous Plastic Waste** | **4.5** | **4.4** | **5.2** |
| - Recycled | 2.9 | 2.6 | 3.0 |
| - Recycled (Converted to Energy) | 1.0 | 1.2 | 1.3 |
| - Non-Recycled (Others) | 0.6 | 0.6 | 0.9 |

In FY2026, scheduled (hazardous) waste decreased to 1,379 MT, down 6.6% year-on-year and representing 0.5% of output. Meanwhile, total non-hazardous plastic waste rose to 13,763 MT, or 5.2% of output. Of this amount, 7,972 MT was recycled and 3,426 MT was converted to energy.

### Compliance

There were no material instances of non-compliance with scheduled waste disposal requirements during FY2026.

OPTIMISING CONSUMPTION OF MATERIALS

# Using Materials Efficiently and Responsibly

## WHY IT MATTERS

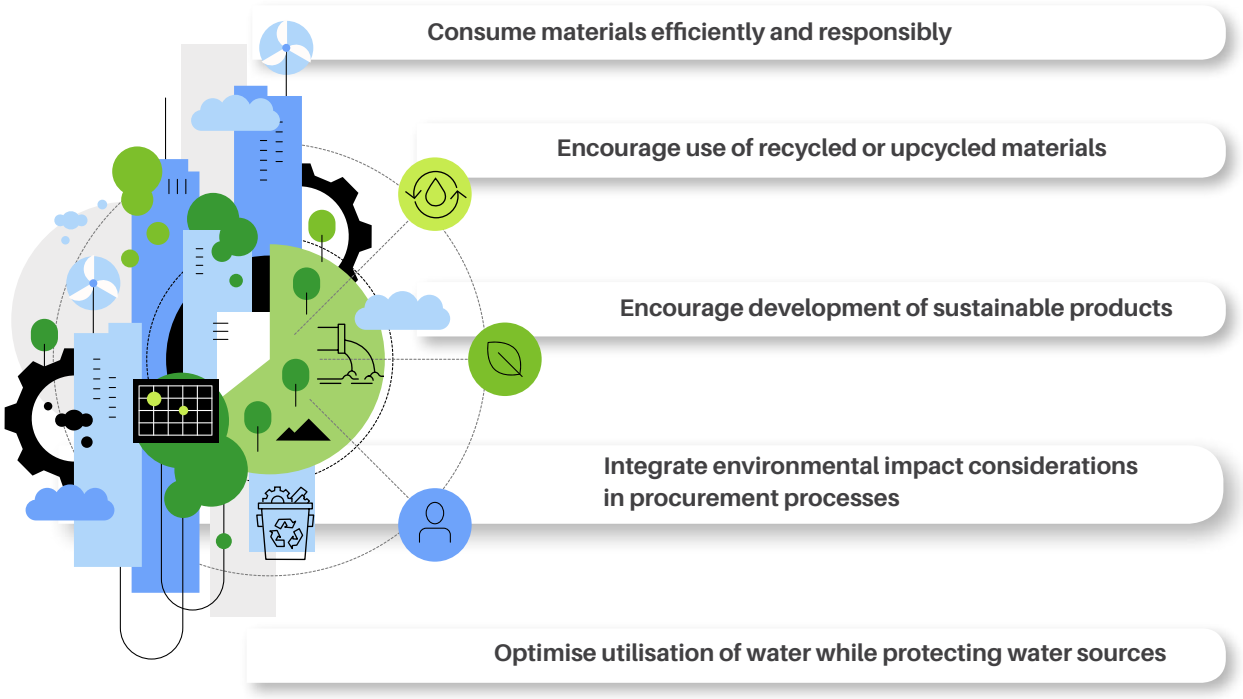
Our business activities as a producer of FPP and a developer of quality affordable homes and townships involve the use of natural resources as key production inputs. Accordingly, we adopt a responsible approach to sourcing and utilising materials to minimise potential negative environmental impact.

We focus on three key priorities: creating products and processes that use fewer resources, incorporating recycled and recyclable materials, and using sustainably sourced materials wherever feasible. Through these efforts, we strive to sustain our growth while preserving the planet's natural resources.

## OUR APPROACH

Responsible material management is embedded within our Group-wide Environmental Policy and guided by both national and international industry standards. The policy outlines key practices that direct our teams across the Group, as illustrated below.

### RESOURCE UTILISATION GUIDELINES IN OUR GROUP-WIDE ENVIRONMENTAL POLICY




These practices promote a whole-of-lifecycle approach to material management, from procurement and production to recycling waste into resin that can be reused in production.

### Increasing Our Use of PIR Resin

We have expanded our in-house recycling capacity through additional recycling machines across our manufacturing plants, enabling us to recycle incidental production waste, including plastic trimmings and other recyclable waste, into reusable PIR resin, thereby helping to minimise virgin resin consumption.

We continue to undertake consistent efforts to improve the quality of our PIR resin and our efficiency in producing it, including through relocating recycling machines and redesigning recycling processes wherever opportunities are identified. One of our plants has also installed an in-line recycling unit to capture trimmings directly during blown film extrusion, allowing same-category trimming waste to be recycled into cleaner, more homogeneous and higher-grade resin for reuse.

Building on these initiatives, we utilise a direct-to-silo resin transfer system in our recycling processes. By eliminating manual handling during resin transfer, the system reduces contamination risks, maintains resin quality and improves operational efficiency through lower labour dependency.



*Expanding in-house recycling capacity with additional recycling machines*

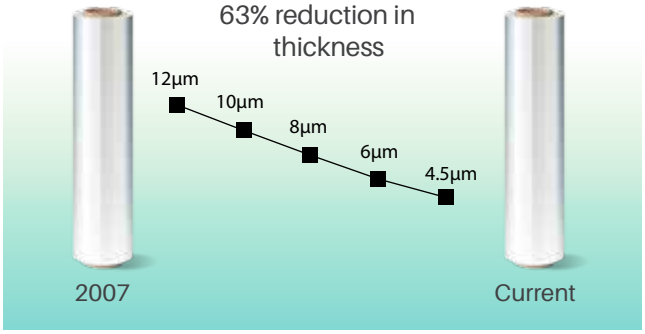
Our PIR resin recycling efforts also support product innovation. Examples include a sustainable coated PP strapping band, co-created with a business partner and produced entirely from PIR resin recycled from excess plastic derived from our metallised and printed film production, as well as a plain LDPE collation shrink film containing 30% PIR for carbonated beverages. The coated PP strapping band demonstrates how we upcycle production waste into a high-value packaging solution, while the use of PIR resin in the LDPE collation shrink film supports circularity across our operations.

## Developing Resource-Efficient Products

Our ongoing efforts to downgauge stretch films and other industrial products contribute meaningfully to minimising the amount of resin required for production without compromising quality, performance and essential product properties such as hygiene and protection.

Since 2007, the thickness of our stretch film hand rolls has been reduced by 63%, resulting in lower raw material consumption as well as reduced storage and distribution costs across the value chain.

**Downgauging of stretch film hand rolls**




A key milestone was the launch of the 9-micron Nano Ultra XE film, designed for high-speed wrapping machines while maintaining excellent puncture resistance and clarity. Building on these downgauging efforts, in FY2026 we further reduced the thickness of our FFS packaging for an existing customer application from 130 microns to 110 microns, while maintaining its performance and protective properties. This enabled material savings and a lower environmental footprint.

## Leveraging Innovative Technologies to Optimise Resource Use

Advanced tools and technologies continue to play a key role in improving resource utilisation efficiency across both business divisions.

Within our Packaging Division, we reduce solvent and ink consumption through Extended Colour Gamut ("EXG") and Combination Printing technologies. In FY2026, we further enhanced production efficiency by investing in an automated mixer for solvent-based adhesives, improving blending accuracy and consistency, thereby minimising manual intervention and material wastage. Where possible, we also reuse materials for packing, wrapping and bundling our packaging products.

Within our Property Division, we apply the IBS construction technique, where formwork components are manufactured off-site and then assembled on-site. Combined with standardised home designs, this approach enables more precise planning of material requirements and ensures efficient allocation throughout the construction process.

We also utilise metal formworks, such as steel and aluminium, which offer greater reusability than conventional timber and plywood formworks, helping to reduce reliance on natural resources and minimise construction waste. For high-rise projects, we deploy self-climbing platforms that move upwards as construction progresses and can be reused multiple times without significant degradation, unlike traditional scaffolding. This eliminates the need for full scaffolding structures made from steel and other materials, reducing our overall material consumption footprint.

### Prioritising Sustainably Sourced Materials

Responsible material use extends beyond efficiency to ensuring materials are sourced responsibly while safeguarding natural resources and supporting long-term environmental sustainability.

To achieve this, we prioritise working with suppliers that meet recognised sustainability standards and, wherever feasible:

- Procure from suppliers certified by the Forest Stewardship Council ("FSC"), ensuring materials come from responsibly managed forests.
- Source from suppliers certified by the Aluminium Stewardship Initiative ("ASI"), which promotes environmental, social and ethical standards across the aluminium value chain.

During FY2026, our Property Division adopted a blended cement solution that partially substitutes OPC with GGBS, reducing reliance on virgin raw materials while lowering the carbon footprint of our concrete mixes.

Through these collective efforts, we continue to contribute to sustainable resource extraction and seek to minimise our broader ESG impacts.

### Maintaining a Responsible Approach to Water Consumption

Across our operations, we remain committed to using water efficiently and responsibly, minimising wastage and reducing pressure on municipal water supplies.

Our Packaging Division continues to utilise a closed-loop cooling system that recirculates water used in cooling towers, reducing both evaporation and waste. We have also installed a wastewater recycling system that treats and redirects the treated water back into the cooling towers, lowering freshwater demand and wastewater discharge.

Rainwater harvesting systems have also been implemented across several manufacturing and property development sites, with harvested water utilised for general cleaning, toilet flushing and landscape irrigation. At the same time, we continuously monitor water usage across our facilities and promptly address any irregularities, supported by routine maintenance of plumbing and flushing systems to prevent water leakages.

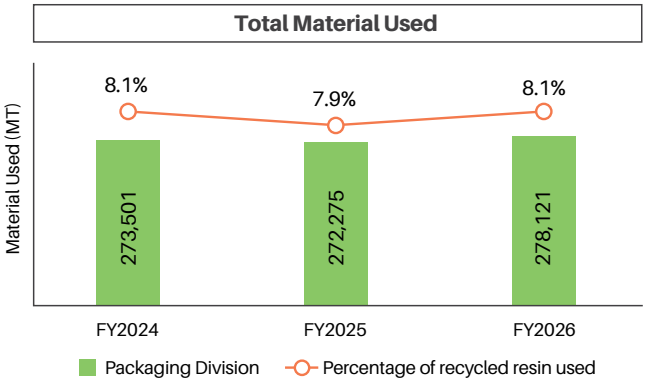
Although water remains a relatively small production input, these initiatives reflect our proactive approach to safeguarding this vital resource. Accordingly, we continued to record no material incidents of non-compliance with water use or quality regulations during FY2026.

Currently, only one of our 18 plants – located in Phoenix, Arizona, USA – is in a 'water-stressed area', as identified by the World Resources Institute's ("WRI") Aqueduct and the World Wide Fund for Nature's ("WWF") Water Risk Filter.

## OUR PERFORMANCE

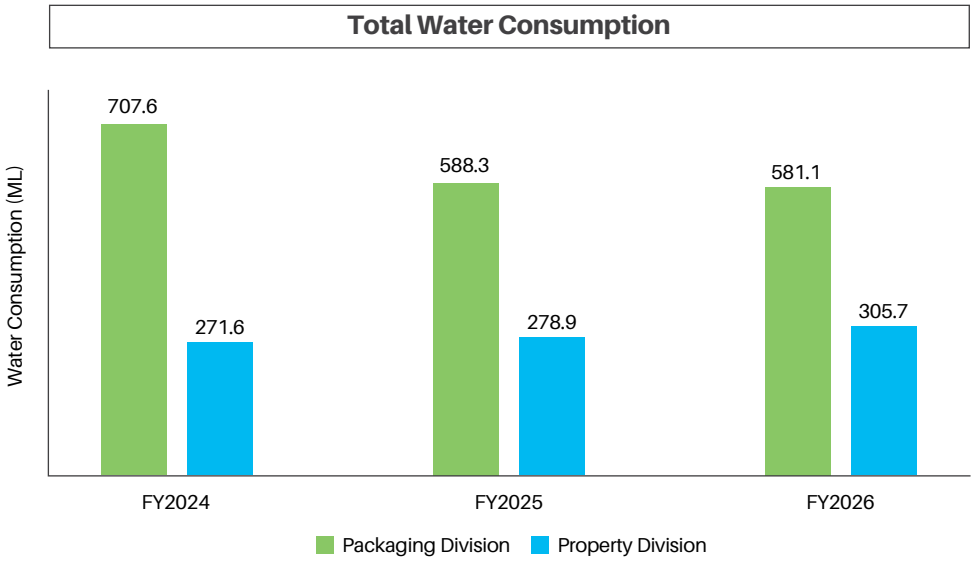
Although higher production activity necessitates greater material consumption, we continue to monitor the use of key inputs across our Packaging Division, such as resins, masterbatches and additives, to promote responsible resource use. We also closely track the proportion of recycled resin used in our processes and continue expanding its application wherever feasible.

### Materials Used




| Materials Used (MT) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Packaging Division | 273,501 | 272,275 | 278,121 |

## Water Consumption and Intensity




| Water Consumption (ML) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Packaging Division | 707.6 | 588.3 | 581.1 |
| Property Division | 271.6 | 278.9 | 305.7 |
| **Group** | **979.2** | **867.2** | **886.8** |

| Water Consumption Intensity | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Intensity Per Unit of Output - Packaging Division (ML/MT) | 0.0027 | 0.0023 | 0.0022 |
| Intensity Per Unit of Revenue - Property Division (ML/RM million) | 0.1444 | 0.1371 | 0.1377 |

In FY2026, total water consumption increased by 2.3% to 886.8 ML. Water consumption intensity in the Packaging and Property Divisions remained relatively consistent at 0.0022 ML/MT and 0.1377 ML/RM million, respectively.

In the Property Division, total reported water consumption also includes water drawn from rivers, with additional details provided separately below.

| Water Consumption (ML) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Surface water | 97.3 | 89.9 | 93.6 |

In the Packaging Division, meanwhile, total reported water consumption includes water used at our manufacturing facility in Phoenix, Arizona, which is classified as a water-stressed region. A separate disclosure outlining water usage at this site is provided below:

| Water Consumption (ML) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Phoenix Manufacturing Facility | 1.7 | 1.8 | 1.5 |

REDUCING ENERGY CONSUMPTION AND EMISSIONS

# Driving Responsible Energy Management

## WHY IT MATTERS

As global efforts towards decarbonisation continue to progress, we recognise the importance of adopting business practices that reduce our operational energy consumption while supporting our environmental sustainability efforts.

By improving energy efficiency, investing in lower-carbon technologies and utilising renewable energy where feasible, we seek to optimise resource use, reduce our environmental impacts and support our response to climate change.

**This section focuses on energy consumption and management,** while GHG emissions and related climate disclosures are presented in our ISSB Sustainability Statement (pp. 83-92).

## OUR APPROACH

### Optimising Energy Use

Our energy management approach prioritises improving energy efficiency and reducing reliance on grid power. This is achieved through machinery and equipment upgrades, the adoption of energy-efficient technologies, the use of eco-conscious materials and optimised production processes that reduce energy consumption.

At the same time, we continue to utilise renewable energy across our operations while exploring additional opportunities to optimise energy consumption across our operations and value chain.

### Embracing Energy-Efficient Technology

We continuously monitor and identify opportunities to improve energy performance by investing in advanced technologies and energy-efficient machinery. These initiatives help optimise energy use and enhance operational efficiency, while also reducing our carbon footprint across our operations. Key initiatives and their associated benefits are outlined below:

| Initiative | Description | Energy Optimisation Benefits |
|---|---|---|
| **Utilising energy-saving extruder screws** | Our Nano 67-layer cast stretch film line has been equipped with customised extruder screws that require less heating | Reduces electricity consumption per unit of output by 15% compared with conventional machines |
| **Installing compressors with variable speed drive control** | New compressors with variable speed drive control have been adopted for manufacturing processes that require high-pressure compressed air | Reduces the energy required to produce high-pressure compressed air by 30% |
| **Utilising efficient drying systems** | Drying systems at our converting plants incorporate a heat pump, heat exchanger and condenser, allowing hot air to be recirculated while emitting cold air from the exhaust fan | Reduces energy used in printing and lamination by more than 50%, while lowering the energy required for plant air-conditioning |
| **Fitting energy-efficient lighting** | We continue upgrading lighting in our manufacturing plants with energy-efficient LEDs and timers, while installing low-energy streetlights across new property developments | Reduces electricity consumption for plant lighting and supports lower energy consumption at our property development sites |
| **Installing infrared heaters for extruders** | Conventional band heaters have been replaced with infrared units that minimise heat loss and reach the required operating temperature faster | Enhances energy efficiency, reduces overall power consumption and improves process stability |
| **Utilising in-house oven curing monitoring system** | An in-house monitoring system was developed for our lamination curing ovens, equipped with sensors and automated controls to shut off heating once curing is complete | Prevents unnecessary electricity use, avoids over-curing and ensures consistent product quality |

| Initiative | Description | Energy Optimisation Benefits |
|---|---|---|
| **Relocating air compressor units** | Air compressor units were relocated closer to the production area to minimise energy losses during compressed air distribution | Improves energy efficiency by reducing transmission losses and optimising compressed air delivery |
| **Upgrading and calibrating capacitors** | Strategically upgraded and calibrated the capacitor to improve the power factor of our manufacturing plant | Improves power factor and reduces electrical losses, supporting more efficient energy use at the facility |
| **Investing in an integrated extruder with an in-line printing machine** | A new extruder integrated with an in-line printing machine was installed to improve production efficiency while maintaining a similar power consumption profile | Increases operational efficiency by more than 40% without significantly increasing energy consumption |

## Extending Energy Management Beyond Our Operations

Our approach to energy management extends beyond energy-efficient technologies within our operations to include how we optimise our production, materials and processes across the value chain. By strengthening our core operations and fundamentals, we seek to improve efficiency within our operations while identifying opportunities to optimise energy and resource use beyond our direct operations.

Within our manufacturing operations, we focus on optimising production processes through effective planning and coordination. This helps streamline production, minimise machine reconfiguration during product changeovers and reduce associated downtime and electricity consumption. Regular equipment maintenance further supports efficient energy use by keeping our machinery in good operating condition.

Beyond our direct operations, we continue to consider energy requirements associated with the materials and processes used across our value chain. In our Packaging Division, we continue to utilise PIR resin, which is produced internally from recycling excess plastic from our manufacturing lines. This reduces our dependence on virgin resin, which generally requires more energy to produce, supporting more efficient use of resources.

Similarly, the use of solventless lamination eliminates the energy associated with solvent transport, use and disposal, while reducing the energy required to dry solvent-based laminates. In addition, film downgauging reduces packaging weight, helping to lower energy requirements during transportation.

Meanwhile, our Property Division extends these efforts to the materials and design of our homes. We continue to adopt eco-friendly construction blocks, which are lighter and may reduce transportation requirements. Our affordable homes are also designed with north-south facing orientations to minimise direct sun exposure and reduce the energy required for cooling, helping homeowners manage household energy consumption over the longer term.

## Harnessing Renewable Energy

Building on our rooftop solar installations, we continue to utilise renewable energy across our operations. Solar PV systems are currently installed at our manufacturing plants in Malaysia, our Shah Alam headquarters and selected Property Division sales galleries with a total installed capacity of 23.9 MWp.

In FY2026, these solar installations generated 29,335 MWh of renewable electricity, contributing to lower reliance on grid electricity.

By generating renewable electricity on-site, these installations also support our transition towards a lower-carbon energy mix across our operations.

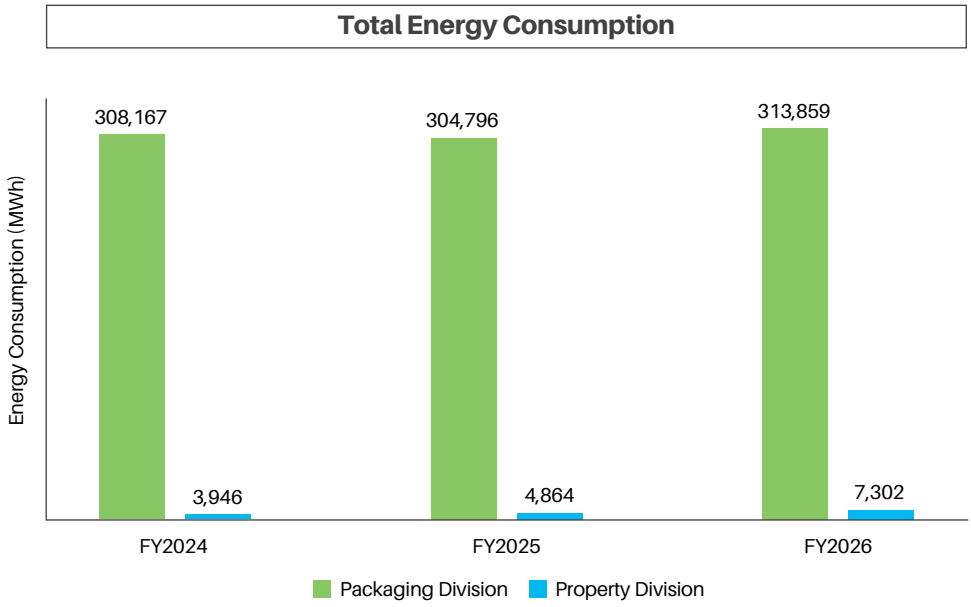


*The rooftop solar PV system installed at one of our plants in Pulau Indah*

## OUR PERFORMANCE

We continued to strengthen our efforts to optimise energy consumption across our operations, while utilising renewable energy where feasible. Our FY2026 performance is summarised below:

### Energy Consumption and Intensity




| Energy Consumption (MWh) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **PACKAGING DIVISION** | | | |
| Grid | 275,735 | 251,146 | 260,262 |
| Renewable Energy | 2,450 | 25,898 | 28,791 |
| Fuel | 29,982 | 27,752 | 24,806 |
| **Total Packaging Division** | **308,167** | **304,796** | **313,859** |
| **PROPERTY DIVISION** | | | |
| Grid | 3,684 | 4,243 | 6,249 |
| Renewable Energy | 262 | 396 | 544 |
| Fuel | - | 225 | 509 |
| **Total Property Division** | **3,946** | **4,864** | **7,302** |
| **GROUP** | | | |
| Grid | 279,419 | 255,389 | 266,511 |
| Renewable Energy | 2,712 | 26,294 | 29,335 |
| Fuel | 29,982 | 27,977 | 25,315 |
| **Total Energy Consumption** | **312,113** | **309,660** | **321,161** |

| Energy Consumption Intensity | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Intensity Per Unit of Output - Packaging Division (MWh/MT) | 1.19 | 1.17 | 1.19 |
| Intensity Per Unit of Revenue - Property Division (MWh/RM million) | 2.10 | 2.39 | 3.29 |

*Note: FY2026 energy consumption reporting has been enhanced to include electricity consumption for shared facilities and infrastructure within Property Division developments, which are temporarily managed by the Group, in line with the GHG Protocol. Fuel consumption includes LPG, diesel and natural gas consumed in our operations. We will progressively enhance the coverage and quality of our energy data in accordance with the GHG Protocol.*

In FY2026, total energy consumption increased by 3.7% to 321,161 MWh, while renewable energy consumption increased by 11.6% to 29,335 MWh. Energy intensity in the Packaging Division was 1.19 MWh/MT of output, while energy intensity in the Property Division was 3.29 MWh/RM million of revenue. The higher Property Division consumption reflects enhanced reporting coverage and an increase in number of sales galleries in operation during the year.

ENVIRONMENTAL COMPLIANCE

# Upholding Environmental Management Compliance

## WHY IT MATTERS

Our operations interact closely with natural resources, including land, air, water and soil. We therefore recognise our responsibility to comply with all applicable environmental laws and regulations while taking proactive measures to minimise potential environmental impacts.

This conscientious approach safeguards our reputation and supports the long-term sustainability of our business as we pursue our growth ambitions.

## OUR APPROACH

### Strengthening Compliance Through a Robust Framework and Policy

To maintain continued compliance, we have established a robust Environmental Compliance Framework supported by a comprehensive Group-wide Environmental Policy, which were guided by Malaysia's Environmental Quality Act 1974, as amended by the Environmental Quality (Amendment) Act 2024, and its related regulations, standards and guidelines, including:

- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B)
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Clean Air) Regulations 2014
- National Water Quality Standards
- Malaysian Air Quality Guidelines (Ambient Standard)

### Our Environmental Compliance Framework

Our Environmental Compliance Framework is built on four key enablers: policy adherence, rigorous oversight and monitoring, globally recognised certifications, and employee training and engagement. The framework is regularly reviewed and updated to ensure our environmental practices remain aligned with applicable regulatory requirements.

**ENVIRONMENTAL COMPLIANCE FRAMEWORK**

| ENABLER 1 | ENABLER 2 | ENABLER 3 | ENABLER 4 |
|---|---|---|---|
| **Group-wide Environmental Policy** | **Oversight and Monitoring** | **Obtaining Globally Recognised Certifications** | **Regular Training and Engagement Activities** |
| – Our overarching policy embeds environmental sustainability across the Group and provides our employees with clear guidance to collectively achieve our environmental goals and targets | – Dedicated teams have been established to oversee and monitor compliance with all relevant environmental rules and regulations | – International accreditations enable us to keep pace with regulatory requirements while demonstrating compliance to our stakeholders and governing bodies | – Ongoing training and awareness initiatives ensure our employees remain informed about the latest regulatory updates and industry developments |

## Our Group-wide Environmental Policy

Our Group-wide Environmental Policy integrates environmental sustainability into our operations, supporting a culture of proactive environmental stewardship while contributing positively to natural ecosystems and local communities. It establishes clear standards and expectations for our employees across four key areas: Energy and Emissions, Waste Management, Resource Utilisation and Biodiversity.

### KEY PILLARS OF OUR GROUP-WIDE ENVIRONMENTAL POLICY




**Energy and Emissions**

- Reduce energy consumption where possible
- Integrate energy efficiency into our operations
- Develop technologies and processes to improve our performance
- Comply with legal requirements and best practices
- Consider environmental impacts during our procurement processes
- Advocate awareness among stakeholders



**Waste Management**

- Minimise waste generation where possible
- Increase our efforts to prevent, reduce, reuse, recycle and recover waste
- Meet or surpass regulatory requirements while integrating industry best practices
- Identify the impacts of our generated waste and set targets for continual improvement
- Engage our stakeholders to promote awareness and good practices



**Resource Utilisation**

- Practise responsible material use through efficient consumption
- Incorporate environmental impact prevention in our procurement processes, and encourage material recycling and upcycling
- Encourage sustainable product development
- Optimise the use and conservation of water
- Drive innovation and collective action to ensure a sustainable water supply



**Biodiversity**

- Minimise biodiversity impacts in our areas of operation
- Integrate the management of natural capital and biodiversity into environmental management plans
- Raise awareness on the importance of biodiversity protection and conservation through training and education

## Strengthening Oversight and Monitoring

We have established a dedicated Health, Safety and Environment ("HSE") Committee to oversee environmental compliance across the Group's operations, ensuring our practices remain aligned with our Group-wide Environmental Policy. To support the HSE Committee's mandate, HSE Officers and representatives have been appointed across the Group's subsidiaries to provide localised oversight and on-ground monitoring.

In addition, internal auditors conduct regular reviews during each reporting period to assess the environmental management performance of our subsidiaries.

## Upholding Globally Recognised Certifications

In an evolving regulatory landscape, internationally recognised certifications play an important role in reinforcing the confidence of our customers, investors and regulators. Accordingly, our Packaging Division subsidiaries continue to uphold two key global environmental certifications: ISO 14001 and ISCC PLUS.

- ISO 14001 is the internationally recognised standard for environmental management systems, certifying that a company has the resources and processes in place to manage its environmental responsibilities effectively
- ISCC PLUS is the leading chain-of-custody accreditation for recycled, renewable and recycled-renewable plastics, certifying the use of traceable materials across the supply chain and supporting the circular plastics economy

To date, eight of our subsidiaries have obtained ISO 14001 certification, representing 53% of our active manufacturing plants, while nine subsidiaries have achieved ISCC PLUS certification, as detailed below.

**Scientex Group entities that have obtained the ISO 14001 certification**

| Company/Plant Location | Certified Since (Year) |
|---|---|
| Scientex Packaging (Kajang) Sdn Bhd – Kajang | 2000 |
| Scientex Great Wall (Ipoh) Sdn Bhd - Chemor | 2004 |
| Scientex Packaging Film Sdn Bhd - Pulau Indah | 2005 |
| Scientex Great Wall Sdn Bhd - Rawang | 2010 |
| Scientex Packaging (Ayer Keroh) Berhad - Melaka | 2011 |
| Scientex Great Wall Sdn Bhd - Tg Kling | 2018 |
| Scientex Great Wall (Klang) Sdn Bhd - Klang | 2024 |
| Scientex Packaging (Teluk Emas) Sdn Bhd - Melaka | 2025 |

**Scientex Group entities that have achieved ISCC PLUS certification**

| Company/Plant Location | Certified Since (Year) |
|---|---|
| Scientex Great Wall Sdn Bhd - Pulau Indah | 2021 |
| Scientex Great Wall Sdn Bhd - Rawang | 2021 |
| Scientex Great Wall Sdn Bhd - Tg Kling | 2021 |
| Scientex Packaging (Ayer Keroh) Berhad - Melaka | 2021 |
| Scientex Packaging (Teluk Emas) Sdn Bhd - Melaka | 2021 |
| Scientex Packaging Film Sdn Bhd - Pulau Indah | 2023 |
| Scientex Tsukasa Strapping Sdn Bhd - Tg Kling | 2024 |
| Scientex Great Wall (Ipoh) Sdn Bhd – Chemor | 2025 |
| Scientex Great Wall (Klang) Sdn Bhd – Klang | 2025 |

Additionally, Scientex Great Wall Sdn Bhd – Rawang obtained the Global Recycled Standard ("GRS") certification during FY2026, further expanding our GRS-certified operations alongside Scientex Packaging Film Sdn Bhd – Pulau Indah.

The GRS sets stringent requirements for third-party verification of recycled materials and chain of custody. This certification reflects our commitment to responsible manufacturing and the transparent use of recycled content. Products carrying the GRS label contain at least 20% recycled material, are free from harmful chemicals and are produced in facilities that adhere to strict social and environmental standards.

## Building Competencies Internally and Across Our Supply Chain

We reinforce our commitment to environmental compliance through regular training and development programmes, equipping employees with up-to-date knowledge of regulatory changes, industry practices and the competencies required to support environmental compliance across our operations.

The courses conducted during FY2026 included, but were not limited to:

a) ISCC PLUS Internal Audit Training
b) GHG Inventory & Reporting Training
c) Global Recycled Standard (GRS) Internal Audit Training
d) Identifying Environmental Aspects & Impacts
e) Registered Energy Manager (REM) First Type Training
f) Greenhouse Gas Scope 1 Emission Source Determination
g) Effective Chemical and Scheduled Waste Management
h) Navigating ISO 14064: A Practical Guide to the GHG Verification Process
i) Mastering ISO 14001:2026 – Environmental Management System Upgrade & Internal Audit Excellence

In FY2026, we also organised an environmental awareness talk for our employees to strengthen their understanding of resource efficiency and the practical actions they can take to reduce unnecessary consumption and wastage. The talk covered four key areas: energy efficiency, water efficiency, material efficiency and waste management. Through practical guidance, employees were encouraged to adopt responsible practices in their daily activities to contribute towards a more sustainable future.

Beyond our operations, we continue to promote environmental responsibility across our supply chain. By collaborating with customers and suppliers to decarbonise their value chains, we seek to create a multiplier effect that supports the transition towards a lower-carbon economy.



*Environmental awareness talk held to promote responsible practices*

## Proactively Mitigating Environmental Impacts

With our property development activities involving land clearing and construction, we recognise the importance of proactively managing potential environmental impacts on surrounding communities and natural ecosystems. These include matters such as biodiversity loss, soil erosion and sedimentation, water and air quality, as well as noise and vibration.

To identify and manage these risks, we conduct EIA for all developments exceeding 50 hectares. These assessments enable us to evaluate potential environmental impacts and implement appropriate mitigation measures where required. Notably, none of our current or completed land banks have been identified as sites of high biodiversity value.

Our EIA focuses on five key areas of potential impact, with detailed mitigation measures established for each of these areas, as outlined below. Social considerations are also incorporated to ensure compliance with all relevant requirements and recommendations arising from social impact assessments conducted by the relevant authorities.

# ENVIRONMENTAL IMPACT FOCUS AREAS



| Environmental-Related Matters | Key Mitigation Measures |
|---|---|
| **Soil Erosion and Sedimentation** | To minimise the risk of soil erosion and sedimentation, we:<br>• Clear vegetation only where necessary for each project phase;<br>• Plant grass and suitable cover crops on newly cleared areas to prevent soil erosion;<br>• Plant suitable grass on slopes resulting from earthworks, embankments and other structures to reduce the risk of soil collapse; and<br>• Install diversion channels and drainage systems to redirect runoff from affected areas to sediment basins |
| **Water Quality** | To safeguard water quality impacts, we:<br>• Install perimeter drainage and diversion channels to direct surface water from the project area to silt traps for treatment before discharge;<br>• Construct temporary check dams and silt fences as sediment control measures; and<br>• Conduct regular maintenance of sewerage pipelines, internal drains and monsoon drains to ensure proper functioning during construction |
| **Air Quality** | To minimise air quality impacts arising from construction activities, we:<br>• Install hoarding around project site boundaries to contain dust;<br>• Impose vehicle speed limits within project sites and along access roads to minimise dust entrainment;<br>• Prohibit open burning at project sites;<br>• Dampen or cover exposed areas, including access roads and stockpiles of loose construction materials, during dry and windy conditions; and<br>• Conduct ambient air monitoring to measure pollutant concentrations around project sites |
| **Noise and Vibration** | To minimise noise and vibration generated during construction, we:<br>• Install hoarding to contain noise generated within work areas;<br>• Restrict high-noise construction activities at night;<br>• Conduct periodic maintenance of machinery and equipment to prevent excessive noise emissions; and<br>• Use in-ground barriers to reduce vibration transmission through soil and near-ground surfaces |

| Environmental-Related Matters | Key Mitigation Measures |
|---|---|
| Social Impact | To minimise the impact of our projects on neighbouring communities, we:<br>• Prohibit piling works at night;<br>• Prioritise local residents for employment and brief foreign workers on Malaysian laws, regulations, local customs and social etiquette;<br>• Conduct background checks and health screenings for all workers prior to employment; and<br>• Collaborate with local communities to manage traffic flow, including:<br>- Deploying dedicated traffic management personnel during peak traffic periods and heavy machinery mobilisation;<br>- Installing adequate warning signage on heavy vehicles;<br>- Minimising vehicle movements during peak traffic hours where practicable; and<br>- Educating site personnel on road safety and traffic regulations |

### Extending Environmental Stewardship Beyond Compliance

Beyond regulatory requirements, we proactively undertake environmental initiatives that benefit the local communities where we operate. These efforts focus on preserving vital ecosystems, protecting biodiversity and providing meaningful opportunities for our employees to contribute to environmental stewardship.

We supported the restoration of mangrove forests in Selangor through a four-year initiative from 2022 to 2025, involving employees across our Group. Over this period, approximately 2,000 mangroves were planted to help rehabilitate the ecosystems and revive habitats essential for shrimp, fish and other marine species. The initiative also contributes to biodiversity conservation and the natural carbon sequestration capacity of mangrove ecosystems. Through continued monitoring, encouragingly high survival rates have been observed, supporting the ongoing restoration of the mangrove ecosystem and its associated environmental benefits.

Within our Property Division, we continue to plant a diverse range of tree species at our development sites, including species classified as vulnerable under the International Union for Conservation of Nature ("IUCN") Red List of Threatened Species. Among the species planted are Eucalyptus deglupta, Hopea odorata and Saraca asoca (commonly known as the Ashoka tree).

We also continue to support the NRES in advancing the national targets outlined under the MPSR 2021-2030 by providing feedback and sharing perspectives to support Malaysia's transition towards more sustainable plastic management practices.

## OUR PERFORMANCE

In FY2026, we maintained compliance with applicable environmental requirements, supported by our compliance framework, collaboration with supply chain partners and participation in national environmental initiatives and programmes.

### Compliance

There were no material environmental compliance infringements recorded during FY2026.

### Supply Chain Oversight

Our Code of Conduct for Suppliers continues to be communicated to all vendors with an annual supply value exceeding RM50,000.



# Our People, Our Pride


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OCCUPATIONAL SAFETY AND HEALTH

# Strengthening Employee Safety and Well-being

## WHY IT MATTERS

Our employees' safety and well-being form the foundation of a safe, supportive and resilient workplace. By safeguarding their welfare, we enable our people to perform at their best while fostering engagement and long-term commitment to the Group.

Taking a preventive approach to occupational safety and health also helps minimise workplace incidents and the associated financial and reputational risks. In doing so, we strengthen stakeholder confidence and support the long-term stability and sustainability of our business.

## OUR APPROACH

### Setting Clear Commitments and Standards

With a large workforce and numerous contractors across our operations, establishing and maintaining robust safety and health standards is essential. To guide these efforts, we have established and adhere to a Group-wide Safety and Health Policy that applies to all employees and entities across the Group.

The policy is fully aligned with laws and regulations in the countries where we operate and is anchored on the following six key elements:




Site-specific OSHA Committees at each operational location bear responsibility for implementing and managing safety and health measures in line with the policy, while the Board provides strategic oversight and guidance on occupational safety and health matters. To promote awareness and consistency, the policy is communicated to all employees and contractors and is publicly accessible on our corporate website.

Our Safety and Health Policy is further supported by robust management systems across our manufacturing plants and property development sites, ensuring alignment with regulatory requirements and recognised international standards. This includes the adoption of the Plan-Do-Check-Act ("PDCA") approach stipulated under ISO 45001:2018, which drives the continual improvement of workplace safety and health practices. Currently, two of our plants are ISO 45001-certified, and we continue working towards expanding certification across additional facilities.

### Managing Occupational Safety and Health Collaboratively

Responsibility for implementing our Safety and Health Policy rests with site-specific OSHA Committees, with their key duties encompassing:

- Formulating site-specific safety and health strategies;
- Ensuring safety operating procedures remain current and are adhered to by all employees;
- Monitoring safety and health practices and recommending improvements where necessary;
- Ensuring compliance with all relevant legal and regulatory requirements; and
- Overseeing inspections conducted by internal and external parties.

Our OSHA Committees, comprising both employer and employee representatives, provide a platform for open discussion, ensuring diverse perspectives and practical insights are fairly considered in decision-making on workplace safety and health matters.

Supporting the OSHA committees are safety officers stationed at each worksite, who carry out critical on-ground monitoring. Through regular inspections and spot checks, they monitor adherence to safety procedures, oversee equipment maintenance and ensure compliance with the Malaysian Occupational Safety and Health Act 1994, as amended by the Occupational Safety and Health (Amendment) Act 2022, and other applicable laws and regulations in the countries where we operate.

This site-based approach enables more responsive and locally informed safety management. Employees at all levels are encouraged to raise concerns and share suggestions, with feedback duly considered and appropriate responses discussed during monthly management meetings.

Our approach to workplace risk management is supported by the following key practices:

**RISK IDENTIFICATION AND HAZARD MANAGEMENT**



- **Hazard Identification Risk Assessment Risk Control ("HIRARC")**
- **Daily Safety Inspections**
- **Job Safety Analysis**
- **Monthly House Audits**
- **Worksite Safety Inspections**
- **Work Permit System**
- **Security Management**

### Identifying and Addressing Site-Specific Risks

Recognising the specific safety and health hazards present across our manufacturing plants and property development sites, we implement robust processes to promptly identify, assess and manage workplace hazards as they emerge.

Safety-related risk assessments are carried out across our existing worksites as well as prospective new project sites, enabling us to identify potential hazards early and implement appropriate mitigation measures to minimise potential impacts on our employees and contractors.

To support this approach, worksites undergo regular inspections to identify hazards and monthly audits to highlight areas for improvement. Findings are used to benchmark and strengthen our risk controls, while overall risk assessment processes are reviewed periodically to ensure their continued effectiveness.

Should an incident occur, on-site safety officers respond immediately with appropriate action. Each incident is thoroughly documented and investigated to identify contributing factors and minimise the likelihood of recurrence. This may involve reviewing existing procedures, worksite equipment and employee actions leading up to the incident.

We also continue implementing targeted initiatives to enhance workplace safety. Notably, we upgraded the quality control room at one of our plants to minimise lift truck and forklift movement during quality inspections, creating a safer working environment for employees.

To strengthen our emergency preparedness, Automated External Defibrillators ("AEDs") are provided at strategic locations in our production areas to facilitate quick and easy access in the event of a sudden cardiac emergency. In parallel, our personnel received training in the proper use of AEDs, enabling a timely response to sudden cardiac emergencies and enhancing workplace emergency preparedness.



*Employees learning how to operate an AED during an emergency*

Our commitment extends beyond the workplace to managing health and safety risks in the wider operating environment. Measures such as fogging and mosquito trap installations help reduce the risk of dengue and other vector-borne diseases, while large-scale outdoor activities are supported by on-site safety briefings and ambulance stationed on site to facilitate timely emergency response.

### Leveraging Technology to Minimise Risk

Where feasible, we adopt technological solutions to reduce employee and contractor exposure to workplace hazards. Our efforts are exemplified by the features incorporated into our Robotic Stretch Film Plant in Shah Alam and the automated bag-making machine at our Melaka plant, both of which are designed to minimise human interaction with potentially hazardous processes.

At the Robotic Stretch Film Plant, perimeter safety fences have been installed around machinery to prevent unauthorised access. These are complemented by a fully automated raw material feeding system and lifting manipulators, which reduce manual handling and minimise exposure to physically demanding or hazardous tasks.

To further improve workplace ergonomics and operational efficiency, we recently upgraded and centralised our rubber roller rack to create a safer, more ergonomic setup for loading and unloading. We have also developed an in-house mixing system with an automatic cut-off dispenser and conveyor belt, enabling bulk mixing of raw materials while minimising manual handling.

Within our Property Division, workplace safety has also been enhanced through the use of self-climbing platforms, which improve stability and incorporate high-tensile steel netting to protect against falling objects.

By continuously adopting technological safety solutions, we reduce manual and repetitive tasks, enhance employee protection and enable our workforce to focus on higher-value activities.

### Continuously Upskilling Our Employees

As new approaches and technologies bring evolving workplace hazards within a fast-changing regulatory environment, it is essential that our employees remain well-versed in safety and health best practices. We therefore provide ongoing training and development programmes to strengthen employee competencies, reinforce safe work practices and support a safety culture across the Group.

In FY2026, we delivered 6,400 hours of safety and health training, benefiting 1,153 employees across our workforce.

Programmes conducted included, but were not limited to:

a) OSH Coordinator (OSH-C) Training
b) Forklift Operators' & Safety Training
c) Emergency Response Plan & Preparedness Training
d) Basic Occupational First Aid, CPR & AED
e) Personal Protective Equipment (PPE) Compliance Training
f) Ergonomic and Manual Handling Awareness Training
g) Occupational Safety and Health (Noise Exposure) Training
h) Fire Fighting & Fire Prevention Fire Drill Training



*Strengthening workplace safety through safety training*

### Looking After Employee Health and Well-being

Our responsibility as an employer extends beyond workplace safety to supporting the overall health and well-being of our employees.

All employees, whether permanent or contractual, are provided with a range of healthcare benefits, as detailed in the "Empowering Our People" section of this Report (p. 74). Executive-level employees are encouraged to undergo comprehensive annual health checks, while foreign workers undergo screenings for infectious diseases such as tuberculosis, hepatitis B, malaria and HIV/AIDS, helping to reduce the risk of transmission at our worksites.

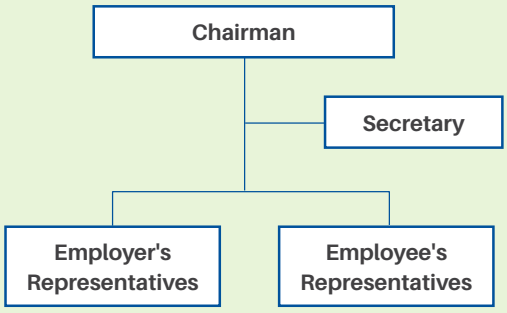
We also promote employee health and well-being through various health and safety initiatives, providing employees with opportunities to learn about and improve their health. These initiatives include free basic health screenings and awareness activities covering areas such as health management, road safety and workplace safety practices.

Looking ahead, we will continue to proactively raise awareness of key health issues and support the health and well-being of our employees, contributing to a healthier and more engaged workforce.

## OUR PERFORMANCE

Guided by our Safety and Health Policy and supported by regular reviews of ongoing initiatives and emerging improvement opportunities, we continued to strengthen workplace safety and health across the Group in FY2026. Our performance against key indicators is summarised below.

**THE OSHA COMMITTEE STRUCTURE FOR BOTH PROPERTY AND PACKAGING DIVISIONS**




**PERCENTAGE OF WORKPLACES REPRESENTED BY BOTH EMPLOYERS' AND EMPLOYEES' REPRESENTATIVES**

| Description | PACKAGING | PROPERTY |
|---|---|---|
| The number of total workplaces | 15 plants | 21 development sites |
| The number of total workplaces with OSHA Committees | 15 | 21 |
| Percentage of workplaces represented by OSHA Committees | 100% | 100% |

*Note: The table excludes property worksites with no active construction of buildings as yet, as well as packaging plants which are not subsidiaries of the Group.*

### Report on Safety Incidents

There were zero fatalities reported in FY2026. Nonetheless, we remain vigilant in monitoring, tracking and strengthening workplace safety practices to ensure employees and contractors consistently adhere to applicable safety and health requirements.

## OCCUPATIONAL SAFETY AND HEALTH STATISTICS

| PACKAGING DIVISION | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **WORK RELATED INJURY BY CASE** | | | |
| Fatal Injury (Number) | - | - | - |
| Minor# Accident (Number) | 26 | 23 | 18 |
| Major# Accident (Number) | 31 | 24 | 36 |
| **WORK RELATED ILL-HEALTH BY CASE** | | | |
| Fatal Injury (Number ) | - | - | - |
| Minor# Accident (Number) | - | - | 1 |
| Major# Accident (Number) | - | - | - |

| PACKAGING DIVISION | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Total Lost Time Injuries (Number) | 55 | 46 | 50 |
| Total Number of Hours Worked ('000) | 8,447 | 8,258 | 7,935 |
| Fatality Rate (N1) | - | - | - |
| Injury Rate (N2) | 1.35 | 1.14 | 1.36 |
| Ill-health Rate (N3) | - | - | 0.03 |
| Lost Time Incident Rate (N4) | 1.30 | 1.11 | 1.26 |

| PROPERTY DIVISION | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **WORK RELATED INJURY BY CASE** | | | |
| Fatal Injury (Number) | - | - | - |
| Minor# Accident (Number) | 49 | 21 | 10 |
| Major# Accident (Number) | - | 1 | - |
| **WORK RELATED ILL-HEALTH BY CASE** | | | |
| Fatal Injury (Number ) | - | - | - |
| Minor# Accident (Number) | - | - | - |
| Major# Accident (Number) | - | - | - |

| PROPERTY DIVISION | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Total Lost Time Injuries (Number) | - | 1 | 1 |
| Total Number of Hours Worked ('000) | 7,094 | 7,666 | 8,320 |
| Fatality Rate (N1) | - | - | - |
| Injury Rate (N2) | 1.38 | 0.57 | 0.24 |
| Ill-health Rate (N3) | - | - | - |
| Lost Time Incident Rate (N4) | - | 0.03 | 0.02 |

| SCIENTEX GROUP | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **WORK RELATED INJURY BY CASE** | | | |
| Fatal Injury (Number) | - | - | - |
| Minor# Accident (Number) | 75 | 44 | 28 |
| Major# Accident (Number) | 31 | 25 | 36 |
| **WORK RELATED ILL-HEALTH BY CASE** | | | |
| Fatal Injury (Number ) | - | - | - |
| Minor# Accident (Number) | - | - | 1 |
| Major# Accident (Number) | - | - | - |

| SCIENTEX GROUP | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Total Lost Time Injuries (Number) | 55 | 47 | 51 |
| Total Number of Hours Worked ('000) | 15,541 | 15,924 | 16,255 |
| Fatality Rate (N1) | - | - | - |
| Injury Rate (N2) | 1.36 | 0.87 | 0.79 |
| Ill-health Rate (N3) | - | - | 0.01 |
| Lost Time Incident Rate (N4) | 0.71 | 0.59 | 0.63 |

Notes:
1. Statistics for the Property Division include data on both employees hired by Scientex and those appointed by our contractors
2. # Minor Injury: An injury that resulted in four or fewer lost workdays
   # Major Injury: An injury that resulted in more than four lost workdays
   N1 = Total Number of Fatalities / Total Number of Hours Worked × 200,000
   N2 = Total Number of Injuries / Total Number of Hours Worked × 200,000
   N3 = Total Number of Ill-healths / Total Number of Hours Worked × 200,000
   N4 = Total Number of Lost Time Injuries / Total Number of Hours Worked × 200,000

EMPOWERING OUR PEOPLE

# Creating Environments That Bring Out Our People's Best

## WHY IT MATTERS

Our people are at the heart of our success, bringing the skills, capabilities and innovation that drive sustainable value creation while upholding the culture we have built over decades.

We are committed to fostering an inclusive and empowering workplace where our people can thrive, grow and perform at their best. By investing in their well-being, development and engagement, we strengthen our position as an employer of choice while building the capabilities that support long-term business growth and sustainable value creation.

## OUR APPROACH

Our approach to human capital management is guided by four core strategies that enable us to attract, develop, engage and retain talent across the Group:




These strategies reflect what we believe matters most when people choose an employer – a working environment that provides excitement and engagement, rewards fairly and competitively, offers opportunities for career advancement, and is free from discrimination. Based on this, we have implemented comprehensive plans and initiatives under each pillar.

### Maintaining Fair and Ethical Employment Practices

Our overall approach to human resource management is guided by a Group-wide Code of Ethics, supported by a series of supplementary human resource policies designed to meet the specific needs of individual entities within the Group. The Code sets the standard for our employment practices, ensuring that we engage with employees in ways that uphold internationally recognised human rights (as defined in the International Bill of Human Rights) and the principles of fairness, inclusivity, and diversity.

Specifically, our Code of Ethics outlines our zero-tolerance stance against:

- Employment of underage workers
- Forced or unpaid labour
- Coercion to work
- Workplace harassment or bullying
- Workplace discrimination

Our commitment to ethical employment begins before an individual joins the Group. Prospective employees' identities and ages are verified to ensure compliance with applicable minimum age requirements and prevent child labour. All employment relationships are entered into voluntarily through formal employment contracts. Guided by our Human Resource policies and Code of Ethics, we continually identify and address potential human rights risks across our workforce and operations.

We are also committed to providing equal employment opportunities at every stage of employment, from recruitment and training to career development and promotion, in line with the principles of fairness, respect and non-discrimination set out in our Code of Ethics.

To reinforce these commitments, we conduct regular refresher sessions on the Code and related employment policies for relevant employees, complemented by periodic assessments to strengthen awareness and understanding of ethical labour practices.

Strict compliance with the labour laws and regulations of every country in which we operate is also maintained. Our Human Resources Department oversees this area, monitors regulatory developments and addresses any issues promptly to safeguard both our employees and the business.

We also uphold our employees' right to bargain collectively, peacefully and lawfully, while fostering an inclusive workplace where everyone can contribute fully. This includes improving accessibility at our workplace buildings through the installation of entrance ramps for employees and visitors with differing mobility needs.

Beyond our own operations, we remain committed to responsible labour practices through our Supplier Ethical Data Exchange ("SEDEX") membership, which supports transparent reporting and greater oversight of our employment practices. Our subsidiaries also undergo SEDEX Members' Ethical Trade Audit ("SMETA") audits as part of our ongoing labour practice assessments. To date, six of our packaging plants have obtained SEDEX membership.

### Providing Competitive and Dynamic Remuneration and Benefits

We recognise that fair and competitive remuneration and benefits are fundamental to attracting, motivating and retaining talented employees. Accordingly, we ensure full compliance with minimum wage requirements, overtime regulations and other applicable employment legislation across the countries in which we operate, while regularly benchmarking our remuneration against industry practices to remain competitive.

In addition, all permanent and contract employees receive a comprehensive suite of benefits that extends beyond statutory requirements, including healthcare, parental leave and insurance coverage. These benefits are designed to support employee well-being, encourage continuous development, foster long-term loyalty and recognise exceptional performance. Key offerings include:

## OUR SUITE OF EMPLOYEE BENEFITS

| Leave Entitlements | Health and Medical Benefits | Special Benefits |
|---|---|---|
| • Annual Leave<br>• Compassionate Leave<br>• Medical and Sick Leave<br>• Hospitalisation Leave<br>• Prolonged Illness Leave<br>• Paternity and Maternity Leave<br>• Unpaid Leave | • Personal Accident Insurance<br>• Group Hospitalisation and Surgical Insurance<br>• Outpatient Medical Claims<br>• Medical Check-Up Benefits<br>• Specialist Treatment | • Company Car<br>• Fixed Allowance<br>• Travelling and Handphone Expenses<br>• Education Assistance<br>• Retirement and Service Benefits |

Our remuneration and benefits framework is designed to recognise and reward employees fairly and on a merit basis as they grow professionally and contribute more meaningfully to the Group. By aligning rewards with capabilities, experience, accountability, performance and scope of responsibilities, we support career progression while encouraging long-term commitment and engagement.

### Fostering a Supportive and Communicative Culture

We are committed to fostering a workplace where every employee feels valued and supported. This includes providing both formal and informal channels for open communication, encouraging constructive feedback and maintaining transparency across the organisation.

Our Heads of Department practise an open-door policy, encouraging employees to raise comments, concerns or suggestions without fear of reprisal. In turn, superiors provide constructive feedback and work collaboratively with employees to address concerns and improve performance. This supportive culture is reinforced by our Whistleblowing Policy, which provides employees with a formal avenue to raise grievances, ensuring they are managed fairly and appropriately.

Annual performance reviews are conducted through a structured and objective process, providing actionable feedback on employees' performance and achievements while supporting the setting of development goals and objectives. Employees are also given opportunities to share suggestions for improving our strategies, practices and ways of working.

We also foster an engaging workplace by keeping employees informed of business developments and the important role they play in the Group's success. Regular Quarterly Rolling Budget ("QRB") Dialogues with our Managing Director/Chief Executive Officer, Chief Operating Officers, Executive Directors and department heads provide opportunities for direct engagement, while business updates are communicated through newsletters, curated media clippings, notice boards, email and our corporate website.

Recognising the importance of supporting employees beyond the workplace, we continue to promote mental well-being through open discussions and regular awareness initiatives that equip employees with practical strategies to manage stress and maintain a healthy work-life balance.

In FY2026, we also strengthened employees' digital awareness by organising a Scam Prevention Awareness Talk, equipping them with practical knowledge to recognise emerging cyber threats and protect themselves from increasingly sophisticated scams in their daily lives.



*The Scam Prevention Awareness Talk held during FY2026*

## Supporting Continuous Professional Development

We are committed to developing our employees' skills and capabilities, recognising that investing in our people strengthens organisational competencies while supporting employee engagement, career growth and job satisfaction.

Training needs are identified by department heads based on role-specific requirements, while employees are encouraged to propose programmes that enhance their knowledge and support their professional development. Our Human Resource Policy also provides clear guidelines on educational financial assistance, enabling employees to pursue courses and programmes that prepare them for current and future roles.

We continued to invest in upskilling our Property Division employees through the 'House Talk' training programme, which strengthens their understanding of the Housing Development (Control and Licensing) Act 1966 (Act 118). The programme covers practical aspects of their job functions, including Housing Integrated Management System ("HIMS") configuration and the Electronic Sales Purchase Agreement ("e-SPA") workflow, strengthening both regulatory understanding and digital competencies among employees. Construction supervisors also receive refresher training to reinforce standard operating procedures, ensure consistent quality and uphold best practices across project sites.

In FY2026, we further expanded our learning and development initiatives through a series of in-house training programmes designed to strengthen employees' professional capabilities while fostering greater collaboration and engagement across the workforce. These programmes focused on enhancing workplace communication, interpersonal effectiveness, teamwork and conflict resolution, while also developing presentation design and visual storytelling skills to support more effective collaboration and stakeholder engagement.

Alongside professional development, we actively cultivate a dynamic and future-ready workforce by recruiting young talent to complement and learn from experienced colleagues. These individuals are encouraged to take on responsibilities beyond their usual scope of work, broadening their capabilities while preparing them for future leadership opportunities.

Supporting this approach, we continue to pilot our two-year Management Associate Programme, which provides graduates and early-career professionals with structured learning, departmental rotations and broad operational exposure to accelerate their development into future leaders.

Complementing these initiatives, our internship programme provides local students with valuable hands-on industry experience through real-life work assignments. By fostering early engagement with the organisation, we support talent development while strengthening our future talent pipeline. In FY2026, we welcomed a total of 18 interns across our Packaging and Property Divisions.



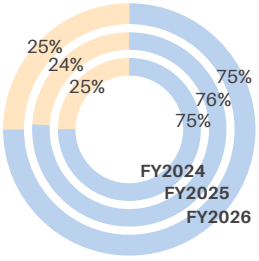
*Employees strengthening communication and collaboration through a team-building activity*

## OUR PERFORMANCE

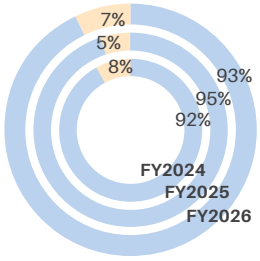
The following tables provide an overview of our annual performance across key areas, including workforce diversity, employee retention, parental leave and training.

### Breakdown of Workforce

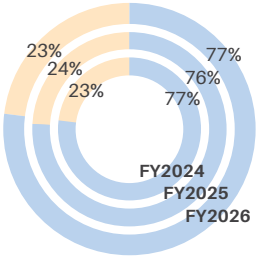
**By Origin**



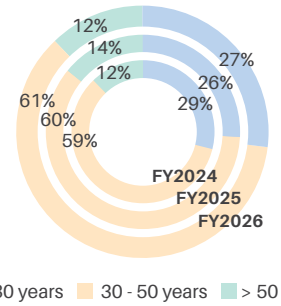

**By Employment Type**



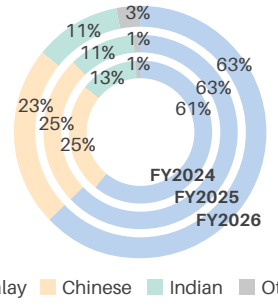

**By Gender**




**By Age Group**



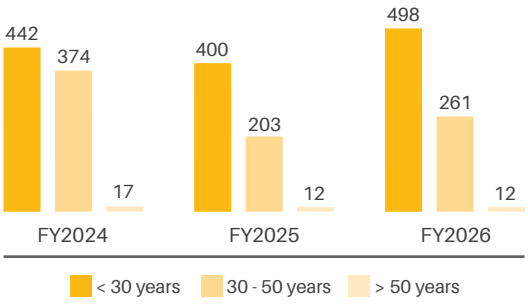

**By Ethnicity**



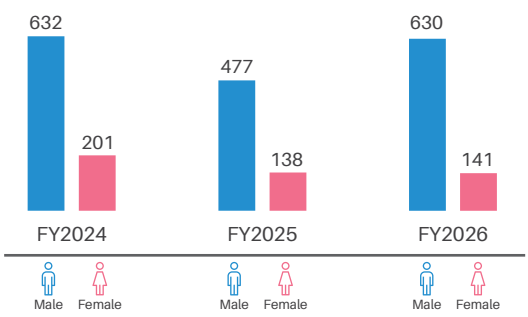

*This disclosure is only applicable to the local workforce in Malaysia*

### Total Number and Rate of New Hires and Employee Turnover

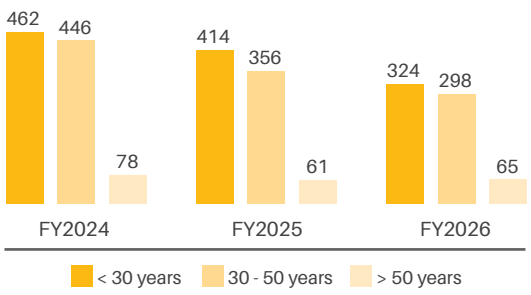
**New Hires by Age Group**



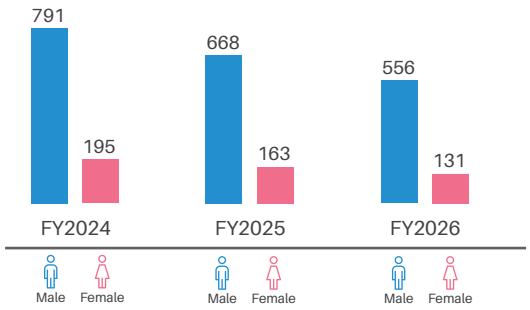

**New Hires by Gender**



**Employee Turnover by Age Group**




**Employee Turnover by Gender**




| | New Hire Rate | | | Employee Turnover Rate | | |
|---|---|---|---|---|---|---|
| **Financial Year** | **FY2024** | **FY2025** | **FY2026** | **FY2024** | **FY2025** | **FY2026** |
| **Rate (%)** | **21.3** | **16.3** | **20.4** | **25.3** | **22.1** | **18.2** |
| **By Age** | | | | | | |
| < 30 years | 11.3 | 10.6 | 13.2 | 11.9 | 11.0 | 8.6 |
| 30 to 50 years | 9.6 | 5.4 | 6.9 | 11.4 | 9.5 | 7.9 |
| > 50 years | 0.4 | 0.3 | 0.3 | 2.0 | 1.6 | 1.7 |
| **By Gender** | | | | | | |
| Male | 16.2 | 12.7 | 16.7 | 20.3 | 17.8 | 14.7 |
| Female | 5.1 | 3.7 | 3.7 | 5.0 | 4.3 | 3.5 |

## Parental Leave

| **Financial Year** | **FY2024** | | **FY2025** | | **FY2026** | |
|---|---|---|---|---|---|---|
| **Gender** | Male | Female | Male | Female | Male | Female |
| | **Number of Employees** | | | | | |
| **Took parental leave** | 57 | 24 | 66 | 39 | 64 | 40 |
| **Returned to work in the reporting period after parental leave ended** | 57 | 24 | 66 | 39 | 64 | 39 |
| **Returned to work after parental leave ended and still employed 12 months after parental leave** | 71 | 23 | 51 | 22 | 60 | 33 |
| **Rate of return for employees who had taken parental leave (%)** | 100 | 100 | 100 | 100 | 100 | 98 |
| **Retention rate of employees who had taken parental leave (%)** | 88 | 72 | 89 | 92 | 91 | 85 |

## Training

During FY2026, we continued to invest in employee capability development through training programmes covering the following key areas:

- Occupational safety and health
- Waste management
- ESG/sustainability-related matters
- Corporate compliance
- Human resource-related matters

| **Total Hours of Training** | **FY2026** |
|---|---|
| Key Management | 98 |
| Middle Management | 1,930 |
| Executive | 11,083 |
| Non-Executive | 15,249 |
| **Total** | **28,360** |

In FY2026, we delivered a total of 28,360 training hours to our employees, representing an average of 7.36 hours of training per employee.

## Compliance

There were no material incidents of non-compliance concerning our employment practices during FY2026.

CONTRIBUTING TO LOCAL COMMUNITIES

# Supporting Sustainable Community Advancement

## WHY IT MATTERS

We believe our growth should generate shared value for local communities and the people who live in them. Our support for communities is intrinsic to the activities of our Property Division, through which we enable homeownership for middle-to-lower-income households, while across the Group, we create employment opportunities, engage local suppliers where feasible and contribute to sustainable community development.

Through these efforts, we reinforce our position as a responsible corporate citizen that creates lasting value for communities and supports socioeconomic progress, while concurrently supporting the advancement of our strategic objectives.

## OUR APPROACH

We take a long-term approach to community development, focusing on initiatives that improve livelihoods, create economic opportunities and deliver lasting positive impact to the communities where we operate.

### Empowering Homeownership for More People

Our Property Division creates meaningful value for local communities by developing quality affordable homes tailored to the needs of middle-to-lower-income households. Since inception, we have remained committed to expanding access to homeownership, helping more Malaysians achieve their housing aspirations and improve their quality of life.

The benefits of our developments extend well beyond homeownership. Thoughtfully planned townships provide residents with access to recreational spaces, community amenities and supporting infrastructure that foster connected, liveable neighbourhoods.

At the same time, our integrated commercial developments generate local employment opportunities, stimulate business activity and contribute to broader economic growth within surrounding communities. Working closely with local authorities, we also support the expansion of transport infrastructure, improving connectivity to key commercial hubs and neighbouring areas.

Overall, our approach to property and township development delivers wide-ranging socioeconomic benefits for communities, as illustrated in the accompanying infographic.



## Creating Sustainable Economic Opportunities

Committed to creating lasting positive impacts wherever we operate, we prioritise hiring local employees and engaging local suppliers wherever feasible, helping to generate economic value that extends across families, businesses and communities. As of FY2026, 75% of our workforce is sourced from local communities, defined as the country in which each respective subsidiary operates.

We also continue to strengthen local talent pipelines through participation in career fairs that connect students and job seekers with opportunities across our Management Associate Programme, internship placements and wider career pathways within the Group.

## Providing Direct Community Support

Supporting local communities extends beyond economic opportunities to providing meaningful assistance where it is needed most. Through direct financial contributions and community partnerships, we continue to support a diverse range of community-based causes, including:

- Assisting schools in upgrading their infrastructure and learning facilities
- Supporting religious organisations in improving temples, mosques and other places of worship
- Facilitating NGOs to deliver youth programmes and provide assistance to underprivileged groups
- Supporting healthcare initiatives, including contributions towards the establishment of emergency medical services
- Supporting local and national sports development initiatives that promote healthy and active communities
- Supporting festive and cultural celebrations that strengthen community bonds, preserve local traditions and foster social cohesion




*Promoting Malaysia's cultural heritage through our events*




*Engaging with prospective talent at a career fair*

## Instilling Positive Environmental Practices

Aligned with our long-term commitment to community development, we actively promote environmental stewardship as a driver of sustainable economic progress.

Our Green Truck programme, co-developed with MPMA and ExxonMobil Chemical, brings a mobile learning experience to schools across Peninsular Malaysia to educate students on plastic recycling and the principles of the circular economy. By engaging younger generations through interactive learning, the programme encourages greater environmental awareness and sustainable habits. In FY2026, we also participated in a forum organised by the MPMA, providing an opportunity to engage with stakeholders and promote greater awareness of plastic sustainability and circularity.

We also maintain our ongoing 'Back to Earth' programme, transforming food waste collected at our Shah Alam headquarters into organic fertiliser. In FY2026, over 1,300 kg of this compost was donated to local farmers, supporting sustainable

agriculture. One of the recipients has also utilised the compost for sustainable development research on innovative organic farming techniques, further demonstrating the value of circular resource management.

To strengthen engagement with communities surrounding our property developments, we organise programmes at our sales galleries that combine cultural celebrations with sustainability awareness. Through various activities, such as recycling drives, creative workshops, traditional crafts and interactive games, these events foster stronger community connections while encouraging environmentally responsible practices among participants of all ages.




*Supporting local farmers through food compost donations*



*Participating in an MPMA forum on plastic sustainability and circularity*

### Strengthening Vital Environmental Ecosystems

Healthy ecosystems play an important role in supporting biodiversity, strengthening climate resilience and sustaining the livelihoods of local communities. As part of our long-term environmental stewardship efforts, we have planted over 2,000 mangrove seedlings in Selangor over the past four years, contributing to coastal ecosystem restoration, biodiversity conservation and the resilience of local fishing communities that depend on healthy mangrove habitats.

## OUR PERFORMANCE

In FY2026, we continued expanding our community initiatives and actively participated in local programmes. Our efforts included RM1,553,000 in direct financial contributions, benefiting 59 recipients, alongside broader initiatives that enhanced access to essential services, supported skills development, promoted youth education and strengthened community well-being.

# ISSB Sustainability Statement

## BASIS OF PREPARATION AND PRESENTATION

Compliance with the IFRS Sustainability Disclosure Standards

The ISSB Sustainability Statement (the "Statement") of Scientex Berhad and its subsidiaries ("Scientex" or the "Group") presents the Group's sustainability-related financial disclosures for the financial year ended 31 July 2026 ("FY2026").

This Statement has been prepared in accordance with the IFRS Sustainability Disclosure Standards issued by the ISSB, specifically IFRS S2 Climate-related Disclosures, and in line with the Bursa Malaysia Main Market Listing Requirements.

Where relevant, the Group has also considered the industry-specific guidance within the Sustainability Accounting Standards Board ("SASB") Standards relevant to the Group's businesses.

Connectivity with Financial Statements

This Statement should be read in conjunction with the Group's IAR 2026, including its consolidated financial statements. The financial statements are prepared in accordance with the Malaysian Financial Reporting Standards and the Malaysian Companies Act 2016. The reporting period, reporting entity and reporting boundary are aligned with those applied in the preparation of the Group's IAR 2026, unless otherwise stated.

Unless otherwise stated, all monetary amounts presented in this Statement are denominated in Ringgit Malaysia ("RM"), the Group's functional currency and the presentation currency of its consolidated financial statements.

Time Horizons

The Group has established short-, medium- and long-term time horizons to support the assessment and management of climate-related risks and opportunities ("CROs"). These horizons reflect the periods over which CROs could reasonably be expected to occur and influence financial outcomes.

| Time Horizon | Period | Reference Year | Alignment With |
|---|---|---|---|
| Short-Term | < 5 years | 2030 | Paris Agreement 2030 interim climate targets |
| Medium-Term | 5-10 years | 2035 | Malaysia's Nationally Determined Contribution ("NDC") 3.0 |
| Long-Term | > 10 years | 2050 | Malaysia's aspiration to achieve net zero GHG emissions by 2050, as outlined in National Climate Change Policy 2.0 |

These time horizons are aligned with the reference years applied in the Group's climate scenario analysis and relevant national and international climate objectives. The reference years of 2030, 2035 and 2050 represent key policy and climate milestones and provide a consistent basis for assessing CROs across different time horizons.

First-time Adoption of IFRS Sustainability Disclosure Standards and Transition Reliefs

FY2026 marks the Group's first reporting period applying the IFRS Sustainability Disclosure Standards. In preparing this Statement, the Group has applied the transition reliefs available under the IFRS Sustainability Disclosure Standards, together with the additional transitional reliefs permitted under Bursa Malaysia's Main Market Listing Requirements. Certain comparative information has therefore not been presented, as permitted for the first annual reporting period in which the Group applies the Standards. The Group's sustainability-related financial disclosures are limited to CROs in accordance with IFRS S2 Climate-related Disclosures, with the requirements of IFRS S1 applied only to the extent necessary to support the Group's climate-related disclosures.

The Group has also applied the available transitional relief relating to the disclosure of Scope 3 GHG emissions and has therefore not disclosed these emissions for FY2026. Where applicable, the proportionality mechanisms available under the Standards have been applied. These mechanisms allow the use of reasonable and supportable information available at the reporting date without undue cost or effort, while aligning the disclosure approach with the Group's current capabilities, systems and resources.

## REPORTING BOUNDARY

Unless otherwise stated, the disclosures in this Statement cover all subsidiaries included in the Group's consolidated financial statements for FY2026.

Climate-related metrics, including GHG emissions, are reported based on the Group's operational control over facilities within the reporting boundary. Where information relating to certain operations is unavailable or excluded due to acquisition timing, immateriality or other relevant circumstances, the nature and basis of such exclusions are explained in the relevant sections of this Statement.

For the complete list of subsidiaries, please refer to pp. 150-154 of our IAR 2026.

## SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

Significant Judgement

In preparing these climate-related financial disclosures, the Group exercises significant judgement in identifying CROs that could reasonably be expected to affect its prospects, assessing their materiality, determining appropriate climate scenarios, assessing the resilience of its strategy under different climate futures and evaluating the potential financial effects associated with identified CROs.

Where disclosures cannot be measured directly, particularly where information relates to entities within the value chain, forward-looking information or data limitations, the Group applies reasonable and supportable assumptions, estimates and recognised methodologies to develop decision-useful disclosures.

Measurement Uncertainty

The estimation of anticipated financial effects associated with CROs is subject to a high degree of measurement uncertainty, particularly over the medium and long term. Estimates are influenced by assumptions relating to future climate scenarios, the timing and magnitude of climate-related impacts, technological developments, regulatory changes and market conditions. As these assumptions are inherently forward-looking, actual outcomes may differ from current estimates.

Unless otherwise stated, the Group measures GHG emissions under the GHG Protocol. Related metrics are inherently subject to measurement uncertainty arising from reliance on third-party activity data, published emission factors and incomplete scientific knowledge. Where timely data is unavailable or incomplete, estimation techniques are applied. The Group will continue to strengthen data quality and analytical capabilities in tandem with climate science developments and evolving regulatory requirements.

## GOVERNANCE

Oversight of Climate-related Risks and Opportunities

Scientex maintains a structured governance framework for the oversight and management of CROs, supported by Group-wide policies including our Environmental Policy. This framework establishes clear responsibilities for identifying, assessing, managing and monitoring CROs,

while enabling relevant matters to be escalated through the appropriate governance levels.

The Board retains ultimate responsibility for oversight of the Group's climate resilience, with specific sustainability oversight delegated to the SSC.

At the operational level, the Sustainability Working Groups, comprising the respective Business Owners, work with the Risk Management Team and Group Sustainability Team to identify and assess CROs relevant to the Group's operations. The core topics identified are subsequently recommended to the SSC for consideration.

Following presentation to the Board, the SSC evaluates the strategic implications and trade-offs associated with identified CROs and develops appropriate strategies, performance metrics and internal controls. These strategies are subsequently implemented by the respective Sustainability Working Groups, supported by the Group Sustainability Team, with progress and outcomes monitored and reported to the SSC to support ongoing oversight and decision-making.

For further information on the roles and responsibilities across the Group's sustainability governance structure, please refer to Sustainability Governance on p. 20.

Enhancing Sustainability Data Management

In FY2026, the Group further strengthened its sustainability data management by migrating GHG emissions data collection to a dedicated digital platform. This has enabled partial automation of the data collection process while strengthening data controls, traceability and the overall efficiency of our emissions reporting process.

## RISK MANAGEMENT

CROs are identified, assessed and managed within the Group's Enterprise Risk Management ("ERM") framework, enabling a consistent approach to managing CROs alongside other enterprise risks and opportunities. During FY2026, the Group enhanced its climate-related risk identification and assessment process by incorporating climate scenario analysis and regional climate vulnerability information into its risk management processes.

The assessment covers subsidiaries within the Group's operational control and relevant business activities within the defined reporting boundary. It considers relevant inputs including historical climate-related events, location-specific exposure profiles and internal risk registers.

To assess exposure to CROs, the Group periodically conducts climate scenario analysis incorporating external climate projections, regional climate vulnerability data and relevant regulatory and policy developments. This enables the Group to evaluate the likelihood and potential financial magnitude of identified climate-related risks, as well as the potential strategic implications and feasibility of climate-related opportunities.

Once identified, CROs are assessed and prioritised within the Group's centralised risk register alongside other enterprise risks and opportunities using consistent Group-wide evaluation criteria, taking into consideration existing controls and mitigation measures. Ongoing monitoring of risk mitigation and the advancement of identified opportunities are subsequently managed through the Group's established governance structure, as described on p. 20.

The physical and transition CROs identified as material through the Group's risk management process are described in the following sections.

### CLIMATE-RELATED PHYSICAL RISKS

The Group assesses potential physical risks arising from changing weather patterns and the effects of climate change that may affect its operations. These comprise acute physical risks, including extreme weather events such as flooding and intense rainfall, as well as chronic physical risks, particularly rising temperatures and extreme heat. Depending on their location, severity and duration, these risks may affect the Group's physical assets, workforce, operational continuity, energy requirements and project execution.

Extreme Weather

Extreme weather events, including flash floods, torrential storms and extreme rainfall, may disrupt manufacturing operations and construction activities at sites in exposed locations, potentially affecting operational continuity and project execution.

Extreme weather events may occur over the short, medium or long term and are assessed as having a Medium risk level under both Intergovernmental Panel on Climate Change ("IPCC") Shared Socioeconomic Pathway ("SSP") scenarios analysed. SSP2-4.5 represents a middle-of-the-road pathway characterised by gradual climate policy progress and moderate mitigation and is adopted as the Group's central reference scenario. SSP5-8.5 represents a very high emissions pathway characterised by limited climate mitigation.

> *Effect on the Group's Business Model and Value Chain*

Extreme weather risks, particularly flooding, may affect the Group's manufacturing operations, property development activities and supporting infrastructure. Such events may disrupt production and construction activities, cause damage to physical assets and affect the Group's ability to fulfil customer and project commitments across its Packaging and Property businesses.

Potential financial effects may include capital expenditure for asset protection and drainage improvements, higher operating costs arising from repairs, maintenance and insurance premiums, as well as cash flow impacts where project delays result in deferred progressive billings.

> *Effect on the Group's Strategy and Decision-Making*

Climate-related physical risks and adaptation considerations are integrated into the Group's existing investment, operational and capital planning processes, with related measures generally funded through normal business expenditure.

For manufacturing and property development activities, considerations include flood exposure, site drainage capacity, infrastructure resilience and the potential implications of climate-related hazards for operational continuity and project execution.

The Group addresses identified physical climate risks through existing operational controls and adaptation measures, including preventive maintenance of equipment and facilities, Emergency Response Plans ("ERP") and other measures to support response and recovery following disruptive events. Insurance coverage is also maintained, where appropriate, to provide financial protection against losses arising from physical damage and operational disruption.

Where necessary, the Group may implement or enhance measures such as drainage improvements, asset protection, site monitoring and early warning mechanisms to reduce exposure to flooding and other physical hazards. Contractor preparedness and coordination may also be strengthened to support project activities during weather-related disruptions. Such measures are determined based on site-specific exposure, operational requirements and potential impacts on operations and project execution.

For example, as part of our ongoing assessment of potential physical climate risks, a feasibility study was conducted at one of our manufacturing plants to assess water flow direction, elevation levels and potential flood pathways. This assessment also considered the plant layout and positioning of machinery and equipment to identify opportunities to further reduce potential flood exposure.

Extreme Heat

Rising temperatures and the increasing frequency and intensity of extreme heat may affect workforce productivity, constrain outdoor construction activities, increase cooling and electricity requirements and place additional stress on electrical and mechanical infrastructure.

Exposure to extreme heat is expected to be more pronounced over the long term and may affect the Group's packaging manufacturing and property development sites. The risk level of extreme heat is assessed as Low under the SSP2-4.5 pathway, increasing to Medium under the SSP5-8.5 pathway.

> *Effect on the Group's Business Model and Value Chain*

Prolonged periods of high temperatures may affect the Group's manufacturing operations and property development activities through impacts on workforce productivity, equipment reliability, operating conditions and energy consumption.

Higher temperatures may accelerate equipment wear, increase energy requirements and heighten the potential for operational disruption. Potential financial effects may include higher operating expenditure relating to utilities, maintenance and workforce welfare, capital expenditure for ventilation and cooling systems, and cash flow impacts where construction delays result in deferred progressive billings.

> *Effect on the Group's Strategy and Decision-Making*

The Group considers heat-related risks in its operational planning, workforce management and occupational safety and health practices, including work scheduling and shift arrangements. Existing controls include workforce health and welfare measures supported by the Group's occupational safety and health practices.

Where appropriate, climate adaptation measures may include considering plant layout and equipment positioning during feasibility studies, as well as upgrading plant ventilation and cooling systems to optimise air circulation within high-temperature process areas.

Increasing exposure to high-temperature conditions also reinforces the relevance of the Group's investments in automation, including the use of robotic technologies in manufacturing plants, as well as advanced technologies and IBS construction techniques, which enhance operational efficiency and reduce reliance on labour-intensive activities.

Where extreme weather and extreme heat risks increase in exposure or severity over time, the Group may incur additional operating and capital expenditure relating to climate adaptation, resilience measures and energy consumption. The magnitude and timing of these potential financial effects remain subject to future climate conditions, geographical exposure, operational requirements and the Group's approach to climate adaptation.

## CLIMATE-RELATED TRANSITION RISKS

The transition towards a lower-carbon economy presents risks arising from evolving climate-related regulation and changing material and supply chain requirements. Depending on the pace and nature of the transition, they may affect operating and compliance costs, capital investment requirements, sourcing strategies, product development and the Group's longer-term competitiveness.

Evolving Climate-Related Regulatory Requirements

Increasing climate-related regulation, including carbon pricing, together with evolving requirements relating to lower-carbon products, may increase compliance and manufacturing costs and require changes to products and production processes. These risks are most relevant to the Group's manufacturing activities over the short and medium term.

Two climate transition scenarios were considered in assessing transition risks. Under the Network for Greening the Financial System ("NGFS") NDC scenario, which reflects pledged country-level climate commitments, the risk is assessed as Medium. Under NGFS Net Zero 2050, which assumes an orderly transition involving immediate and stringent climate policy action consistent with limiting global warming to 1.5°C, this risk is assessed as High.

> *Effect on the Group's Business Model and Value Chain*

The Group's Packaging business relies on manufacturing and supplying products that meet customer requirements and applicable regulatory standards. Evolving climate-related regulation, including carbon pricing and plastic packaging regulations, may affect manufacturing processes, product specifications and sourcing practices across the value chain. These developments may increase cost pressures, particularly across energy-intensive manufacturing activities and upstream supply chains.

Potential financial effects include higher operating expenditure arising from increased energy costs, regulatory compliance, certification requirements and other operating costs. Capital expenditure may also be required for more energy-efficient equipment, lower-carbon technologies and machinery necessary to support product and process redesign.

> *Effect on the Group's Strategy and Decision-Making*

The Group manages regulatory transition risks through existing measures including regulatory monitoring, compliance processes, energy efficiency initiatives, carbon emissions monitoring and the continued development of more sustainable packaging solutions.

Within the Packaging Division, the use of PIR resin and film downgauging supports the reduction of virgin material use and may contribute to lowering the overall embodied carbon footprint of our FPP products. Meanwhile, our solventless lamination eliminates emissions associated with solvent use and disposal while reducing energy requirements compared with solvent-based laminates. These measures support the development of more sustainable FPP solutions in response to evolving climate-related expectations.

The Group also continues to improve energy efficiency across its manufacturing operations through investments in equipment and process enhancements that reduce energy requirements while supporting operational efficiency and lower emissions. Refer to p. 57 for further details on these initiatives. The Group is also progressively replacing conventional forklifts with electric models, reducing direct fossil fuel consumption and Scope 1 emissions associated with material handling operations.

Renewable energy forms another component of the Group's response to transition risk. As at FY2026, the Group had 23.9 MWp of installed solar PV capacity, generating 29,335 MWh of renewable electricity and avoiding approximately 21,700 MT $CO_2e$ of GHG emissions during the year.

The Group's mangrove planting initiatives, as described on p. 66, complement its broader climate efforts by supporting natural carbon sequestration.

The Group continues to evaluate opportunities to strengthen climate and regulatory governance, adopt lower-carbon manufacturing technologies and develop more sustainable FPP solutions. Climate-related initiatives are incorporated into existing operational and capital investment planning processes and funded through normal business expenditure and investment decisions. Where regulatory requirements continue to evolve, additional response measures will be assessed based on regulatory developments, operational requirements and commercial viability.

Raw Material and Supply Chain

Climate transition pressures and growing demand for sustainable and lower-carbon materials may affect the cost and availability of raw materials, potentially increasing input costs and creating supply constraints. This risk may affect the Group's packaging manufacturing and property development activities over the short to medium term and is assessed as Medium under the NGFS NDCs scenario, increasing to High under the NGFS Net Zero 2050 scenario.

> *Effect on the Group's Business Model and Value Chain*

This risk may affect the Group's upstream sourcing activities and downstream operations across its Packaging and Property businesses. Changes in material availability, supplier capabilities and procurement requirements may require the Group to identify alternative materials or suppliers, adjust production processes and adapt project specifications. These changes may affect production planning, project execution, competitiveness and the Group's ability to meet customer and project requirements.

Potential financial effects are primarily expected through increases in raw material and construction material expenditure. Higher input costs may place pressure on our profit margins.

> *Effect on the Group's Strategy and Decision-Making*

Climate-related supply chain considerations are incorporated into the Group's procurement planning, supplier engagement and operational decision-making. Existing controls include approved supplier lists, strategic sourcing practices, design reviews and construction material assessments.

Where appropriate, the Group may further strengthen supply chain management through supplier diversification, alternative sourcing strategies, improved material planning and greater use of alternative, lower-carbon or more sustainable materials. Within the Packaging Division, this includes using PIR resin produced from plastic trimmings and other recyclable waste to reduce reliance on virgin resin, as well as downgauging to optimise material use.

Within the Property Division, the use of IBS construction techniques and standardised home designs provides greater predictability of construction material requirements, supporting earlier procurement planning and coordination with suppliers. The Group also uses lower-carbon construction materials such as GGBS, which can reduce embodied carbon by partially replacing OPC, a more carbon-intensive component of conventional concrete.

The Group continues to monitor market, regulatory and supplier developments to inform its procurement, sourcing and operational decisions.

## IMPACT ON FINANCIAL STATEMENTS

Based on the assessment of the climate-related physical and transition risks described above, the Group does not expect these risks to result in a material adjustment to the carrying amounts of assets and liabilities reported in the FY2026 financial statements within the next 12 months.

## CLIMATE-RELATED SCENARIO ANALYSIS

Climate-related scenario analysis forms part of the Group's risk identification and strategic planning processes and is used to assess the potential implications of different climate pathways for its operations, strategy, and decision-making over the short, medium and long term.

The analysis incorporates qualitative assessments and, where sufficiently reliable data is available, quantitative inputs. These include historical operational data, location-specific exposure profiles, internal risk registers and external climate projections. Insights from the analysis support the Group's assessment of CROs and inform relevant risk mitigation, adaptation and strategic responses.

Physical Risk Scenarios

The Group assesses physical climate risks across its operational footprint using recognised geospatial datasets and climate modelling projections. This includes assessing exposure to physical hazards such as flooding and extreme heat under two SSP scenarios.

SSP2-4.5 represents a middle-of-the-road pathway characterised by gradual policy progress and moderate mitigation and serves as the Group's central reference scenario, while SSP5-8.5 represents a very high emissions pathway with limited mitigation and more severe longer-term physical climate impacts.

The scenarios support the Group in assessing how exposure to identified physical climate hazards may evolve over different time horizons and locations, and consider the implications for its assets, operations and existing adaptation measures.

Transition Risk Scenarios

The Group assesses climate-related transition risks, including regulatory and policy developments, technological change and market dynamics, using scenarios developed by the NGFS.

The analysis considers NGFS Net Zero 2050, representing an orderly transition involving immediate and stringent climate action consistent with limiting global warming to 1.5°C, and the NGFS NDCs scenario, which reflects pledged country-level climate commitments.

These scenarios support the Group in considering how different transition pathways may affect its operations, including through changes in carbon pricing, energy costs, regulatory requirements, technologies and market conditions.

Preserving Strategic Resilience

The assessment of the physical SSP pathways indicates that the Group maintains sufficient operational flexibility and asset transfer capabilities to respond to localised extreme weather events. Meanwhile, assessment against the NGFS transition pathways indicates that the Group's energy efficiency initiatives and on-site solar PV systems support its ability to manage potential increases in carbon-related and energy costs.

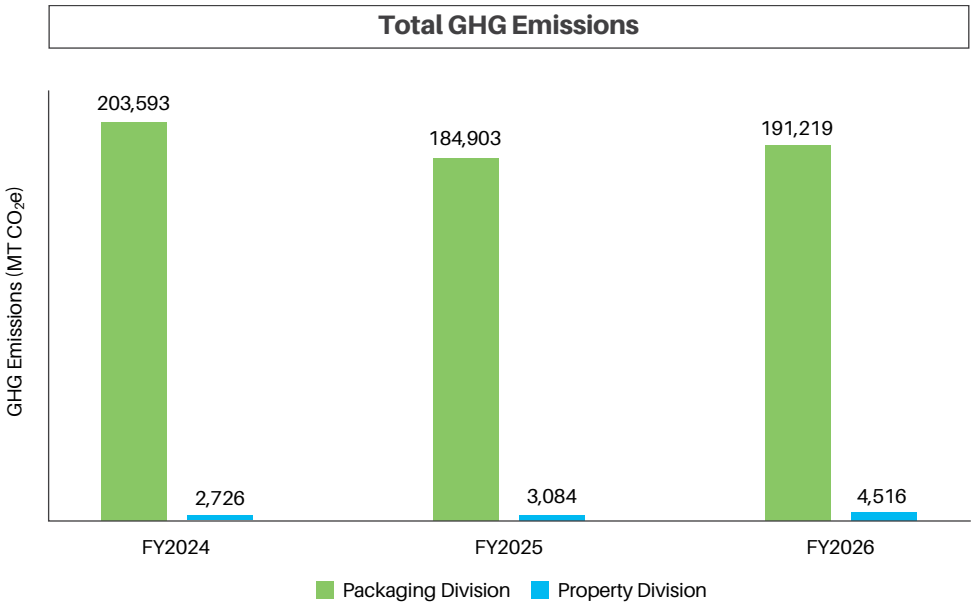
Based on the scenario assessments undertaken, the Group maintains sufficient financial capacity to fund potential climate adaptation and resilience-related capital expenditure over the medium term while supporting its planned growth initiatives, subject to future climate conditions and investment requirements.

## METRICS AND TARGETS

GHG Emissions

The Group monitors its GHG emissions to understand its climate-related impacts and track its performance over time. Scope 1 and Scope 2 emissions form key metrics in assessing the Group's operational emissions profile and support ongoing efforts to improve energy efficiency and reduce emissions across its operations.

The table below summarises the Group's Scope 1 and Scope 2 GHG emissions and emissions intensity for FY2026, together with historical performance for comparison.




| GHG Emissions (MT $CO_2e$) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| **PACKAGING DIVISION** | | | |
| Scope 1 | 5,529 | 5,117 | 5,098 |
| Scope 2 | 198,064 | 179,786 | 186,121 |
| **Total Packaging Division** | **203,593** | **184,903** | **191,219** |
| **PROPERTY DIVISION** | | | |
| Scope 1 | - | 41 | 104 |
| Scope 2 | 2,726 | 3,043 | 4,412 |
| **Total Property Division** | **2,726** | **3,084** | **4,516** |
| **GHG Emissions - Group** | | | |
| Scope 1 | 5,529 | 5,158 | 5,202 |
| Scope 2 | 200,790 | 182,829 | 190,533 |
| **Total GHG Emissions** | **206,319** | **187,987** | **195,735** |

| GHG Emissions Intensity (MT $CO_2e$/MT) | FY2024 | FY2025 | FY2026 |
|---|---|---|---|
| Intensity Per Unit of Output - Packaging Division (MT $CO_2e$/MT) | 0.78 | 0.71 | 0.73 |
| Intensity Per Unit of Revenue - Property Division (MT $CO_2e$/RM million) | 1.45 | 1.52 | 2.03 |

*Note: The Group has restated its FY2024 and FY2025 Scope 1 and Scope 2 GHG emissions to reflect the use of revised emission factors consistent with the sources and methodology applied in FY2026.*

GHG Emissions Methodology

The Group measures and reports its GHG emissions in line with the GHG Protocol: A Corporate Accounting and Reporting Standard, which provides the basis for defining organisational boundaries and categorising emissions across Scope 1, Scope 2 and Scope 3. Application of the GHG Protocol supports consistency in the classification, measurement and disclosure of emissions and enables comparability of performance over time.

The Group applies the operational control approach in determining its GHG emissions reporting boundary. Emissions from operations over which the Group has operational control are included, while emissions from joint ventures and associates over which the Group does not have operational control are excluded.

Scope 1 emissions comprise direct emissions arising primarily from the consumption of fuels such as natural gas, LPG and diesel. Fuel consumption data is derived from supplier invoices and other relevant records. Where LPG consumption is reported in gallons, the volume is converted to tonnes using the applicable LPG density conversion factor published by the U.S. Department of Energy's Alternative Fuels Data Center ("AFDC"). GHG emissions are then calculated using the applicable emission factors from the UK Department for Energy Security and Net Zero ("DESNZ"), with the calculations performed using Bursa Malaysia's Centralised Sustainability Intelligence Platform ("CSIP").

Scope 2 emissions arise from purchased grid electricity and are reported using the location-based method. Electricity consumption data is obtained from bills issued by the respective electricity suppliers. GHG emissions are calculated using applicable regional or national electricity emission factors provided through Bursa Malaysia's CSIP, with reference to recognised emission-factor sources including the Malaysia Energy Information Hub ("MEIH") and Enerdata.

In FY2026, the Group generated and consumed 29,335 MWh of renewable electricity from its on-site solar PV systems, reducing its reliance on purchased grid electricity. The Group's remaining purchased grid electricity consumption resulted in 190,533 MT $CO_2e$ of Scope 2 emissions.

The Group has yet to establish formal GHG emissions reduction targets. Nevertheless, it continues to undertake emissions mitigation initiatives, including the generation and consumption of renewable electricity through its on-site solar PV systems and ongoing energy efficiency measures across its operations.

For FY2026, the Group has applied the transitional relief available under IFRS S2 in relation to the disclosure of Scope 3 GHG emissions. The Group intends to progressively strengthen its emissions data collection and reporting capabilities to support the disclosure of Scope 3 emissions in future reporting periods.

# SCIENTEX BERHAD

IFRS S2

Date & Time: 2026-10-20_17:01:16

Main Market | Group 1 | FYE 31/07/2026

| Sustainability Matter | Metric | Measurement Unit | 2025 | 2026 | Target | Assurance |
|---|---|---|---|---|---|---|
| GHG emissions | Scope 1 | Metric tonnes of carbon dioxide equivalents (tCO2e) | 5,158 | 5,202 | — | Internal |
| GHG emissions | Scope 2 Location-based | Metric tonnes of carbon dioxide equivalents (tCO2e) | 182,829 | 190,533 | — | Internal |

## LOOKING FORWARD

Sustainability is integral to achieving our growth ambition. By embedding sustainability into how we grow, innovate and operate, we can pursue our ambitions responsibly, strengthen our business through continuous improvement and deliver positive outcomes for our stakeholders and the environment.

This commitment is reflected in the way we approach our growth and operations, with sustainability considerations forming part of our strategies, decisions and ways of working. Collaboration with our partners across the value chain has also been integral to this journey, enabling us to align priorities, strengthen collective action and create shared value.

Looking ahead, we will build on the progress we have made by further embedding sustainability across our strategies and operations. We will continue to advance resource efficiency, strengthen climate resilience, invest in our people and communities, and accelerate innovation that supports more sustainable products, processes and ways of working.

Through these efforts, we aim to ensure that as Scientex continues to fly higher and grows stronger, we do so responsibly and sustainably, creating enduring value for our business, our stakeholders and generations to come.



# Sustainability Performance Data Table

| Indicator | Measurement Unit | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| **Anti-corruption** | | | | |
| Percentage of employees who have received training on anti-corruption by employee category | | | | |
| Key Management | Percentage | 100 | 100 | 100 |
| Middle Management | Percentage | 100 | 100 | 100 |
| Executive | Percentage | 100 | 100 | 100 |
| Percentage of operations assessed for corruption-related risks | Percentage | 28 | 100 | 100 |
| Confirmed incidents of corruption and action taken | Number | 0 | 0 | 0 |
| **Data privacy and security** | | | | |
| Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | 0 |
| **Waste management** | | | | |
| Total waste generated | Metric tonnes | 13,015 | 12,975 | 15,142 |
| Total waste diverted from disposal | Metric tonnes | 10,009 | 9,804 | 11,398 |
| Total waste directed to disposal | Metric tonnes | 3,006 | 3,171 | 3,744 |
| **Water** | | | | |
| Total volume of water used | Megalitres | 979.2 | 867.2 | 886.8 |
| **Energy management** | | | | |
| Total energy consumption | Megawatt-hour | 312,113 | 309,660 | 321,161 |
| **Emissions management** | | | | |
| Scope 1 emissions in tonnes of $CO_2e$ | Metric tonnes | 5,529 | 5,158 | 5,202 |
| Scope 2 emissions in tonnes of $CO_2e$ | Metric tonnes | 200,790 | 182,829 | 190,533 |
| **Health and safety** | | | | |
| Number of work-related fatalities | Number | 0 | 0 | 0 |
| Lost time incident rate ("LTIR") | Rate | 0.71 | 0.59 | 0.63 |
| Number of employees trained on health and safety standards | Number | 728 | 1,243 | 1,153 |
| **Diversity** | | | | |
| Percentage of employees by gender and age group, for each employee category | | | | |
| Age Group by Employee Category | | | | |
| Key Management Under 30 | Percentage | 0 | 0 | 0 |
| Key Management Between 30-50 | Percentage | 22 | 30 | 33 |
| Key Management Above 50 | Percentage | 78 | 70 | 67 |
| Middle Management Under 30 | Percentage | 1 | 0 | 1 |
| Middle Management Between 30-50 | Percentage | 61 | 59 | 62 |
| Middle Management Above 50 | Percentage | 38 | 41 | 37 |
| Executive Under 30 | Percentage | 18 | 19 | 20 |
| Executive Between 30-50 | Percentage | 65 | 65 | 65 |
| Executive Above 50 | Percentage | 17 | 16 | 15 |
| Non-Executive Under 30 | Percentage | 35 | 32 | 32 |
| Non-Executive Between 30-50 | Percentage | 56 | 58 | 59 |
| Non-Executive Above 50 | Percentage | 9 | 10 | 9 |
| Gender Group by Employee Category | | | | |
| Key Management Male | Percentage | 78 | 80 | 78 |
| Key Management Female | Percentage | 22 | 20 | 22 |
| Middle Management Male | Percentage | 69 | 68 | 65 |
| Middle Management Female | Percentage | 31 | 32 | 35 |

| Indicator | Measurement Unit | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| Executive Male | Percentage | 58 | 56 | 56 |
| Executive Female | Percentage | 42 | 44 | 44 |
| Non-Executive Male | Percentage | 85 | 87 | 88 |
| Non-Executive Female | Percentage | 15 | 13 | 12 |
| Percentage of directors by gender and age group | | | | |
| Male | Percentage | 83 | 57 | 57 |
| Female | Percentage | 17 | 43 | 43 |
| Under 30 | Percentage | 0 | 0 | 0 |
| Between 30-50 | Percentage | 0 | 14 | 14 |
| Above 50 | Percentage | 100 | 86 | 86 |
| **Labour practices and standards** | | | | |
| Total hours of training by employee category | | | | |
| Key Management | Hours | 78 | 128 | 98 |
| Middle Management | Hours | 1,438 | 1,698 | 1,930 |
| Executive | Hours | 13,920 | 15,440 | 11,083 |
| Non-Executive | Hours | 14,503 | 14,616 | 15,249 |
| Percentage of employees that are contractors or temporary staff | Percentage | 8 | 5 | 7 |
| Total number of employee turnover by employee category | | | | |
| Key Management | Number | 1 | 0 | 1 |
| Middle Management | Number | 9 | 16 | 15 |
| Executive | Number | 149 | 132 | 147 |
| Non-Executive | Number | 827 | 683 | 524 |
| Number of substantiated complaints concerning human rights violations | Number | 0 | 0 | 0 |
| **Community/Society** | | | | |
| Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 412,280 | 734,000 | 1,553,000 |
| Total number of beneficiaries of the investment in communities | Number | 44 | 69 | 59 |

# Global Reporting Initiative Content Index

Scientex Berhad has reported the information cited in this GRI content index for the period 1 August 2025 to 31 July 2026 with reference to the GRI Standards.

| GRI Standards | Disclosure Number | Disclosures | Page Reference |
|---|---|---|---|
| **GENERAL DISCLOSURES** | | | |
| GRI 2: General Disclosures 2021 | **The organisation and its reporting practices** | | |
| | 2-1 | Organisational details | About This Report, p. 2; About Scientex Berhad, pp. 9 - 13 |
| | 2-2 | Entities included in the organisation's sustainability reporting | About This Report, p. 2 |
| | 2-3 | Reporting period, frequency and contact point | About This Report, p. 2 |
| | 2-4 | Restatements of information | About This Report, page p. 2; ISSB Sustainability Statement - Metrics and Targets, pp. 90 - 91 |
| | 2-5 | External assurance | About This Report, p. 2 |
| | **Activities and workers** | | |
| | 2-6 | Activities, value chain and other business relationships | About Scientex Berhad, pp. 9 - 15 |
| | 2-7 | Employees | About Scientex Berhad, p. 14; Empowering Our People, p. 78 |
| | 2-8 | Workers who are not employees | Empowering Our People, p. 78 |
| | **Governance** | | |
| | 2-9 | Governance structure and composition | Sustainability Governance, pp. 20 - 21 |
| | 2-10 | Nomination and selection of the highest governance body | Sustainability Governance, pp. 20 - 21; Corporate Governance Overview Statement, IAR 2026 pp. 94 - 97 |
| | 2-11 | Chair of the highest governance body | Sustainability Governance, pp. 20 - 21 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Sustainability Governance, pp. 20 - 21 |
| | 2-13 | Delegation of responsibility for managing impacts | Sustainability Governance, pp. 20 - 21 |
| | 2-14 | Role of the highest governance body in sustainability reporting | Sustainability Governance, pp. 20 - 21 |
| | 2-15 | Conflicts of interest | Board of Directors, IAR 2026 pp. 26 - 28 Corporate Governance Overview Statement, IAR 2026 pp. 93 - 94 Audit and Risk Management Committee Report, IAR 2026 pp. 104 - 106 |

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| | 2-17 | Collective knowledge of the highest governance body | Sustainability Governance, pp. 20 - 21; Corporate Governance Overview Statement, IAR 2026 pp. 94 - 97 |
| | 2-18 | Evaluation of the performance of the highest governance body | Sustainability Governance, pp. 20 - 21; Corporate Governance Overview Statement, IAR 2026 pp. 94 - 97 |
| | 2-19 | Remuneration policies | Corporate Governance Overview Statement, IAR 2026 pp. 94 - 98 |
| | 2-20 | Process to determine remuneration | Corporate Governance Overview Statement, IAR 2026 pp. 94 - 98 |
| | **Strategy, policies and practices** | | |
| | 2-22 | Statement on sustainable development strategy | A Message From Our Chief Executive Officer, pp. 6 - 8 |
| | 2-23 | Policy commitments | Responsible Business Conduct and Governance, pp. 32 - 34; Empowering Our People, pp. 74 - 75 |
| | 2-24 | Embedding policy commitments | Responsible Business Conduct and Governance, pp. 32 - 34; Embedding Sustainability in Our Business Processes, p. 19 |
| | 2-25 | Processes to remediate negative impacts | Responsible Business Conduct and Governance, p. 33; Empowering Our People, p. 76 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | Responsible Business Conduct and Governance, p. 33; Empowering Our People, p. 76 |
| | 2-27 | Compliance with laws and regulations | Responsible Business Conduct and Governance, p. 34; Responsible Waste Management, p. 52; Optimising Consumption of Materials, p. 55; Environmental Compliance, p. 66; Empowering Our People, p. 79 |
| | 2-28 | Membership associations | About This Report, p. 15 |

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| | 2-29 | Approach to stakeholder engagement | Engaging Our Stakeholders, pp. 22 - 23 |
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| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Responsible Business Conduct and Governance, pp. 32 - 34 |
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| | 205-2 | Communication and training about anti-corruption policies and procedures | Responsible Business Conduct and Governance, p. 34 |
| | 205-3 | Confirmed incidents of corruption and action taken | Responsible Business Conduct and Governance, p. 34 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | Responsible Business Conduct and Governance, p. 34; Environmental Compliance, p. 66 |
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| **PROVIDING AFFORDABLE HOUSING** | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Providing Affordable Housing, pp. 35 - 37 |
| GRI 203: Indirect Economic Impact 2016 | 203-1 | Infrastructure investments and services supported | Providing Affordable Housing, pp. 35 - 37; Contributing to Local Communities, p. 80 |
| **PRODUCT INNOVATION** | | | |
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| **RESPONSIBLE WASTE MANAGEMENT** | | | |
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| GRI 306: Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | Responsible Waste Management, pp. 48 - 52 |
| | 306-2 | Management of significant waste-related impacts | Responsible Waste Management, pp. 48 - 52 |
| | 306-3 | Waste generated | Responsible Waste Management, p. 52 |
| | 306-4 | Waste diverted from disposal | Responsible Waste Management, p. 52 |
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| GRI 303: Water and Effluents 2018 | 303-2 | Management of water discharge-related impacts | Responsible Waste Management, p. 50 |
| **OPTIMISING CONSUMPTION OF MATERIALS** | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Optimising Consumption of Materials, pp. 53 - 56 |
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| | 301-2 | Recycled input materials used | Optimising Consumption of Materials, p. 55 |
| GRI 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared source | Optimising Consumption of Materials, pp. 55 - 56 |
| | 303-3 | Water withdrawal | Optimising Consumption of Materials, pp. 55 - 56 |
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| **REDUCING ENERGY CONSUMPTION AND EMISSIONS** | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Reducing Energy Consumption and Emissions, pp. 57 - 60; ISSB Sustainability Statement, pp. 83 - 92 |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organisation | Reducing Energy Consumption and Emissions, pp. 59 - 60 |
| | 302-3 | Energy Intensity | Reducing Energy Consumption and Emissions, pp. 59 - 60 |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | ISSB Sustainability Statement - Metrics and Targets, pp. 90 - 91 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | ISSB Sustainability Statement - Metrics and Targets, pp. 90 - 91 |
| | 305-4 | GHG emissions intensity | ISSB Sustainability Statement - Metrics and Targets, pp. 90 - 91 |

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| **ENVIRONMENTAL COMPLIANCE** | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Environmental Compliance, pp. 61 - 66 |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments and development programs | Environmental Compliance, pp. 64 - 66 |
| **OCCUPATIONAL SAFETY AND HEALTH** | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Occupational Safety and Health, pp. 68 - 73 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | Occupational Safety and Health, pp. 68 - 71 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | Occupational Safety and Health, pp. 68 - 70 |
| | 403-3 | Occupational health services | Occupational Safety and Health, pp. 68 - 71 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Occupational Safety and Health, pp. 68 - 71 |
| | 403-5 | Worker training on occupational health and safety | Occupational Safety and Health, pp. 70 - 71 |
| | 403-6 | Promotion of worker health | Occupational Safety and Health, p. 71; Empowering Our People, pp. 75 - 76 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Safety and Health, pp. 68 - 71 |
| | 403-9 | Work-related injuries | Occupational Safety and Health, pp. 72 - 73 |
| | 403-10 | Work-related ill health | Occupational Safety and Health, pp. 72 - 73 |
| **EMPOWERING OUR PEOPLE** | | | |
| GRI 3: Material Topics 2021 | 3-3 | Management of material topics | Empowering Our People, pp. 74 - 79 |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Empowering Our People, pp. 78 - 79 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Empowering Our People, pp. 75 - 77 |
| | 401-3 | Parental Leave | Empowering Our People, p. 79 |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | Empowering Our People, p. 79 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Empowering Our People, pp. 76 - 77 and 79 |
| GRI 405: Diversity and Equal Opportunities 2016 | 405-1 | Diversity of governance bodies and employees | Empowering Our People, p. 78; Sustainability Performance Data Table, pp. 94 - 95 |

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| **CONTRIBUTING TO LOCAL COMMUNITIES** | | | |
| GRI 3:<br>Material Topics 2021 | 3-3 | Management of material topics | Contributing to Local Communities, pp. 80 - 82 |
| GRI 413:<br>Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments and development programs | Environmental Compliance, pp. 64 - 66;<br>Contributing to Local Communities, pp. 80 - 82 |

# IFRS S2 CONTENT INDEX

| IFRS S2 Indicator | Description | Page Reference |
|---|---|---|
| **Governance** | | |
| 6 (a) | The governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about: | |
| 6 (a) (i) | How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s) | Sustainability Governance, pp. 20 - 21; ISSB Sustainability Statement – Governance, pp. 84 - 85 |
| 6 (a) (ii) | How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities | Sustainability Governance, pp. 20 - 21; Corporate Governance Overview Statement – Board Composition, IAR 2026 pp. 94 - 97 |
| 6 (a) (iii) | How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities | Sustainability Governance, pp. 20 - 21 |
| 6 (a) (iv) | How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities | Sustainability Governance, pp. 20 - 21; ISSB Sustainability Statement – Governance, pp. 84 - 85 |
| 6 (a) (v) | How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33–36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g)) | The Group has not established formal climate-related targets and is not currently subject to any climate-related targets prescribed by applicable laws and regulations |
| 6 (b) | Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: | |
| 6 (b) (i) | Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee | Sustainability Governance, pp. 20 - 21; ISSB Sustainability Statement – Governance, pp. 84 - 85 |
| 6 (b) (ii) | Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions | |
| **Strategy** | | |
| Climate-Related Risks and Opportunities | | |
| 10 (a) | Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 10 (b) | Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk | |
| 10 (c) | Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur | |

| IFRS S2 Indicator | Description | Page Reference |
|---|---|---|
| 10 (d) | Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making | ISSB Sustainability Statement – Basis of Preparation and Presentation, pp. 83 - 84 |
| Business Model and Value Chain | | |
| 13 (a) | A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 13 (b) | A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated | |
| Strategy and Decision-making | | |
| 14 (a) (i) | Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 14 (a) (ii) | Current and anticipated direct mitigation and adaptation efforts | |
| 14 (a) (iii) | Current and anticipated indirect mitigation and adaptation efforts | |
| 14 (a) (iv) | Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies | The Group has not established formal climate-related targets and is not currently subject to any climate-related targets prescribed by applicable laws and regulations. Accordingly, a transition plan and information on achieving such targets are not applicable |
| 14 (a) (v) | How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33–36 | |
| 14 (b) | Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a) | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 14 (c) | Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a) | |
| 16 | Specifically, an entity shall disclose quantitative and qualitative information about: | |
| 16 (a) | How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 16 (b) | The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements | ISSB Sustainability Statement – Impacts on Financial Statements, p. 88 |

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| 16 (c) (i) | How the entity expects its financial position to change over the short-, medium- and long-term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans, including plans the entity is not contractually committed to | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 16 (c) (ii) | How the entity expects its financial position to change over the short-, medium- and long-term, given its strategy to manage climate-related risks and opportunities, taking into consideration its planned sources of funding to implement its strategy | |
| 16 (d) | How the entity expects its financial performance and cash flows to change over the short-, medium- and long-term, given its strategy to manage climate-related risks and opportunities | |
| 21 | If an entity determines that it need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity applying the criteria set out in paragraphs 19–20, the entity shall:<br>(a) explain why it has not provided quantitative information<br>(b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity<br>(c) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful | The Group has provided qualitative information on the current and anticipated financial effects of CROs on pp. 85 - 88. Quantitative information on the combined financial effects has not been disclosed due to uncertainties in estimating their timing, magnitude and likelihood. |
| Climate Resilience | | |
| 22 (a) (i) | The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis | ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87; ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88 |
| 22 (a) (ii) | The significant areas of uncertainty considered in the entity's assessment of its climate resilience | ISSB Sustainability Statement – Significant Judgements and Measurement Uncertainties, p. 84 |
| 22 (a) (iii) | The entity's capacity to adjust or adapt its strategy and business model to climate change over the short-, medium- and long-term, including:<br>(1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities<br>(2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets<br>(3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience | ISSB Sustainability Statement – Impacts on Financial Statements, p. 88; ISSB Sustainability Statement – Climate-related Scenario Analysis, pp. 89 |

| IFRS S2 Indicator | Description | Page Reference |
|---|---|---|
| 22 (b) (i) | How and when the climate-related scenario analysis was carried out, including information about the inputs the entity used, including:<br>(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios<br>(2) whether the analysis included a diverse range of climate-related scenarios<br>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks<br>(4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change<br>(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties<br>(6) the time horizons the entity used in the analysis<br>(7) what scope of operations the entity used in the analysis | ISSB Sustainability Statement – Basis of Preparation and Presentation, pp. 83 - 84<br>ISSB Sustainability Statement – Climate-related Physical Risks, pp. 85 - 87;<br>ISSB Sustainability Statement – Climate-related Transition Risks, pp. 87 - 88;<br>ISSB Sustainability Statement – Climate-related Scenario Analysis, pp. 88 - 89 |
| 22 (b) (ii) | How and when the climate-related scenario analysis was carried out, including the key assumptions the entity made in the analysis, including assumptions about:<br>(1) climate-related policies in the jurisdictions in which the entity operates<br>(2) macroeconomic trends<br>(3) national- or regional-level variables<br>(4) energy usage and mix<br>(5) developments in technology | The assessment incorporates assumptions from the SSP and NGFS scenarios, including emissions pathways, policy and regulatory developments, carbon pricing, energy transition, technological development and macroeconomic conditions. Physical risk assessments also consider regional climate conditions and site-specific exposure |
| 22 (b) (iii) | The reporting period in which the climate-related scenario analysis was carried out | ISSB Sustainability Statement – Risk Management, p. 85;<br>ISSB Sustainability Statement – Climate-related Scenario Analysis, pp. 88 - 89 |
| **Risk Management** | | |
| 25 (a) | The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about: | |
| 25 (a) (i) | The inputs and parameters the entity uses | ISSB Sustainability Statement – Risk Management, p. 85 |
| 25 (a) (ii) | Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks | |
| 25 (a) (iii) | How the entity assesses the nature, likelihood and magnitude of the effects of those risks | |
| 25 (a) (iv) | Whether and how the entity prioritises climate-related risks relative to other types of risk | |
| 25 (a) (v) | How the entity monitors climate-related risks | |
| 25 (a) (vi) | Whether and how the entity has changed the processes it uses compared with the previous reporting period | |

| IFRS S2 Indicator | Description | Page Reference |
|---|---|---|
| 25 (b) | An entity shall disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities | ISSB Sustainability Statement – Risk Management, p. 85 |
| 25 (c) | An entity shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process | |
| **Metrics and Targets** | | |
| Climate-related Metrics | | |
| 29 (a) | Greenhouse gases—the entity shall: | |
| 29 (a) (i) | Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of $CO_2$ equivalent (see paragraphs B19–B22), classified as:<br>(1) Scope 1 greenhouse gas emissions<br>(2) Scope 2 greenhouse gas emissions<br>(3) Scope 3 greenhouse gas emissions | ISSB Sustainability Statement – Metrics and Targets, pp. 90 - 91 |
| 29 (a) (ii) | Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25) | ISSB Sustainability Statement – Metrics and Targets, pp. 90 - 91 |
| 29 (a) (iii) | Disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including:<br>(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions<br>(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions<br>(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes | ISSB Sustainability Statement – Metrics and Targets, pp. 90 - 91 |
| 29 (a) (iv) | For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between:<br>(1) the consolidated accounting group<br>(2) other investees excluded from paragraph 29(a)(iv)(1) | Not applicable. The Group's Scope 1 and Scope 2 GHG emissions comprise only the parent company and its subsidiaries |
| 29 (a) (v) | For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31) | ISSB Sustainability Statement – Metrics and Targets, pp. 90 - 91 |
| 29 (a) (vi) | For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose:<br>(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)<br>(2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63) | The Group has applied the transition relief to omit Scope 3 GHG emissions disclosure for the current reporting year |

| IFRS S2 Indicator | Description | Page Reference |
|---|---|---|
| 29 (b) | An entity shall disclose information relevant to the cross-industry metric categories of climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks | The Group does not currently provide this disclosure; the Group continues to assess the relevant information |
| 29 (c) | An entity shall disclose information relevant to the cross-industry metric categories of climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks | |
| 29 (d) | An entity shall disclose information relevant to the cross-industry metric categories of climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities | |
| 29 (e) | An entity shall disclose information relevant to the cross-industry metric categories of capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities | |
| 29 (f) | Internal carbon prices – the entity shall disclose: | |
| 29 (f) (i) | An explanation of whether and how the entity is applying a carbon price in decision-making | The Group does not use an internal carbon price |
| 29 (f) (ii) | The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions | |
| 29 (g) | Remuneration – the entity shall disclose: | |
| 29 (g) (i) | A description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)) | Formalised climate-related targets have not yet been established; however, the Group continues its mitigation efforts through ongoing sustainability initiatives |
| 29 (g) (ii) | The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations | |
| Climate-related Metrics | | |
| 33 | An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: | |
| 33 (a) | The metric used to set the target (see paragraphs B66–B67) | Formalised climate-related targets have not yet been established; however, the Group continues its mitigation efforts through ongoing sustainability initiatives |
| 33 (b) | The objective of the target | |
| 33 (c) | The part of the entity to which the target applies | |
| 33 (d) | The period over which the target applies | |
| 33 (e) | The base period from which progress is measured | |
| 33 (f) | Any milestones and interim targets | |
| 33 (g) | If the target is quantitative, whether it is an absolute target or an intensity target | |
| 33 (h) | How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target | |

| IFRS S2 Indicator | Description | Page Reference |
|---|---|---|
| 34 | An entity shall disclose information about its approach to setting and reviewing each target, and monitoring of progress against each target, including: | |
| 34 (a) | Whether the target and the methodology for setting the target has been validated by a third party | Formalised climate-related targets have not yet been established; however, the Group continues its mitigation efforts through ongoing sustainability initiatives |
| 34 (b) | The entity's processes for reviewing the target | |
| 34 (c) | The metrics used to monitor progress towards reaching the target | |
| 34 (d) | Any revisions to the target and an explanation for those revisions | |
| 35 | An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance | |
| 36 | For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: | |
| 36 (a) | Which greenhouse gases are covered by the target | Formalised climate-related targets have not yet been established; however, the Group continues its mitigation efforts through ongoing sustainability initiatives |
| 36 (b) | Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target | |
| 36 (c) | Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68–B69) | |
| 36 (d) | Whether the target was derived using a sectoral decarbonisation approach | |
| 36 (e) | The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70–B71: | |
| 36 (e) (i) | The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits | Not applicable. The Group has no planned use of carbon credits |
| 36 (e) (ii) | Which third-party scheme(s) will verify or certify the carbon credits | |
| 36 (e) (iii) | The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal | |
| 36 (e) (iv) | Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use | |