PART 2

MYCRON STEEL BERHAD

Advancing Steel.
Sustaining Tomorrow.



Sustainability Report FY2026

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Who We Are

Mycron Steel Berhad ("Mycron" or "the Group") encompasses the combined operations of three subsidiaries, namely Mycron Steel CRC Sdn Bhd ("MCRC"), Melewar Steel Tube Sdn Bhd ("MST") and Silver Victory Sdn Bhd ("SV"). MCRC is Malaysia's first Cold Rolled Coil ("CRC") manufacturer, while MST is a leading producer of steel pipes and tubes. Together with SV's steel trading activities, the Group provides a comprehensive range of midstream and downstream steel products to diverse industries, including automotive, electrical and electronics, furniture, construction and engineering.

Since its listing on Bursa Malaysia in 2004, Mycron has established a strong market presence, supported by integrated manufacturing operations and value-added services such as customised slitting and shearing. Guided by our core values of integrity, reliability and innovation, we remain focused on operational excellence, product quality and customer-centric solutions while building enduring relationships with our stakeholders. Building on our established industrial capabilities, Mycron continues to strengthen its position within Malaysia's steel value chain while advancing responsible and sustainable growth to create long-term value for our stakeholders.



Our Sustainability **Positioning**

As a steel manufacturer operating within an energy-intensive industry, Mycron recognises the importance of strengthening the resilience and sustainability of our operations as the transition towards a low-carbon economy accelerates. Our sustainability approach focuses on reducing the environmental footprint of our operations, improving resource and energy efficiency, strengthening responsible business practices and progressively supporting the transition towards carbon neutral manufacturing.

Sustainability considerations are progressively integrated into the Group's Enterprise Risk Management ("ERM") processes, operational practices and strategic planning. This includes managing our climate and environmental impacts, promoting circularity, safeguarding our workforce, strengthening responsible supply chain practices and maintaining oversight of material sustainability-related risks and opportunities ("SRROs") and climate-related risks and opportunities ("CRROs").

In FY2026, we advanced our identification of CRROs through the qualitative climate scenario analysis across global warming pathways to better understand how climate developments may influence our business resilience, operational performance and long-term financial planning. We also established our Climate Transition Pathway, supported by defined emissions reduction targets and decarbonisation initiatives across energy efficiency, renewable energy, electrification and emerging low-carbon technologies.

Our progress is complemented by greater product-level environmental transparency, including Life Cycle Assessments ("LCAs"), independently verified Environmental Product Declarations ("EPDs") and the European Union's Carbon Border Adjustment Mechanism ("CBAM"), enabling customers and stakeholders to better understand the environmental performance of our steel products. Together, these efforts strengthen Mycron's readiness for evolving sustainability expectations while supporting the Group's long-term resilience, competitiveness and sustainable growth.

About this **Report**

Reporting Scope and Boundary

This Mycron Sustainability Report FY2026 presents the Group's performance across Economic, Environmental, Social and Governance ("EESG") matters for the reporting period from 1 July 2025 to 30 June 2026 ("**FY2026**"), with three years of historical performance data presented where available to provide meaningful comparison and track progress over time.

The reporting scope encompasses all of the Group's business activities and operations in Malaysia, covering the cold-rolled coil, steel tubes and pipes, and trading business segments. The sustainability reporting boundary is aligned with the Group's financial reporting boundary and encompasses the same group of entities included in Mycron's financial statements, providing consistency across the Group's corporate reporting.



Reporting Frameworks & Guidelines

The Sustainability Report has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements ("MMLR") and with reference to the Global Reporting Initiative ("GRI") Standards 2021, FTSE Russell ESG Data Model, International Financial Reporting Standards ("IFRS") S1 and S2, Sustainability Accounting Standards Board ("SASB"), and the United Nations Sustainable Development Goals ("UN SDGs").

Memberships & Associations

We maintain active participation in relevant industry associations to stay abreast of sector developments, strengthen industry collaboration, and contribute to the continued advancement and sustainable growth of Malaysia's iron and steel industry.

Industry Association	Key Personnel	Role
Malaysian Iron and Steel Industry Federation ("MISIF")	Mr Roshan M. Abdullah	President
Federation of Malaysian Manufacturers ("FMM")		Member

Statement of Assurance

To support the accuracy and reliability of the Sustainability Report, Mycron engaged SGS Malaysia to provide independent limited assurance on selected sustainability indicators covering the following in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), ISAE 3410 and GHG Protocol Corporate Accounting and Reporting Standard: -

1) Total energy consumption (GJ)
2) Total waste generated (tonnes)
3) Total volume of water used (ML)
4) Scope 1 GHG emissions (tCO_2e)
5) Scope 2 GHG emissions (tCO_2e)
5) Scope 3 GHG emissions (tCO_2e)
   - Category 6: Business travel
   - Category 7: Employee commuting

Feedback

Mycron welcomes feedback of our stakeholders as we continue to strengthen our sustainability practices and reporting. Please feel free to contact us at:

Address:
Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor

Email:
sustainability@mycronsteel.com
Tel: 03-5510 6608

MESSAGE FROM LEADERSHIP



At Mycron, sustainability is integral to how we strengthen our operations, advance responsible steel manufacturing and build a more resilient business for the future.

Roshan M. Abdullah
Group Chief Executive Officer
Mycron Steel Berhad

Dear Valued Stakeholders,

The steel industry continues to navigate a challenging operating environment, shaped by persistent global overcapacity, intense import competition, rising energy costs and increasingly stringent environmental and trade requirements. These developments are reshaping the competitive landscape and reinforcing the importance of operational efficiency, adaptability and long-term business resilience.

Against this backdrop, Mycron remained resilient, delivering strong operational and financial performance in FY2026 while advancing our sustainability priorities. Our focus remains on strengthening operational efficiency, pursuing economically viable decarbonisation initiatives, enhancing workplace health and safety, and reducing the environmental footprint of our operations.

A notable achievement this year was the Group's 4-star FTSE4Good ESG Rating, reflecting our continued progress in strengthening sustainability practices and governance.

Advancing Our Climate Transition

A significant milestone during the year was the establishment of Mycron's Climate Transition Pathway, setting out a structured approach towards our ambition of achieving net zero emissions by 2050. The pathway established measurable targets to reduce Scope 1 and Scope 2 emissions intensity by 25% by FY2029, 40% by FY2035 and 90% by FY2050, relative to our FY2019 baseline.

Our approach to decarbonisation prioritises technically feasible and commercially viable solutions, focusing on energy efficiency, renewable energy and the progressive adoption of low-carbon technologies. Through continued investments to reduce the carbon intensity of our operations, we aim to create long-term value, contribute to Malaysia's decarbonisation goals, and advance our ambition to produce low-carbon steel products.

In FY2026, our Scope 1 and Scope 2 emissions intensity decreased by 6% year-on-year to 0.107 tCO_2e/t, representing a cumulative reduction of 18% against our FY2019 baseline. This improvement reflects continued progress in improving the carbon efficiency of our operations.

As climate regulations and market expectations evolve, we are moving towards a more structured approach to climate action. In FY2026, we conducted our first qualitative climate scenario analysis to assess climate risks and their potential implications on our operations, value chain and financial resilience. These insights strengthen the integration of climate considerations into our business strategy, risk management and investment decisions.

To reinforce our long-term commitments, the Group established its Sustainability Policy, setting out our principles in environmental stewardship, responsible business practices and sustainable growth.

5000 MWh renewable energy generated, contributing **2,925 tCO_2e** carbon avoidance

99% waste diversion achieved in FY2026

MESSAGE FROM LEADERSHIP

Strengthening Sustainability Governance and Business Resilience

In FY2026, we continued to strengthen our sustainability governance framework, embedding sustainability- and climate-related considerations into our strategic planning, risk management and investment decisions. This includes integrating relevant sustainability performance indicators into management scorecards and remuneration-linked KPIs, reinforcing accountability across the Group.

In parallel, we enhanced our sustainability disclosures in line with the NSRF and progressively aligned our reporting with IFRS S1 and IFRS S2. Supported by stronger data governance and regular oversight of climate-related matters, these efforts aim to improve reporting transparency, strengthen stakeholder confidence and support the Group's long-term resilience.

In FY2026, both our manufacturing subsidiaries, MCRC and MST, successfully attained ISO 45001:2018 certification, reinforcing our commitment to a safe and healthy working environment. Both subsidiaries also maintain ISO 9001 and ISO 14001 certifications, while MCRC additionally holds ISO 50001 Energy Management System certification.

Putting Our People and Safety First

Our people remain central to Mycron's success, and above all our priorities, their health and safety remain paramount. We are committed to fostering a safe, respectful and inclusive workplace.

In FY2026, we regrettably recorded a work-related fatality involving one of our employees during product delivery at a third-party premises, outside the Group's operational sites. My thoughts and deepest sympathies are with the family affected by this loss. Following the incident, corrective and preventive measures were implemented to address the identified risks and prevent recurrence. We remain committed to achieving zero fatalities and serious injuries through continuous improvements in our safety practices.

1.75
Lost Time Injury Rate ("LTIR") in FY2026

Beyond workplace safety, we continued to prioritise employee development, well-being and responsible labour practices, while extending our commitment to the wider community through initiatives that benefitted over 2,000 individuals in FY2026.

Building Confidence Through Product Transparency

As sustainability expectations increasingly influence purchasing decisions and international trade, the ability to provide credible and transparent environmental information is becoming an important aspect of competitiveness.

During the year, Mycron advanced its product-level environmental disclosures through independently verified EPDs and the European Union's CBAM.

Looking Forward

As an active participant in Malaysia's steel industry, we recognise that decarbonisation and the transition towards carbon neutrality require collective action across the entire steel value chain. The success of this transition depends not only on steel manufacturers, but also on the commitment of both the public and private sectors to specify and procure low-carbon steel. Creating market demand is critical to making this transition commercially viable and sustainable. Through our involvement in MISIF and FMM, we continue to advocate for policies that strengthen local competitiveness, support industry decarbonisation and address emerging carbon-related trade requirements.

Building on the progress made in FY2026, we will continue investing in decarbonisation initiatives, improving resource efficiency, and adapting to evolving market expectations, while balancing our sustainability ambitions with business competitiveness and long-term value creation.

On behalf of the Board and Management, I extend my sincere appreciation to our employees, shareholders, customers, business partners and other stakeholders for their continued trust and support.

Together, we will continue building a more resilient, competitive and sustainable Mycron.

Awards, Recognitions & Certifications

Mycron remains committed to advancing responsible and sustainable business practices across our operations. Our continued progress in strengthening EESG performance has been recognised through various external assessments, industry awards, and certifications over the years. These achievements reflect the Group's ongoing efforts to enhance sustainability performance, strengthen transparency, and create long-term value for our stakeholders.

FY2026 ESG Performance

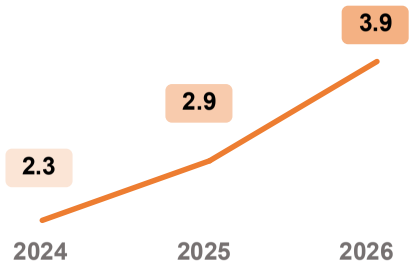
FTSE4Good

FTSE4Good Recognition

★★★★

Achieved a **4-Star** FTSE4Good ESG Rating in 2026, reflecting a 35% improvement from the previous year and placing Mycron among the **Top 25%** of companies globally.

Our ESG Progress



International Organisation for Standardisation

- ✓ ISO 9001:2015
- ✓ ISO 14001:2015
- ✓ ISO 45001:2018
- ✓ ISO 50001:2018

Past Awards



National Energy Awards ("NEA") 2021 & 2024
Energy Management in Large Industry Category

Mycron's wholly-owned subsidiary, MCRC, received national recognition at the National Energy Awards ("NEA") in 2021 and 2024 under the Energy Management in Large Industry category. These achievements reflect the Group's continued efforts to strengthen operational energy efficiency and its management, supporting Malaysia's energy transition agenda and Mycron's Climate Transition Pathway.

NEA 2024 | Compressed Air & System Upgrade

- **RM 1.26 million** *Annual Energy Cost Savings*
- **2,532 tCO_2e** *Annual Carbon Savings*

NEA 2021 | Continuous Pickling Line ("CPL") Automation

- **RM 1.8 million** *Annual Energy Cost Savings*
- **9,386 tCO_2e** *Annual Carbon Savings*



FY2026 Sustainability **Highlights**

ENVIRONMENTAL

Overall Emissions Intensity

107 kgCO_2e/tonne
representing an 18% decrease compared to FY2019 baseline

Annualised Energy & Carbon Savings

5000 MWh generated across our solar panel installations, resulting in **2925 tCO_2e** carbon avoidance

Waste Diversion

67 kg/t
of waste generation intensity

Diverted **99%** of waste from landfills

Water

0.34 m^3/t
of net water consumption intensity

44%
municipal water dependency reduction

ECONOMIC

Procurement

89% of total local procurement, amounting to **RM 41.8 million**

100%
of Tier 1 suppliers assessed against ESG criteria

15 products
certified with SIRIM Eco-Labelling Scheme and MyHIJAU Mark

5 products
certified with SustainBuild Mark

GOVERNANCE

100%
operations assessed for corruption-related risks

Zero human rights violations

100% employees trained on anti-corruption

Zero substantiated complaints related to customer privacy breaches and data loss

100%
manufacturing sites certified with
ISO 45001:2018 – OHSMS
ISO 14001:2015 – EMS
ISO 9001:2015 - QMS

MCRC
certified with
ISO 50001:2018 – EnMS

SOCIAL

Community Investment

RM 73,170 invested in local communities, impacting **2,197 beneficiaries**

Safety

1.75

Employee Turnover Rate

15.9%

Training Hours

5,076 hours invested in employee training and development programmes, achieving **11.13** hours per employee

Our Sustainability Journey

2014 – 2020
Building The Foundation

- Achieved ISO 14001 Environmental Management System certification in 2014
- Published Mycron's inaugural Sustainability Statement in 2019, aligned with Bursa Malaysia's Main Market Listing Requirements and GRI Standards
- Obtained SIRIM Eco-Label certification

2021
Advancing Resource Efficiency

- Achieved MyHIJAU certification
- Commissioned the Acid Regeneration Plant ("ARP"), reducing generated waste
- Commissioned the first phase of solar PV operation
- Awarded the NEA 2021 award

2022 - 2023
Embedding Sustainability

- Commenced operations of Rainwater Harvesting System
- Commenced second phase of solar PV operation
- Published inaugural stand-alone Sustainability Report, aligning with TCFD
- Obtained ISO 50001 Energy Management certification
- Further enhanced Sustainability Report, aligning with UN SDG goals
- Conducted the first formal materiality assessment, expanding to 11 material matters

2024 - 2025
Accelerating ESG Integration

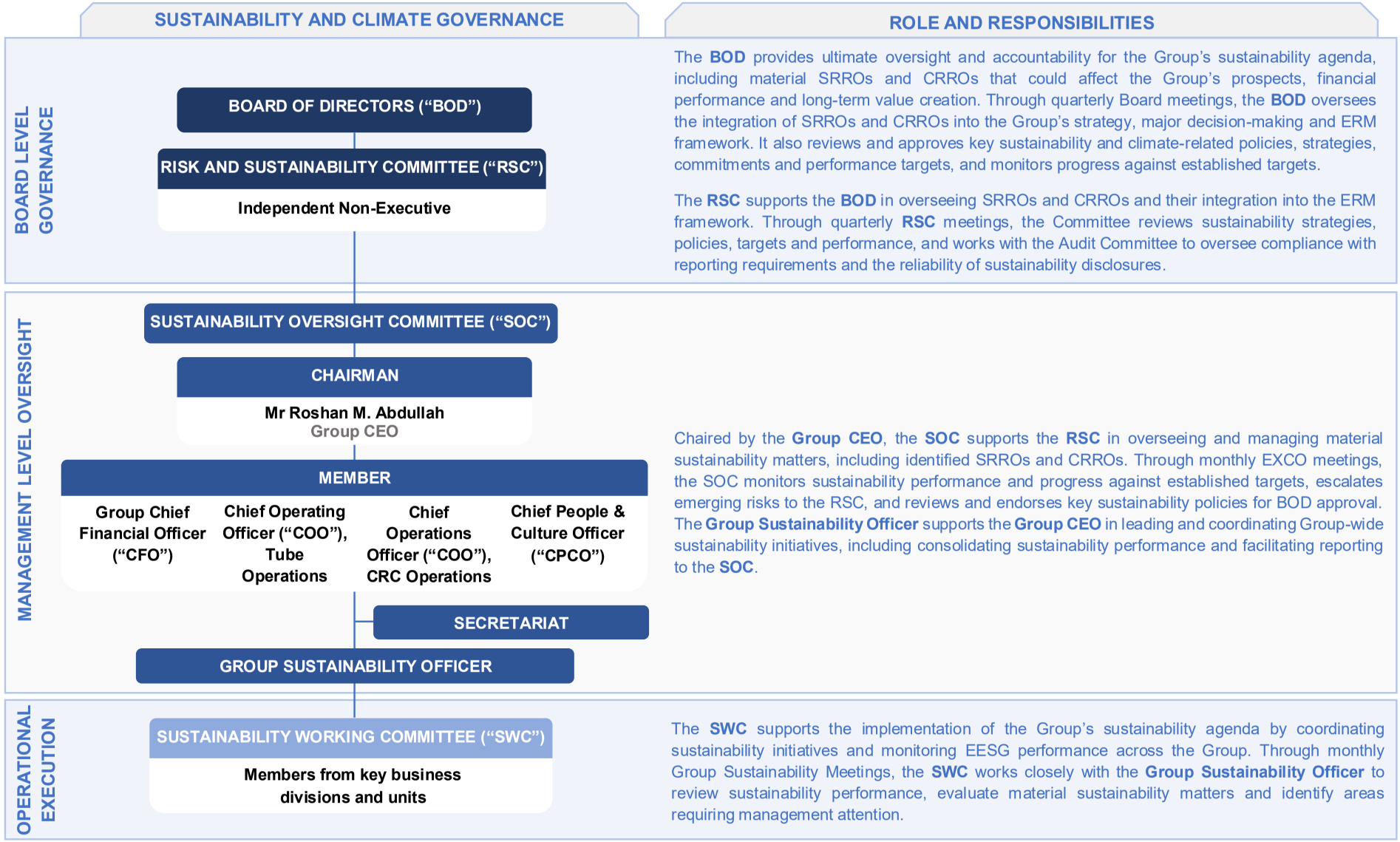
- Awarded the NEA 2024 award for Large Industry category
- Collaborated with Universiti Teknologi Malaysia ("UTM") for the development of the GHG Accounting System
- Signed a MoU with JFE Steel for supplying green steel products
- Launched the Supplier ESG Assessment Programme, prioritising Tier 1 suppliers
- Improved FTSE ESG Rating from 2.3 to 2.9
- Commenced alignment with IFRS S1 and S2 standard disclosure requirements

2026
Transitioning Towards a Low-Carbon Future

- Developed Mycron's Climate Transition Pathway, establishing Scope 1 and 2 emissions reduction targets across defined time horizons
- Completed a comprehensive financial materiality assessment, expanding to 15 material matters
- Established emissions, water and waste reduction targets with defined baseline years
- Published the first pre-verified CBAM, EPD and LCA reports
- Improved FTSE ESG Rating from 2.9 to 3.9, achieving a 4-star rating
- MST became Malaysia's first steel pipe manufacturer to achieve SustainBuild Mark certification

Sustainability **Governance Structure**

Our sustainability governance structure ensures that sustainability is embedded into strategy, operations, and risk management, led by the Board of Directors, Risk and Sustainability Committee, and Sustainability Oversight Committee. This structure enables us to address EESG risks while upholding transparency, accountability and long-term value creation. With clear oversight, we ensure our actions align with stakeholder expectations, national priorities, and global standards.

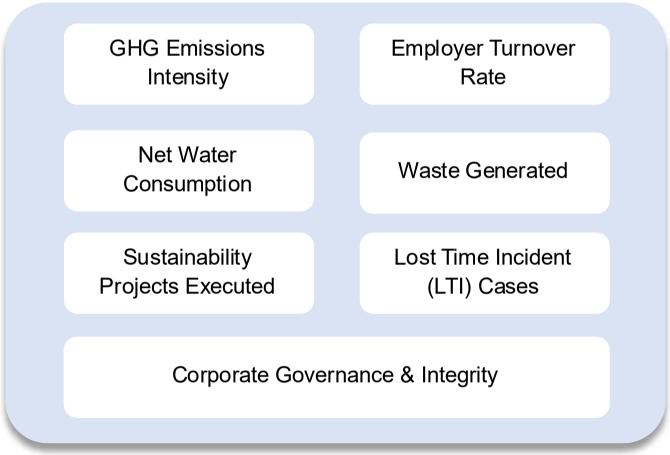


Building Competencies

Mycron's BOD members continue to strengthen their sustainability and climate-related competencies through relevant training and development programmes, supporting effective oversight, and informed decision-making. This includes participation in the Mandatory Accreditation Programme Part II, which enhances directors' understanding of sustainability governance, risks and opportunities, and evolving sustainability reporting requirements.

Linking ESG to Remuneration

Selected sustainability and climate-related performance metrics are incorporated into the performance assessments of the Group CEO, relevant executive and operating management, and the Group Sustainability Officer.



Moving forward, the Group intends to further formalise the integration of climate-related considerations within its remuneration framework, including clearer role-specific climate performance measures and defined linkages between performance outcomes and remuneration. Additionally, progress towards our established emissions reduction targets will also be included as part of performance-linked compensation considerations. This will strengthen accountability for the delivery of the Group's Climate Transition Pathway and long-term climate objectives.

SUSTAINABILITY **FRAMEWORK**

Our Sustainability Framework aligns Mycron's strategic objectives with our broader sustainability goals, guiding the integration of sustainability considerations into business activities and decision-making. The Framework is structured around four pillars, EESG, reflecting the key areas of impact across our operations and supporting long-term value creation for our stakeholders.



Our Key Stakeholders

Government & Regulatory Authorities | Industry Association | Shareholders & Investors | Financial Institutions | Suppliers | Customers | Employees & Unions | Local Communities

SUSTAINABILITY **POLICY**

At Mycron, sustainability means producing high-quality products safely, efficiently and responsibly. We are committed to creating long-term value by integrating EESG considerations into our operations and decision-makings.

OUR SUSTAINABILITY GOAL

Safe People. Quality Products. Greener Operations. Responsible Business

OUR SUSTAINABILITY TARGETS

- **↓ 25%** in Scope 1 and 2 net emissions **BY 2029**
- **↓ 40%** in Scope 1 and 2 net emissions **BY 2035**
- **Net Zero** emissions **BY 2050**
- **Zero Waste** to Landfill **BY 2050**

OUR KEY SUSTAINABILITY COMMITMENTS

E

- Meet customer requirements by preventing defects, delays, reworks and unnecessary costs
- Work with responsible and ethical suppliers, vendors and contractors
- Consider cost, quality, safety and environmental impacts in business and investment decisions

E

- Save energy and support renewable solutions, where possible
- Use hot-rolled coils (“HRC”), consumables and water responsibly and efficiently
- Reduce, reuse and recycle materials to support our Zero Waste to Landfill goal
- Follow all applicable environmental laws, regulations and other obligations in your daily work

S

- Follow safety protocols, attend training and help prevent workplace injuries and risks
- Treat everyone fairly and respectfully, and speak up against discrimination, harassment and unfair treatment
- Support community initiatives and volunteer activities that benefit local communities

G

- Follow the law, company policies and ethical business practices
- Identify and report sustainability risks promptly and take appropriate action
- Consider sustainability and climate impacts in business decisions and planning

CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

At Mycron, we recognise that meaningful stakeholder engagement is essential to understanding the expectations, concerns, and priorities of those who influence or are affected by our operations. Through regular engagement, we maintain open communication, identify emerging matters, and incorporate relevant stakeholder perspectives into our decision-making and sustainability priorities, supporting responsible and sustainable growth.

SHAREHOLDERS & INVESTORS

Why They Matter?

Shareholders and investors provide the capital and confidence that support the Group's financial resilience, strategic investments, and long-term value creation.

Key Concerns

- Financial and operational performance, profitability, and return on investment
- Business strategy, growth prospects, and long-term value creation
- Corporate governance, regulatory compliance, and effective risk management
- Transparent sustainability performance
- Sustainability strategy, including climate-

Our Responses

- Provide transparent and timely updates on financial and sustainability performance through Annual Report
- Maintain sound corporate governance practices, internal controls, and regulatory compliance
- Engage shareholders and investors through annual general meetings and corporate announcements
- Communicate key business developments, strategic initiatives, and operational performance
- Identify and manage sustainability and climate risks through the Group's ERM

Engagement Platform

- A Annual reports
- Q Financial reports
- A General meetings
- AR Analyst and investor briefings
- AR Corporate website

GOVERNMENT & REGULATORY AUTHORITIES

Why They Matter?

Government and regulatory authorities establish the legal and regulatory frameworks that govern the Group's operations. Ongoing engagement enables Mycron to maintain compliance, stay informed of evolving requirements, and align its operations with applicable industry and sustainability standards.

Key Concerns

- Compliance with applicable laws, regulations, licences, and permits
- Health, safety, and environment ("HSE") regulatory compliance
- Corporate governance, ethical business conduct, and anti-corruption practices
- Transparent reporting and disclosures

Our Responses

- Ensure compliance with applicable laws and regulations
- Maintain required product and operational certifications, licences, and permits
- Periodically update policies and procedures in response to regulatory changes
- Uphold ethical business and anti-corruption practices through adherence to the Group's Anti-Corruption/Anti-Fraud Framework, supported by awareness and training
- Engage with relevant regulators to support timely adaptation to evolving regulatory requirements

Engagement Platform

- AR Compliance audits
- AR Site inspections
- AR Regulatory engagements and meetings
- ON HSE regulatory reporting and system updates (DOE e-SWIS and DOSH)

CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

INDUSTRY ASSOCIATION

Why They Matter?

Industry associations provide a platform for collaboration, knowledge-sharing, and collective engagements on developments affecting the steel industry.

Key Concerns

- Steel industry outlook, market conditions, and competitiveness
- Regulatory and policy developments affecting the industry
- Climate transition and evolving requirements
- Industry standards, certifications, and responsible business practices
- Technology advancements

Our Responses

- Maintain active participation in MISIF and FMM
- Participate in industry dialogues, conferences, forums, and knowledge-sharing sessions
- Engage on regulatory and policy developments affecting the steel industry
- Support industry initiatives that strengthen the competitiveness of Malaysia's steel sector
- Collaborate with industry stakeholders on sustainability, decarbonisation, and responsible steel initiatives

Engagement Platform

- AR Meetings and committee engagements
- AR Industry conferences, forums, and workshops
- AR Policy dialogues
- ON Emails, circulars and industry updates

FINANCIAL INSTITUTION

Why They Matter?

Financial institutions provide access to financing and financial solutions that support the Group's operations, strategic investments and long-term growth, while strengthening financial flexibility and resilience.

Key Concerns

- Financial stability and sound financial management
- Compliance with financing terms, loan covenants, and financial obligations
- Effective financial risk management
- Sustainability- and climate-related risks and their potential financial implications
- Governance and transparency in financial disclosures

Our Responses

- Monitor compliance with loan covenants and financial obligations
- Provide transparent financial and operational performance updates
- Integrate sustainability- and climate-related risks into the Group's ERM
- Maintain prudent financial management and sound risk management practices

Engagement Platform

- Q Financial reports
- ON Engagements with financial institutions
- ON Financing and risk management discussions

CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

SUPPLIERS

Why They Matter?

Suppliers, contractors and service providers provide essential materials and services that support supply continuity, product quality, and operational efficiency.

Key Concerns

- Fair and transparent procurement practices
- Fair payment terms and timely payments
- Long-term and mutually beneficial business relationships
- Ethical business conduct and responsible sourcing requirements
- Business continuity and supply chain resilience

Our Responses

- Conduct supplier evaluation and performance reviews against established criteria
- Uphold ethical procurement practices through adherence to our Supplier Code of Conduct
- Integrate ESG criteria into supplier evaluation and due diligence to strengthen responsible sourcing practices
- Ensure timely payments in accordance with agreed terms
- Maintain regular supplier communication and engagement
- Foster fair and responsible supplier relationships without undue commercial pressure

Engagement Platform

- A Supplier evaluation and due diligence
- AR Supplier meetings
- AR Contract agreements
- AR Email communication

CUSTOMERS

Why They Matter?

Customers drive demand for our products and services, supporting revenue generation, business growth, and continuous improvement in product quality and customer experience.

Key Concerns

- Product quality, safety and reliability
- Competitive pricing
- Timely delivery
- Customer satisfaction and service quality
- Effective handling of customer feedback and complaints
- Product environmental performance

Our Responses

- Maintain ISO 9001:2015-certified QMS
- Implement quality control and product inspection processes
- Conduct annual customer satisfaction surveys and address customer feedback
- Continuously improve delivery reliability and service quality
- Provide transparent product and environmental information
- Strengthen supply chain and logistics processes to support timely delivery and competitive pricing

Engagement Platform

- A Customer satisfaction survey
- ON Corporate website and social media platforms
- AR Direct feedback

CREATING VALUE THROUGH STAKEHOLDER ENGAGEMENT

Legend: A Annually | Q Quarterly | ON Ongoing | AR As Required

EMPLOYEES

Why They Matter?

Employees contribute the skills, expertise and commitment essential to operational efficiency, product quality and the Group's long-term growth.

Key Concerns

- Occupational health and safety ("OHS")
- Competitive remuneration and employee benefits
- Career development and training opportunities
- Employee engagement and well-being
- Fair, diverse and equitable employment practices

Our Responses

- Provide continuous training, upskilling and career development opportunities
- Offer competitive remuneration and employee benefits
- Maintain a safety and healthy workplace through the implementation of the OHS Policy, risk assessments and safety trainings
- Promote employee well-being through appropriate welfare and support programmes
- Foster diverse, equity and inclusion through non-discriminatory employment practices

Engagement Platform

- AR Employee engagement programmes
- A Employee performance appraisal
- A Training programmes
- A Employee surveys

LOCAL COMMUNITIES

Why They Matter?

Local communities are important to maintaining positive relationships, supporting our workforce, and strengthening the Group's social licence to operate and long-term sustainable

Key Concerns

- Environmental, climate change, and social impacts from Mycron's operations
- Surrounding community well-being and quality of life
- Local employment and economic opportunities
- Meaning community engagement and partnerships

Our Responses

- Engage regularly with local communities and NGOs
- Support community development through donations, sponsorships, and social initiatives
- Encourage employee volunteerism and community participation
- Implement environmental-related initiatives
- Prioritise local hiring and engagement with local vendors where practicable

Engagement Platform

- ON Corporate website and social media platforms
- Q Corporate Social Responsibility ("CSR") programmes and community outreach
- ON Stakeholder grievance and feedback channels

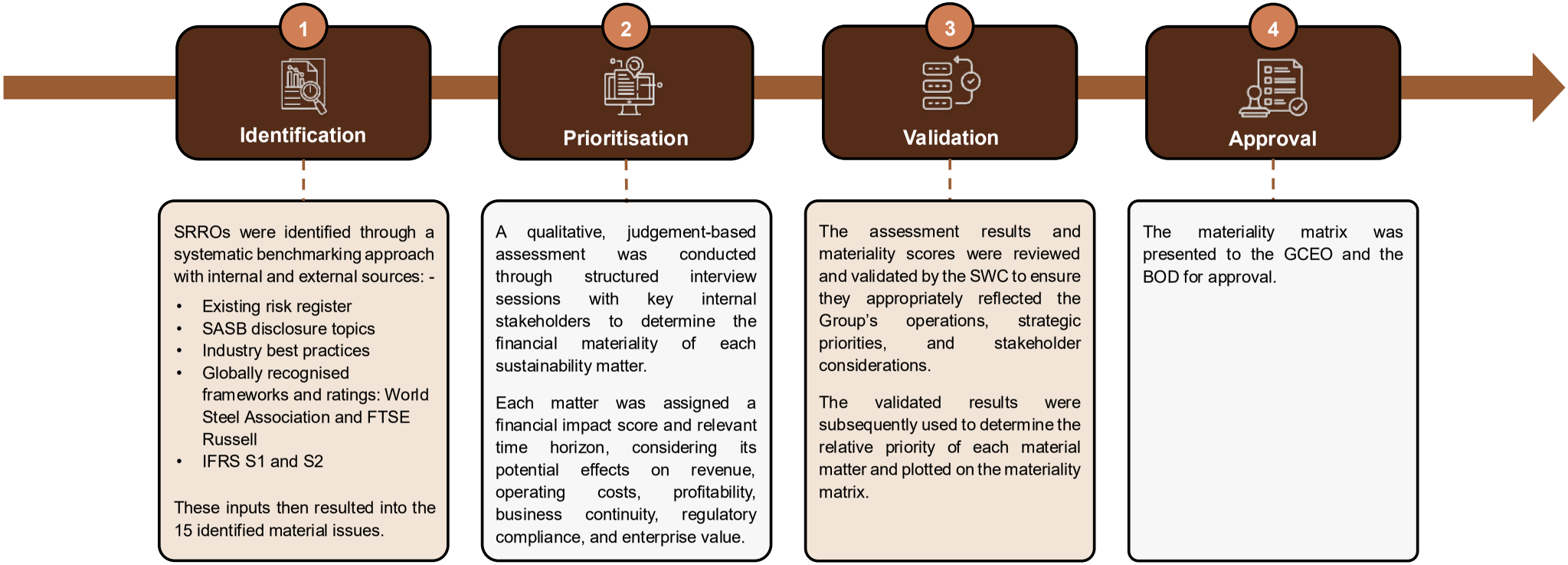
MATERIALITY ASSESSMENT

Materiality assessment supports the integration of sustainability considerations into the Group's strategy and decision-making processes, enabling us to prioritise resources and actions on matters that are most significant to our business and stakeholders. The assessment provides a foundation for identifying and evaluating material SRROs across our operations, supporting proactive risk management and long-term value creation.

Our Approach to Materiality

Our approach to identifying and prioritising material sustainability matters is anchored in a four-step structured assessment and stakeholder engagement process that considers the Group's strategic priorities, evolving regulatory requirements, and stakeholder expectations. We reassess our materiality matrix every two years to reflect changes in our operations and the external environment, while ensuring that identified matters remain relevant to the Group and our stakeholders.

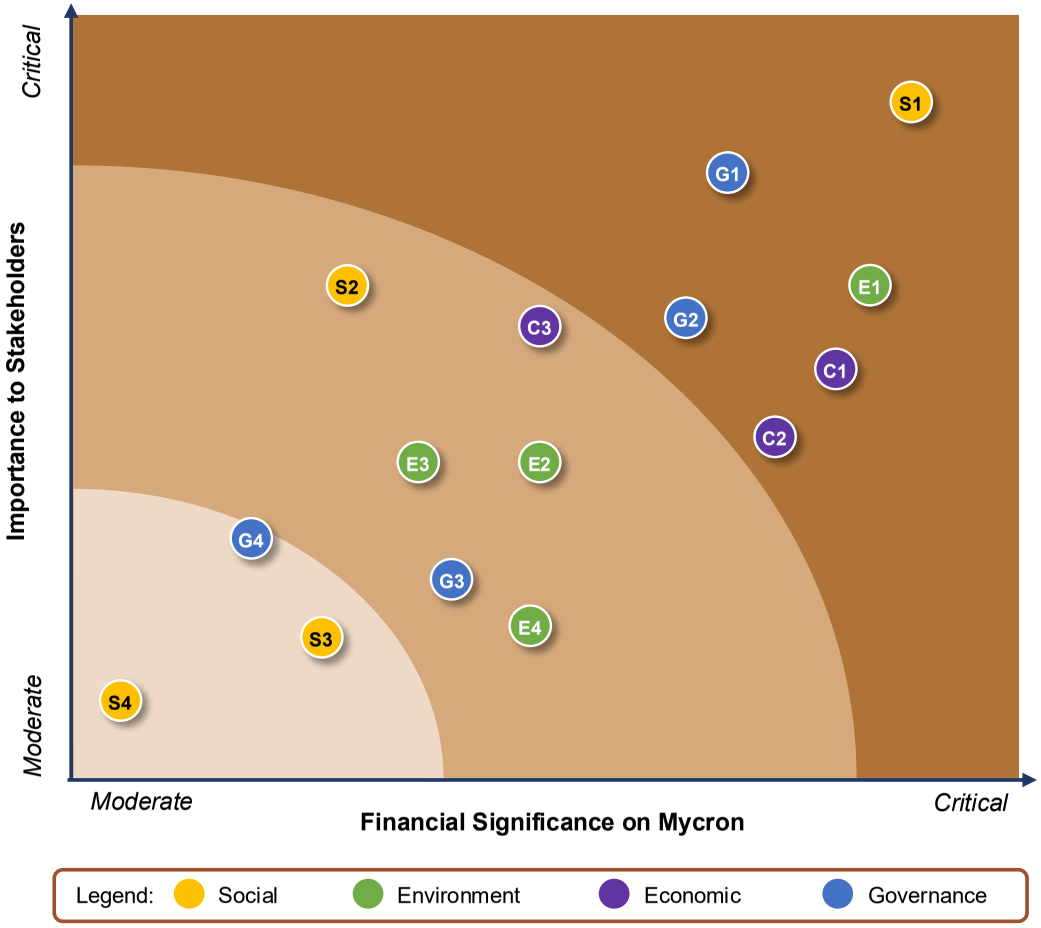
In FY2026, we conducted our Group-wide reassessment adopting a financial materiality approach, in line with the direction of the IFRS Sustainability Disclosure Standards. The assessment considered sustainability matters that could reasonably be expected to affect the Group's financial performance, alongside their importance to our stakeholders. This approach supports Mycron's progressive journey towards double materiality perspective, which considers both the financial implications and the Group's impacts on the economy, environment, and society.



MATERIALITY ASSESSMENT

Prioritisation of Our Material Matters

The FY2026 reassessment identified three additional material sustainability matters, namely Regulatory Compliance, Economic Performance, and Product Quality and Customer Responsibility, bringing the Group's total number of material matters to 15. Based on the assessment results, six matters emerged as having the highest financial relevance to the Group: **Occupational Health and Safety**, **Corporate Governance and Business Ethics**, **Climate Change and Energy Management**, **Regulatory Compliance**, **Responsible Supply Chain Management**, and **Product Quality and Customer Responsibility**. These matters were prioritised based on their potential implications for the Group's financial performance, business continuity, and long-term resilience, together with their significance to stakeholders.



Our Material Sustainability Matters

Critical Importance	
S1	Occupational Health & Safety
G1	Corporate Governance & Business Ethics
E1	Climate Change & Energy Management
C1	Responsible Supply Chain Management
G2	Regulatory Compliance
C2	Product Quality & Customer Responsibility
High Importance	
C3	Economic Performance
S2	Human Rights & Labour Standards
E2	Circular Economy & Waste Management
E3	Pollution & Effluent Management
G3	Risk Management
E4	Water Stewardship
Moderate Importance	
G4	Data Privacy & Cybersecurity
S3	Employee Development & Well-being
S4	Community Engagement

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

The Group adopts a structured approach to identifying, assessing, and managing SRROs across our operations and value chain. Material sustainability matters are integrated into our risk management, strategic planning and decision-making processes, enabling us to mitigate potential risks, capitalise on emerging opportunities, and strengthen long-term business resilience.

Legend:

Value Chain: UP Upstream | D Downstream | OO Own Operation

Stakeholder Group: Government & Regulatory Authorities | Suppliers | Local Communities | Shareholders & Investors | Industry Association | Customers | Employees & Unions | Financial Institution

Environmental Pillar — Driving the Transition towards Carbon Neutral Steel Manufacturing

1 Climate Change & Energy Management

Why It Matters?

Due to the energy-intensive nature of steel manufacturing, Mycron is exposed to climate-related risks, evolving carbon regulations, energy price volatility, and increasing market demand for low-carbon steel products, which may impact operating costs and long-term profitability.

Value Chain: UP, D, OO

GRI Standards: GRI 302: Energy; GRI 305: Emissions

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Increased compliance and operational costs arising from climate-related regulations and carbon-pricing mechanisms (e.g., EU CBAM) • Damage to physical assets, supply chain disruptions and production downtime resulting from climate-related physical hazards • Increased energy costs due to inefficient energy consumption and volatility in electricity and fuel prices	• Improved energy efficiency and long-term cost savings through energy optimisation initiatives, deployment of renewable energy, and low-carbon technologies • Enhanced market competitiveness by supplying low-carbon steel products that meet evolving customer and regulatory expectations • Increased business resilience through proactive climate adaptation measures • Stronger investor confidence and access to sustainable financing through transparent climate disclosures and credible transition planning	• Conduct a qualitative climate scenario analysis to identify CRROs, supporting informed decision-making, strategic planning, and long-term business resilience • Develop a centralised sustainability data management system to enhance the collection and monitoring of sustainability-related metrics across Mycron • Invest in renewable energy solutions and energy-efficient technologies to reduce emissions and support Mycron's climate transition pathway • Publish EPD, LCA, and CBAM disclosures to enhance product transparency and regulatory readiness • Collaborate with industry stakeholders to accelerate the development of green steel solutions • Implement flood prevention measures, including maintaining proper drainage systems and retention pond systems

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

2 Circular Economy & Waste Management

Why It Matters?

Effective waste management and circularity improve resource efficiency, minimise waste disposal and environmental impacts, support regulatory compliance, and contribute to more efficient and sustainable operations.

Value Chain: OO

GRI Standards: GRI 306: Waste

Stakeholder Groups:

Key Risks	Opportunities	Our Mitigation Strategies
• Non-compliance with waste disposal regulations may result in penalties, legal action, and increased compliance costs • Ineffective waste management practices may lead to environmental pollution and reputational damage • Loss of environmental certifications may reduce customer confidence and limit access to green procurement schemes, potentially impacting revenue	• Circular economy practices improve resource efficiency, reduce environmental impact, and generate cost savings • Responsible waste management strengthens corporate reputation and stakeholder confidence • Regulatory compliance reduces legal and licensing risks • Integration of recycling and circular production processes enhance operational efficiency • Improved waste management supports reduction of Scope 3 emissions planning	• Implement proper waste segregation, storage and disposal practices across Mycron • Conduct regular environmental audits and inspections, supported by DOE-certified competent persons • Monitor waste generation and material consumption to identify opportunities for reduction, reuse, recovery and recycling through the 6R approach • Prioritise waste diversion from landfill through recycling, recovery and beneficial reuse of appropriate waste streams • Progressively advance circular economy practices in support of Mycron's long-term Zero Waste to Landfill ambition • Recover and reuse materials and by-products, where feasible, to retain materials within the value chain and reduce waste disposal • Integrate responsible waste and resource management principles within the Sustainability Policy

3 Water Stewardship

Why It Matters?

Responsible water stewardship enhances Mycron's operational resilience and financial performance by improving resource efficiency, managing water-related risks and reducing potential impacts from future water supply disruptions and increasing water costs.

Value Chain: OO

GRI Standards: GRI 303: Water and Effluents

Stakeholder Groups:

Key Risks	Opportunities	Current & Planned Mitigation Strategies
• Inefficient water management may increase operating costs and increase resource scarcity risk • Water supply disruptions may lead to production losses and higher cost • Climate-related water variability may impact operational continuity	• Implementation of responsible water management plans that drive water saving and reduce operational cost • Increase water supply reliability	• Promote employee awareness on responsible water use • Progressively expand rainwater harvesting capacity to reduce reliance on municipal water supply • Utilise underground water as an alternative water source to strengthen water security • Optimise water-intensive processes to improve water-use efficiency and reduce freshwater consumption • Explore alternative water sources and water recycling opportunities

4 Pollution & Effluent Management

Why It Matters?

Effective pollution and effluent management help ensure regulatory compliance, prevent operational disruptions, support cost efficiency, and long-term business continuity.

Value Chain

OO

GRI Standards

GRI 303: Water and Effluents

Stakeholder Groups

Key Risks	Opportunities	Current & Planned Mitigation Strategies
• Non-compliance with effluent discharge standards and clean air regulation may result in regulatory penalties • Adverse health effect for employees and surrounding community, leading to operational disruptions and reputational damage	• Reduced exposure to regulatory actions, remediation costs, and operational disruptions arising from environmental incidents • Protect employee health and safety and enhance Mycron's reputation as a responsible corporate citizen	• Maintain an ISO 14001-certified Environmental Management System to strengthen pollution prevention, effluent management, and regulatory compliance • Operate and maintain effluent treatment systems and pollution control equipment to ensure effective treatment prior to discharge • Implement robust emergency response procedures to minimise the likelihood and impact of pollution incidents • Monitor pollution and effluent performance trends to identify opportunities for continuous improvement and process optimisation

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Governance Pillar — Upholding Transparency, Integrity and Strong Governance Culture

5 Corporate Governance & Business Ethics

Why It Matters?

Effective governance and ethical business practices strengthen accountability and transparency, safeguard business integrity, and support regulatory compliance and long-term stakeholder confidence.

Value Chain	GRI Standards	Stakeholder Groups
UP, OO	GRI 205: Anti-Corruption	

Key Risks	Opportunities	Our Mitigation Strategies
• Governance failures, unethical conduct or non-compliance may lead to financial penalties, reputational damage, and loss of stakeholder trust • Bribery, corruption, and conflicts of interest may undermine business integrity and market confidence • Inadequate governance and oversight may weaken the management of SRROs	• Strong governance and ethical business practices enhance stakeholder confidence and support responsible investment • Effective BOD oversight strengthens strategic decision-making and integration of sustainability into business planning • Robust anti-corruption and ethical practices strengthen business integrity and support trusted relationships with customers, suppliers, and other business partners	• Enforce the Group's Anti-Corruption and Anti-Fraud Policy across operations and business dealings • Conduct regular ethics, anti-corruption, and compliance training for employees • Conduct corruption risk assessments and monitoring to identify and manage risks • Maintain confidential whistleblowing and grievance channels for reporting misconduct • Enforce the Supplier Code of Conduct across suppliers, contractors and business partners to uphold ethical practices and regulatory compliance • Conduct targeted briefings and training to strengthen BOD oversight of sustainability-related risks

6 Data Privacy & Cybersecurity

Why It Matters?

Robust data privacy and cybersecurity practices protect critical systems and sensitive information from digital threats, while safeguarding business continuity, regulatory compliance, and stakeholder trust.

Value Chain	GRI Standards	Stakeholder Groups
D, OO	GRI 418: Customer Privacy	

Key Risks	Opportunities	Our Mitigation Strategies
• Cyberattacks and data breaches may disrupt business operations, result in financial losses, and regulatory consequences • Unauthorised access, loss or misuse of sensitive information may compromise employee, customer and supplier data and expose the Group to legal risks	• Strengthened cybersecurity and data governance can enhance stakeholder confidence and support secure digitalisation across the Group	• Implement robust IT security controls, including access management, system monitoring, and data protection protocols, to safeguard sensitive information • Maintain and periodically review the IT Security Policy to address evolving digital risks • Maintain incident response and recovery procedures to enable timely response to cyber incidents and minimise operational disruption • Conduct periodic cybersecurity risk assessments and vulnerability reviews to identify and address potential security gaps

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

7 Regulatory Compliance

Why It Matters?

Compliance with applicable laws, regulations and recognised management standards is essential to maintaining operational integrity, safeguarding business continuity, and minimising legal, financial and reputational risks.

Value Chain



Stakeholder Groups



Key Risks	Opportunities	Our Mitigation Strategies
• Non-compliance with applicable laws and regulations may result in penalties, enforcement actions, or potential reputational damage • Failure to maintain required licences, permits, and certifications may disrupt operations and the Group's ability to meet customer requirements • Evolving regulatory requirements may increase compliance costs	• Strong regulatory compliance and ISO-certifications can enhance stakeholder confidence and strengthen Mycron's reputation as a responsible manufacturer • Proactive monitoring of evolving regulatory requirements enables early adaptation, reduce disruption, and support informed investment	• Maintain ISO-certified management systems and conduct periodic audits to support continual compliance • Provide regular training and awareness programmes to ensure employees understand relevant regulatory and compliance obligations • Monitor changes in applicable laws, regulations, and industry requirements to enable timely adaptation across business operations

8 Risk Management

Why It Matters?

Effective risk management strengthens business resilience by enabling timely identification and management of risks that may affect operations, financial performance, and long-term value creation.

Value Chain



Stakeholder Groups



Key Risks	Opportunities	Our Mitigation Strategies
• Failure to identify and respond to emerging risks may result in operational disruptions and potential financial losses • Inadequate risk assessment and monitoring system may lead to ineffective mitigation measures • Ineffective integration of sustainability risks into the ERM may affect the Group's ability to respond to ESG challenges • Weak risk governance may result in inconsistent risk management practices across operations	• Integration of SRROs and CRROs into Mycron's ERM can strengthen business resilience and support effective capital and resource allocation • Early identification of emerging risks and opportunities can enable proactive mitigation and more informed strategic decision-making • Effective oversight of risks strengthens management accountability	• Maintain a structured ERM framework to identify, assess, prioritise, and manage material business, sustainability-, and climate-related risks • Periodically update the Risk Register to reflect emerging risks, changes in risk exposure, and the effectiveness of mitigation measures • Conduct scenario analysis to assess exposure to emerging and longer-term risks

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Social Pillar — Advancing Workforce Well-Being and Positive Community Impact

9 Human Rights & Labour Standards

Why It Matters?

Upholding human rights and fair labour practices protects employee well-being and fosters a respectful and inclusive workplace, strengthening employee trust, and workforce stability.

Value Chain: UP, OO

GRI Standards: GRI 402: Labour/Management Relations

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Non-compliance with applicable labour laws and employment regulations may result in regulatory penalties, legal liabilities, and reputational damage • Human rights violations across the Group's operations or value chain may result in legal liabilities and regulatory non-compliance • Unfair labour practices may negatively affect employee well-being, morale and retention	• Strong labour and human rights practices can enhance employee well-being, engagement, and retention, supporting a stable and productive workforce • A diverse and inclusive workplace can broaden access to talent and strengthen workforce capabilities • Effective employee engagement and grievance mechanisms can support the early identification and resolution of workplace concerns, strengthening employee trust	• Uphold human rights and fair labour standards through established policies, procedures, and contractual requirements • Maintain accessible grievance and whistleblowing channels with clear investigation and resolution procedures • Integrate human rights requirements into supplier due diligence processes to identify labour and human rights risks • Conduct periodic employee engagement and consultation sessions to identify labour-related concerns

10 Employee Development & Well-being

Why It Matters?

Investing in employee development and well-being strengthens workforce capabilities, engagement and retention, supporting productivity, innovation, and long-term organisation resilience.

Value Chain: OO

GRI Standards: GRI 401: Employment, GRI 405: Diversity & Equal Opportunity, GRI 404: Training & Education

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Insufficient training and skills development may lead to competency gaps, reduced productivity, and limited workforce readiness • High employee turnover may increase recruitment and training costs as well as disrupt operations • Inadequate employee well-being and engagement may affect morale, productivity and workforce retention	• A skilled and diverse workforce strengthens innovation, productivity, and operational performance • Continuous learning and development enhance workforce capabilities and adaptability to evolving technologies and business needs • A supportive and inclusive workplace strengthens Mycron's reputation and ability to attract skilled talent	• Implement fair and inclusive recruitment practices to support equal employment opportunities and workforce diversity • Provide targeted technical and professional upskilling to address competency gaps and evolving operational requirements • Conduct employee engagement and well-being programmes to support employee welfare, morale, and workplace satisfaction • Provide career development and progression opportunities to strengthen employee retention

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

11 Occupational Health & Safety

Why It Matters?

A safe and healthy workplace protects employee well-being, prevents workplace injuries, and supports workforce productivity, operational continuity, and regulatory compliance.

Value Chain: OO

GRI Standards: GRI 403: Occupational Health & Safety

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Unsafe working conditions and inadequate safety controls may lead to injuries, illnesses, or even fatalities, leading to potential operational disruptions • Non-compliance with OHS requirements may result in regulatory penalties and legal liabilities • Inadequate hazard identification, risk assessment, and control measures may increase employee exposure to workplace hazards	• Enhance workforce productivity and operational continuity by reducing lost-time disruptions • Strengthen employee engagement, morale, and retention by fostering a safe and supportive working environment • Reduce incident-related costs and financial exposure by preventing workplace injuries, fatalities, including costs associated with medical treatment, compensation, and regulatory penalties	• Conduct regular 6S audits across operations to identify and address potential OHS risks • Conduct Hazard Identification, Risk Assessment, and Opportunity (“HIRAO”) assessments to systematically identify hazards, assess risks and opportunities, and establish appropriate controls • Ensure employees are equipped with job-specific safety training and competency programmes, particularly for high-risk activities • Conduct regular emergency preparedness and response drills to strengthen readiness for workplace emergencies • Maintain an ISO 45001-certified OHSMS to systematically manage OHS risks and drive continual improvement in OHS performance

12 Community Engagement

Why It Matters?

Meaningful engagement with local communities strengthens trust, supports positive stakeholder relationships and reinforces the Group’s social licence to operate.

Value Chain: OO

GRI Standards: GRI 413: Local Communities

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Environmental and operational impacts, including noise, air emissions, and traffic, may lead to community complaints and reputational risks • Ineffective community engagement may weaken stakeholder trust and the Group’s responsiveness to local concerns	• Continuous community engagement can strengthen stakeholder relationships, build trust, and reinforce Mycron’s social licence to operate • Proactive engagement can enable early identification and resolution of community concerns, reducing the potential for disputes	• Maintain regular engagement with surrounding communities and local community representatives to understand and address concerns related to the Group’s operations • Maintain accessible grievance channels to enable community concerns to be raised and addressed in a timely manner • Collaborate with local organisations and community representatives to implement community development and social impact initiatives

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Economic Pillar — Delivering Sustainable Business Value through Responsible Supply Chain and Quality Excellence

13 Economic Performance

Why It Matters?

Sustained economic performance enables Mycron to strengthen operational resilience, invest in business growth and sustainability initiatives, and maintain competitiveness amid evolving market conditions.

Value Chain: OO

GRI Standards: GRI 201: Economic Performance; GRI 203: Indirect Economic Impacts

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Weak or volatile financial performance may constrain the Group's ability to reinvest in operational improvements, sustainability initiatives, and future growth • Fluctuations in steel demand, selling prices, raw material, and energy costs may affect margins and overall financial performance • Limited market and customer diversification may increase exposure to shifts in demand	• Strong financial performance supports investment in operational efficiency, decarbonisation, and strategic growth • Growing demand for low-carbon steel creates new market opportunities • Market and customer diversification expands revenue opportunities • Strategic investment in technology and process improvements enhances productivity and long-term business resilience	• Strengthen financial planning through strategic risks management and disciplined capital allocation • Apply the Group's ERM and internal controls to identify and manage financial, market, and operational risks • Diversify customer segments, markets, and product offerings to reduce exposure to demand fluctuations and strengthen revenue resilience

14 Product Quality & Customer Responsibility

Why It Matters?

Consistent delivery of high-quality, reliable and safe steel products is essential to meeting customer, product standards and certification requirements, maintaining customer satisfaction and strengthening long-term business relationships.

Value Chain: D OO

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Product defects, delivery delays, or failure to meet customer specifications may result in customer complaints, product rejection, and additional costs • Non-compliance with applicable product standards and certification may result in penalties and loss of certification	• Consistent product quality and reliability can strengthen customer satisfaction, trust, and long-term relationships • Strong product certifications and compliance with recognised standards can enhance market credibility and support access to new markets	• Maintain an ISO 9001-certified QMS to ensure consistent product quality and continuous improvement • Conduct compliance audits to maintain applicable product certifications and standards requirements • Maintain effective customer complaint and feedback mechanisms to identify quality issues and drive continuous improvement

MANAGING OUR SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

15 Responsible Supply Chain Management

Why It Matters?

A reliable and responsible supply chain supports uninterrupted production, consistent product quality, and timely customer delivery, while strengthening resilience to supply disruptions and sustainability-related risks.

Value Chain

UP

GRI Standards

GRI 204: Procurement Practices
GRI 308: Supplier Environmental Assessment
GRI 414: Supplier Social Assessment

Stakeholder Groups

Key Risks	Opportunities	Our Mitigation Strategies
• Inadequate supplier evaluation and engagement may affect production efficiency and product quality • Global supply chain disruptions may increase procurement costs and disrupt production • Supplier non-compliance with ESG requirements may expose the Group to reputational, compliance, and operational risks	• Strengthening local sourcing and supplier diversification reduces lead times and logistics disruptions • Sustainability criteria integration into supplier due diligence strengthens responsible sourcing • Closer supplier collaboration improves material quality and delivery reliability	• Maintain a transparent and fair supplier evaluation process to assess quality, reliability, and compliance performance • Integrate ESG criteria into supplier assessment and due diligence processes to strengthen responsible sourcing • Apply the Supplier Code of Conduct to business partners and suppliers to communicate expectations on ESG practices • Promote local sourcing, where feasible, to strengthen supply chain resilience and support the domestic economy

FY2026 SUSTAINABILITY TARGETS AND PERFORMANCE

We monitor our sustainability performance through a defined set of sustainability- and climate-related KPIs and targets across our material sustainability matters. These measures enable us to track progress against our commitments, evaluate performance, and identify areas requiring further improvement.

In FY2026, we further strengthened our approach to target-setting by establishing short-, medium- and long-term emissions reduction targets under our Climate Change and Energy Management material matter. The introduction of defined time horizons enhances accountability and provides a clearer pathway for measuring progress towards our Climate Transition Pathway, while supporting our progressive alignment with IFRS S2 climate-related disclosure requirements.

Legend: Ongoing Achieved

GOVERNANCE

Material Sustainability Matters	Key Performance Indicators	FY2026 Performance
Corporate Governance & Business Ethics	Maintain **zero (0)** incidents related to corruption and bribery	**Zero (0)** substantiated cases
	Maintain **100%** employee completion of anti-corruption training	**100%** of employees trained on anti-corruption

ENVIRONMENT

Material Sustainability Matters	Key Performance Indicators	FY2026 Performance
Climate Change & Energy Management	**Short-Term Target:** Reduce **25%** of Scope 1 and Scope 2 emissions intensity by FY2029 relative to FY2019 baseline	**18%** decrease in Scope 1 and Scope 2 net emissions intensity compared to FY2019 baseline
	Medium-Term Target: Reduce **40%** of Scope 1 and Scope 2 emissions intensity by FY2035 relative to FY2019 baseline	
	Long-Term Target: Reduce **90%** of Scope 1 and Scope 2 emissions intensity by FY2050 relative to FY2019 baseline	
	Achieve at least **5%** of electricity sourced from renewable energy	**4.81%** of renewable energy share achieved
	Review and initiate disclosures of Scope 3 emissions where relevant to Mycron by FY2028	**2** out of 15 Scope 3 emissions categories have been disclosed

FY2026 SUSTAINABILITY TARGETS AND PERFORMANCE

ENVIRONMENT

Material Sustainability Matters	Key Performance Indicators	FY2026 Performance
Circular Economy & Waste Management	Maintain a total waste directed rate below **2%** through FY2029	Only **0.97%** waste is directed to landfill from overall waste generated
Water Stewardship	Achieve a **50%** reduction in Mycron's municipal water supply reliance by FY2029 relative to FY2019 baseline	**44%** municipal water reduction achieved, with sources diversified to rainwater and underground water

SOCIAL

Material Sustainability Matters	Key Performance Indicators	FY2026 Performance
Occupational Health & Safety	Maintain our LTIR below **2.11** by FY2026	Achieved an LTIR of **1.75**
Human Rights & Labour Standards	Maintain **zero (0)** substantiated labour, human rights, and union violations	**Zero (0)** substantiated violations
	Maintain an annual turnover rate of below **24%**	Recorded a turnover rate of **15.91%**
	Achieve **100%** of human rights-related policies communication to all new joiners during onboarding	**100%** human rights-related policies communicated to all new employees
	Achieve an average of at least **8** training hours per employee annually	**11.13** hours per employee
Community Engagement	Organise at least **5** community engagement initiatives annually	Conducted **15** community engagement programmes, donations and sponsorships, reaching **2,197** beneficiaries across individuals, organisations, associations, educational institutions and wildlife

ECONOMIC

Material Sustainability Matters	Key Performance Indicators	FY2026 Performance
Product Quality & Customer Responsibility	Achieve at least **80%** customer satisfaction rate	**79.3%** positive rating on customer satisfaction
Supply Chain Management	Achieve **100%** response rate from Tier 1 approved suppliers for the ESG Supplier Assessment	**100%** responses obtained from Tier 1 approved suppliers for ESG assessments
	Maintain more than **70%** local procurement spending	**89%** spending on local suppliers

Driving the Transition Towards Carbon Neutral Steel Manufacturing

Material Sustainability Matters

- E1 Climate Change & Energy Management
- E2 Circular Economy & Waste Management
- E3 Pollution & Effluent Management
- E4 Water Stewardship

Stakeholder Groups

Government & Regulatory Authorities | Industry Association | Suppliers | Customers | Local Communities

Contribution to UN SDGs



CLIMATE CHANGE AND ENERGY MANAGEMENT

Climate change presents risks and opportunities that may affect Mycron's operations, infrastructure, business continuity, and financial performance. To strengthen long-term resilience, the Group is progressively integrating climate-related considerations into its strategic and operational decision-making.

Our approach is guided by the IFRS S2 Climate-related Disclosures Standard, as implemented through Malaysia's NSRF, covering governance, strategy, risk management, and metrics and targets. During FY2026, Mycron established climate scenarios and time horizons to support the identification and assessment of CRROs and its climate scenario analysis.

GOVERNANCE

Our sustainability governance structure provides clear oversight and accountability for climate matters, integrating these considerations into our strategy, operations, and risk management. Oversight is exercised through the BOD, RSC and SOC.

Refer to the 'Sustainability Governance Structure' on page 10 for details on roles and responsibilities on climate oversight.

STRATEGY

We conducted qualitative assessments of physical and transition climate-related risks across our operations to evaluate their potential impacts on our business model, value chain, and financial performance over the short, medium and long term.

RISK MANAGEMENT

Our business divisions have integrated CRROs into our ERM enabling climate-related risks to be identified, prioritised, and monitored alongside other enterprise and sustainability risks. CRROs are assessed based on their likelihood and impact over the defined time horizons.

For further details on the ERM processes, please refer to page 97.

METRICS & TARGETS

Key climate-related metrics and targets are established and monitored to track the Group's performance and progress against its climate objectives. Defined methodologies, data inputs, and assumptions are applied to support consistent and transparent measurement and disclosure.

For further details, please refer to pages 49 - 51.

Climate Governance

The BOD has ultimate oversight of the Group's climate-related strategy and CRROs, including their integration into the Group's strategy, risk management, and long-term value creation. The BOD is kept informed of evolving climate-related matters through relevant external engagements and quarterly updates from senior management.

The RSC supports the BOD in overseeing the identification, assessment, and management of physical and transition risks, including their integration into the Group's ERM framework. Material CRROs and related risk management measures are reviewed by the RSC and reported to the BOD on a quarterly basis to support strategic oversight and decision-making.

At the management level, the Group CEO, as Chairman of the SOC, leads the implementation of the Group's climate agenda and decarbonisation plans. The SOC reviews climate-related performance on a monthly basis, including progress against established targets and decarbonisation initiatives, and considers the resources required to support implementation. This facilitates timely management action and enables progress to be monitored against the Group's climate objectives.

Integrating Climate Performance in Remuneration

The Group integrates climate-related considerations into the performance management and remuneration framework for Key Senior Executives, where relevant to their respective roles and responsibilities. For FY2026, climate-related performance indicators accounted for approximately 3% to 10% of the applicable performance assessment of Key Senior Executives, depending on their respective roles, responsibilities, and areas of influence.

These climate-related performance indicators include measures relating to GHG intensity, energy consumption, and other relevant sustainability priorities. Performance against the applicable indicators is assessed as part of the annual performance evaluation process and contributes to the determination of performance-linked remuneration, including annual bonuses and salary increments.

The variation in weighting reflects the differing levels of responsibility and ability of individual Key Senior Executives to influence the Group's climate-related performance. Through this approach, the Group seeks to strengthen management accountability and further embed climate-related considerations into its performance and remuneration framework.

CLIMATE CHANGE AND ENERGY MANAGEMENT

Resilience of our Climate Strategy

Climate considerations are incorporated into the Group's strategic planning and decision-making, particularly in relation to energy efficiency and emissions performance. Mycron is committed to managing its greenhouse gas ("GHG") emissions through its established Climate Transition Pathway, which outlines the Group's strategic direction towards low-carbon steel production, in alignment with key national policies and roadmaps, including the Malaysian National Energy Transition Roadmap ("NETR"), National Energy Policy 2022–2040 and Steel Industry Roadmap 2035.

The Climate Transition Pathway supplements Mycron's business strategy and financial planning in addressing climate change mitigation. Mycron's decarbonisation efforts will progressively focus on improving energy efficiency, expanding renewable energy, upgrading technologies, and offsetting residual carbon emissions. By capitalising on climate-related opportunities, the Group seeks to strengthen its resilience while creating long-term business value.

Time Horizons

Mycron establishes climate targets across three defined time horizons to support their integration into the Group's strategic planning and decision-making processes.

Baseline

FY2019 **FY2029** **FY2035** **FY2050**

Short Term (FY26 – FY29)

Focuses on implementing near-term decarbonisation and operational efficiency measures, while responding to evolving regulations, energy price volatility, market conditions, and stakeholder expectations.

1

Medium Term (FY29 – FY35)

Aligns Mycron's growth and decarbonisation efforts with industry developments, national policies and global climate ambitions to support the transition towards a lower-carbon steel industry.

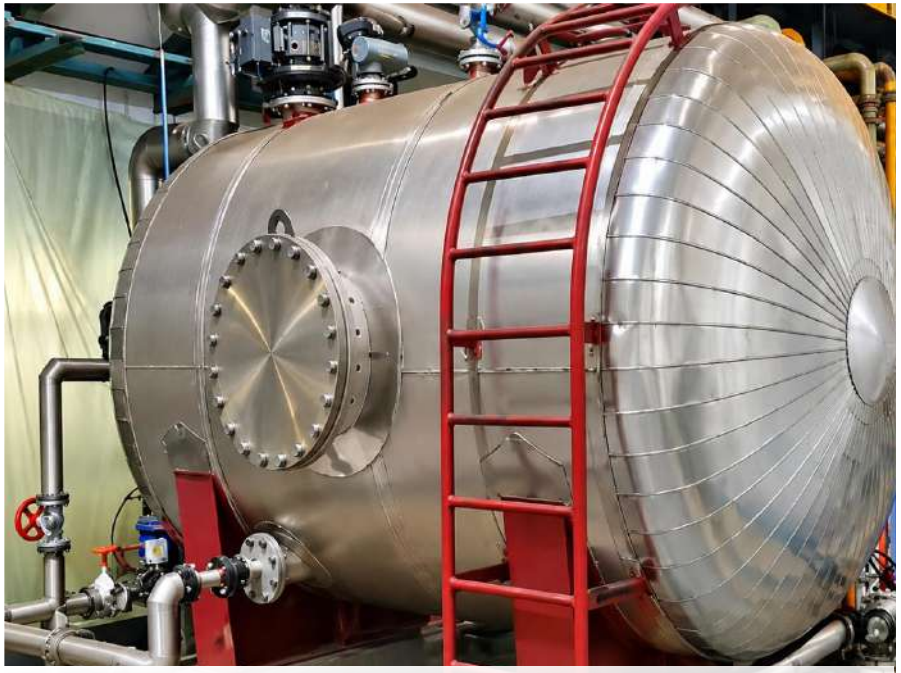
2

Long Term (FY35 – FY50)

Advances Mycron's Net Zero by 2050 pathway through long-term decarbonisation, climate risk mitigation, and emissions abatement measures, supporting the transition towards low-carbon steel manufacturing.

3

FY2019 was selected as the baseline year as it provides sufficiently complete and reliable emissions data and represents business-as-usual operating conditions prior to COVID-19-related disruptions and the implementation of major plant and process efficiency improvements. This provides a consistent and representative reference point for measuring Mycron's emissions reduction progress and the impact of subsequent decarbonisation initiatives.



MCRC's CPL Automation and Process System Upgrade, recognised at the NEA 2021 awards, delivers annual energy savings of approximately 16,045 MWh and avoids approximately 9,386 tCO_2e of emissions annually.

Mycron's Climate Transition Pathway

Interim Emission Targets:

Short Term	Medium Term	Long Term
Achieve a **25% reduction** in Scope 1 and 2 net emissions by 2029 compared to 2019 baseline	Achieve a **40% reduction** in Scope 1 and 2 net emissions by 2035 compared to 2019 baseline	Achieve a **90% reduction** in net emissions by 2050 compared to 2019 baseline*

In alignment with the Science Based Targets initiative (SBTi) and the International Energy Agency's (IEA) 1.5°C pathway, MSB aims to achieve approximately 90% gross emissions reduction by 2050, with carbon netting measures applied only to the remaining hard-to-abate residual emissions.

Strategic Lever:

- Operational decarbonisation
- Energy Transition
- Process technology upgrades
- Value chain decarbonisation
- Carbon Neutralisation

Current Mitigation & Adaptation Strategies

- Progressive deployment of solar energy infrastructure
- Retrofit and upgrade air compressors and overhead cranes with inverters
- Deployment of LED lighting across MSB's offices and manufacturing facilities

Strategic Key Enablers

- Integration of SRROs and CRROs into business strategy and financial planning, in alignment with IFRS S1 and IFRS S2 principles
- Implementation of an internal GHG accounting to support robust Measurement, Reporting and Verification (MRV) processes
- Enhanced carbon transparency and disclosure through CBAM, EPD and LCA developments
- Certified to ISO 50001 Energy Management System (EnMS)

YTD Achievement: ▽ 18% in Scope 1 and 2 net emissions from the 2019 baseline

Strategic Key Actions

- Deployment of Battery Energy Storage System (BESS)
- Expansion of on-site solar energy generation across all facilities
- Accelerate electrification via the deployment of hybrid systems across MSB's operations
- Further retrofit and upgrade remaining critical assets with energy-efficient technologies
- Implementation of waste heat recovery solutions across operations

Strategic Key Enablers

- Full operationalisation of IFRS S1 and S2 principles

Strategic Key Actions

- Transition from grey to green hydrogen
- Integrate low-carbon fuels across MSB's operations
- Initiate procurement of low-carbon raw materials from H_2-DRI-EAF-centric production routes
- Scale up renewable electricity procurement via green tariff programmes

Strategic Key Actions

- Offset residual emissions through verified carbon offset projects
- Progressive transition toward 100% H_2-DRI-EAF-based HRC production routes
- Increase renewable energy share to 60% across operations

Legend:

Indicative Business-as-Usual (BAU) GHG emission projection

Indicative GHG emissions reduction pathway

2026 | 2029 | 2035 | 2050

CLIMATE CHANGE AND ENERGY MANAGEMENT

Key Assumptions and Dependencies

Mycron's Climate Pathway is underpinned by assumptions and dependencies relating to market conditions, regulatory developments, technological advancements, and stakeholder expectations, which may influence the effectiveness of the Group's transition.

Assumptions

- Malaysia's regulatory and policy landscape is expected to continue supporting the country's transition towards a low-carbon economy, guided by its net-zero aspiration by 2050 and key frameworks such as the NETR
- Carbon pricing and other climate-related regulatory measures are expected to be introduced and strengthened progressively, providing sufficient policy certainty to support long-term transition planning and investment
- Low-carbon technologies, including hydrogen-based direct reduced iron and electric arc furnace (H_2-DRI-EAF) technologies, as well as potential carbon capture and storage ("CCS") solutions, are expected to become increasingly commercially viable and scalable over the transition period
- The national electricity grid is expected to progressively decarbonise, supported by greater renewable energy availability, corporate power purchase agreements ("PPAs"), renewable energy certificates ("RECs") and continued improvements to energy infrastructure, while maintaining reliable energy supply

Dependencies

- The progressive decarbonisation of Mycron's upstream supply chain, particularly the transition of key HRC suppliers towards low-carbon technologies, including EAF and hydrogen-based DRI
- Continued access to reliable and competitively priced renewable energy to support the progressive decarbonisation of the Group's operations
- Continued availability of green financing at viable terms to support investments in decarbonisation initiatives
- A stable and supportive policy and regulatory environment that facilitates long-term investment and implementation of the Group's initiatives

Planned Use of Carbon Credits

The Group intends to use carbon credits to offset the remaining 10% of hard-to-abate residual emissions that cannot be eliminated through direct emissions reduction measures.

Mycron intends to prioritise high-integrity carbon removal credits, including nature-based solutions such as reforestation, afforestation, and ecosystem restoration. Technology-based carbon removal solutions may also be considered as these technologies mature and become commercially viable.

Any carbon credits used will be subject to appropriate due diligence, including consideration of recognised third-party verification or certification standards, registry traceability, additionality, permanence and the risk of double counting. The specific crediting programme, type, and volume of carbon credits will be determined as the Group progresses along its Climate Transition Pathway.



CLIMATE CHANGE AND ENERGY MANAGEMENT

Climate Risk Management Process

The Group recognises that climate change may give rise to physical and transition risks and opportunities that could affect the Group's operations, assets, value chain, and financial performance. To assess the resilience of our business under different climate futures, we consider both physical and transition risks across a range of climate scenarios and time horizons, with consideration of their potential operational, asset, and financial implications and are integrated into the Group's ERM framework. Material developments are incorporated into the Risk Register, which is reviewed quarterly to support management oversight, risk mitigation, resource allocation, and strategic decision-making.

Our scenario analysis currently applies a predominantly qualitative approach to evaluate how different transition and physical climate pathways could affect the resilience of Mycron's operations, assets and value chain. Based on the assessment, Mycron's current financial exposure to the identified physical risks remains relatively limited, although potential increases in energy costs arising from regulatory developments have been identified as a more significant transition-related consideration.

Transition Risk Methodology

Transition risks refer to the potential financial and operational impacts arising from the shift towards a lower-carbon economy, including changes in climate-related policies and regulations, technologies, market demand, and stakeholder expectations.

For Mycron, policy and regulatory risks represent a key area of transition exposure, given the energy-intensive nature of steel manufacturing. Changes in electricity tariffs and the potential introduction of carbon pricing mechanisms may increase operating costs and affect the cost competitiveness of the Group's operations.

Market risks are also becoming increasingly relevant as customer preferences shift towards lower-carbon steel products. Customers are placing greater emphasis on products with higher recycled content, lower embodied carbon, and greater carbon transparency, driven by their own decarbonisation commitments and supply chain requirements.

Physical Risk Methodology

Mycron has identified three primary physical climate hazards with the potential to affect the Group's assets and operations, namely extreme heat, flooding, and water stress and drought. A scenario-based risk screening approach was undertaken to assess the exposure and sensitivity of the Group's assets to these hazards under different climate scenarios.

The assessment considers asset locations, operational characteristics, and susceptibility to climate hazards, drawing on historical information, past operational records, climate projections, and location-specific data, including the World Resources Institute's ("WRI") Aqueduct Water Risk Atlas. These inputs support the evaluation of potential changes in physical climate risks across the relevant time horizons.

The findings inform the identification of potential vulnerabilities and the development of appropriate mitigation and adaptation measures to strengthen operational resilience. Physical climate risk considerations are progressively integrated into the Group's risk management and investment planning processes to safeguard the long-term resilience and value of its assets.

Short-term measures, such as routine maintenance, are incorporated into the Group's annual operating budgets, while medium- to long-term initiatives requiring capital investment are evaluated and prioritised based on financial feasibility, operational requirements and their contribution to climate resilience.

Transition Climate Scenario Analysis

Mycron's transition risk assessment considers two scenarios from the International Energy Agency's ("IEA") World Energy Outlook 2024: the Stated Policies Scenario ("STEPS") and the Net Zero Emissions by 2050 Scenario ("NZE").

Scenario 1 **IEA STEPS**	Represents a future where the energy transition progresses in line with current and stated government policies. It reflects a more gradual transition, allowing Mycron to assess potential climate-related risks as regulations, technologies, and market conditions continue to evolve.
Scenario 2 **IEA NZE**	Represents a more rapid and ambitious transition towards a net zero energy system by 2050. It allows Mycron to assess the potential implications of stronger climate policies, accelerated adoption of low-carbon technologies, and increasing market demand for low-carbon products.

Physical Climate Scenario Analysis

The Group assesses physical climate risks using the IPCC's Shared Socioeconomic Pathways ("SSPs"), considering SSP2-4.5 and SSP5-8.5 to evaluate potential impacts under intermediate and very high-emissions scenarios.

Scenario 1 **SSP2 – 4.5**	Represents an intermediate climate pathway with continued reliance on fossil fuels and inconsistent policy implementation.
Scenario 2 **SSP5 – 8.5**	Represents a very high-emissions pathway characterised by slower adoption of climate mitigation and adaptation measures, and is used to assess Mycron's resilience to more severe physical climate impacts.

As our climate risk management practices mature, we are progressively strengthening our data collection, internal processes, and analytical capabilities to improve the robustness and comparability of our assessment. This will support the gradual development of more quantitative and decision-useful climate-related financial information and strengthen the integration of climate considerations into strategic and investment decisions.

CLIMATE CHANGE AND ENERGY MANAGEMENT

Transition Risk Scenario Analysis

POLICY AND LEGAL RISK

Mycron's key transition risk arises from evolving climate regulations, including carbon pricing and low-carbon trade requirements such as CBAM. As an energy-intensive steel manufacturer, these developments may increase energy, carbon, and compliance costs, while requiring additional investment in decarbonisation to maintain regulatory compliance, market competitiveness, and long-term resilience.

Key Driver	Time Horizon	Risk Level	
		STEPS	NZE
Introduction and tightening of carbon pricing mechanisms such as the domestic carbon tax and Emission Trading Systems ("ETS")	S M L	Medium	Low
Changes in energy and climate-related policies and electricity tariff mechanisms	S M L	Medium	Low
Increased climate-related regulatory and disclosure requirements across domestic and international markets, including the EU CBAM and product carbon footprint requirements	S M L	Low to Medium	Low

Potential Impact on Our Business and Value Chain

- Increased stakeholder expectations for stronger climate governance, transparency and sustainability performance
- Greater legal, compliance, and reputational exposure from non-compliance with evolving climate-related regulations and disclosure requirements
- Changes in procurement and supplier selection practices as sustainability-related requirements become increasingly integrated into supply chain standards
- Potential impacts on market access and customer relationships where climate requirements form part of purchasing decisions

Current Financial Effects

- Increased OPEX from higher electricity tariffs and climate-related compliance activities (e.g., EPD, CBAM)

Anticipated Financial Effects

- Margin compression if higher electricity and carbon costs cannot be passed on through product pricing
- Increased OPEX due to carbon pricing, higher electricity tariffs, and climate-related compliance requirements
- Increased CAPEX for decarbonisation initiatives, including renewable energy, Battery Energy Storage Systems ("BESS") and fuel optimisation

Opportunities

- Early compliance with evolving climate regulations strengthens market competitiveness and stakeholder confidence
- Improved access to sustainable financing and government incentives for decarbonisation projects
- Early adoption of low-carbon technologies and energy efficiency initiatives reduces long-term operating cost and carbon cost exposure.
- Verified climate disclosures and product carbon footprints strengthen credibility with customers, regulators and financiers

Mitigation and Adaptation Strategies

Direct

- Expand renewable energy deployment (e.g., rooftop solar) to reduce grid electricity dependence
- Integrate carbon pricing and electricity tariff scenarios into the ERM
- Enhance energy efficiency and process optimisation to reduce energy consumption and emissions
- Strengthen climate governance and regulatory readiness through IFRS S1 and S2 implementation and robust compliance management
- Enhance product transparency through independently verified EPDs and CBAM reports

Indirect

- Engage with government and industry associations to support a fair and phased climate transition

CLIMATE CHANGE AND ENERGY MANAGEMENT

Transition Risk Scenario Analysis

MARKET AND REPUTATIONAL RISK

Growing customer, investor, and stakeholder expectations for low-carbon steel products and transparent climate disclosures may affect Mycron's competitiveness and reputation. Failure to demonstrate decarbonisation progress, verified climate disclosures, CBAM and EPD could reduce market opportunities, limit access to sustainable financing, and weaken stakeholder confidence.

Key Driver	Time Horizon	Risk Level	
		STEPS	NZE
Shift in market demand and customer preferences towards low-carbon steel products and verified sustainability performance	S M L	Low to Medium	Low
Elevated cost and limited availability of low-carbon raw material due to constrained supply	S M L	Medium	Low

Potential Impact on Our Business and Value Chain

- Reduced competitive positioning if Mycron's product carbon performance and decarbonisation progress fall behind evolving market and customer requirements.
- Growing demand from investors, financiers, and customers for credible climate disclosures and evidence of progress towards climate commitments.
- Increasing value-chain requirements for emissions data, responsible sourcing, and climate-related information from suppliers and business partners.
- Heightened reputational risk where climate commitments, governance, or performance do not meet stakeholder expectations, including risks arising from the practices of suppliers and other third parties.

Current Financial Effects

- Limited financial impact on Mycron's financial performance and prospects in the short-term

Anticipated Financial Effects

- Reduced revenue and loss of market share if Mycron fails to meet customer demand for low-carbon steel products
- Higher procurement costs and supply chain constraints for low-carbon HRC
- Limited access to sustainable financing if climate-related requirements are not met

Opportunities

- Expand market opportunities by offering low-carbon steel products that support customers' decarbonisation and climate compliance objectives
- Strengthen access to sustainable financing through sustainability-linked loans and green financing
- Enhance Mycron's reputation as a transparent and responsible steel manufacturer

Mitigation and Adaptation Strategies

Direct

- Invest in energy efficiency technologies (e.g., BESS, waste heat recovery, electrification) to strengthen competitiveness
- Strengthen procurement of low-carbon HRC through supplier engagement and strategic sourcing
- Enhance product transparency through LCA and EPDs

Indirect

- Build strategic partnerships with universities, technology providers, and industry associations to accelerate low-carbon innovation and technology adoption
- Strengthen customer and investor engagement to understand evolving market requirements

CLIMATE CHANGE AND ENERGY MANAGEMENT

Transition Risk Scenario Analysis

TECHNOLOGICAL RISK

The transition to low-carbon technologies may require significant capital investment to maintain operational efficiency, reduce emissions, and meet evolving market expectations. Delays in technology adoption could increase transition costs and affect the Group's long-term competitiveness.

Key Driver	Time Horizon	Risk Level	
		STEPS	NZE
Unable to adopt low-carbon and energy-efficient technologies due to limited access to affordable green electricity in Malaysia, coupled with rising energy costs	S M L	Medium	Low

Potential Impact on Our Business and Value Chain

- Risk of technology obsolescence as conventional equipment and processes become less competitive against more energy- and carbon-efficient alternatives
- Uncertainty over the technical and commercial viability of emerging decarbonisation technologies, including its implementation and integration challenges
- Indirect exposure to upstream technology transition, as the availability and cost of low-carbon HRC is influenced by suppliers' adoption of low-carbon steelmaking technologies
- Potential competitive disadvantage if the adoption of viable low-carbon technologies does not keep pace with customer and market expectations

Current Financial Effects

- Increased CAPEX for energy efficiency improvements and low-carbon technology investments
- Increased OPEX associated with technology implementation, maintenance, and workforce capability development

Anticipated Financial Effects

- Reduced revenue and market competitiveness if commercially viable low-carbon technologies are not in line with evolving customer, regulatory, and market expectations
- Potential asset impairment or accelerated depreciation of existing equipment
- Additional CAPEX for process upgrades to support Mycron's decarbonisation pathway

Opportunities

- Long-term reduction in OPEX through lower fuel and electricity consumption
- Optimised capital allocation by prioritising high-impact decarbonisation and energy efficiency investments
- Enhance operational resilience through timely adoption of low-carbon technologies, reducing future equipment upgrade and replacement costs
- Improved access to green financing and government incentives supporting low-carbon technologies

Mitigation and Adaptation Strategies

Direct

- Invest in energy-efficient and low-carbon technologies to improve operational efficiency and reduce emissions
- Implement energy efficiency programmes, process optimisation, and digitalisation initiatives to improve resource efficiency
- Strengthen workforce capabilities through upskilling and training on emerging low-carbon technologies
- Leverage available government incentives, grant and tax incentives to support low-carbon technology investments

Indirect

- Build strategic partnerships with universities, technology providers, and industry associations to evaluate and adopt emerging low-carbon technologies

CLIMATE CHANGE AND ENERGY MANAGEMENT

Physical Risk Scenario Analysis

EXTREME HEAT

Rising temperatures and frequent extreme heat events may increase thermal stress across Mycron's manufacturing operations. Employees at the production, maintenance, and logistics divisions may experience greater exposure to heat stress, increasing the risk of heat-related illnesses and fatigue, causing lower labour productivity and elevated risk of workplace incidents.

Key Driver	Time Horizon	Risk Level	
		IPCC SSP2-4.5	IPCC SSP5-8.5
Increasing frequency, intensity, and duration of extreme heat events and prolonged high ambient temperatures due to climate change	S M L	Low	Low to Medium

Potential Impact on Our Business and Value Chain

- Increased OHS risks for outdoor employees, potentially leading to heat stress, reduced productivity and higher absenteeism
- Disruptions to maintenance, operations and logistics activities due to unsafe working conditions during prolonged periods of extreme heat
- Higher electricity consumption and operating costs resulting from increased demand for cooling and ventilation
- Supply chain disruptions affecting the timely delivery of raw materials and products

Current Financial Effects

- Increased OPEX due to higher electricity consumption for cooling and ventilation
- Higher OPEX resulting from thermal stress on electrical equipment, cooling systems, and solar PV assets
- Additional OHS expenditure for heat stress management including personal protective equipment ("PPE"), hydration and employee welfare measures

Anticipated Financial Effects

- Higher CAPEX for cooling system upgrades, insulation, and climate-resilient infrastructure
- Potential revenue loss from more frequent production downtimes and equipment failures

Opportunities

- Enhance operational resilience by investing in heat-resilient infrastructure, cooling systems, and equipment to maintain reliable operations
- Demonstrate proactive climate risk management to strengthen stakeholder confidence in Mycron's operations reliability
- Strengthen workforce well-being and productivity through heat stress management and workplace conditions

Mitigation and Adaptation Strategies

Direct

- Integrate climate resilience considerations into project planning and asset management processes
- Apply heat stress protocols aligned with DOSH, DOE guidelines, and ISO 45001:2018
- Strengthen climate risk assessments and scenario analysis to support long-term resilience planning
- Implement roof cooling, improved ventilation, and reflective materials to lower factory heat buildup
- Increase green landscaping and shaded rest areas

Indirect

- Review work schedules and operational planning during periods of extreme heat to minimise heat exposure and productivity impacts
- Strengthen heat-stress awareness and training for employees and contractors

CLIMATE CHANGE AND ENERGY MANAGEMENT

Physical Risk Scenario Analysis

FLOODING

The increasing frequency and severity of flooding and flash floods may disrupt Mycron's operations and supply chain over the long term. The Group's four factories are located within approximately 18 km of Port Klang, at elevations ranging from 8 to 22 metres above sea level, resulting in exposure to flood-related risks. Climate projections indicate that this exposure may increase under the very high-emissions SSP5-8.5 scenario.

Key Driver	Time Horizon	Risk Level	
		IPCC SSP2-4.5	IPCC SSP5-8.5
Increasing intensity of extreme rainfall and flooding over a longer term	S M L	Low	Low to Medium

Potential Impact on Our Business and Value Chain

- Temporary operational disruptions and reduced operational efficiency arising from flooding and water ingress
- Physical damage to Mycron's assets and infrastructure
- Potential relocation of offices and facilities need due to prolonged exposure to flood
- Disruption to supplier operations, transportation routes, and raw material delivery schedules

Current Financial Effects

- Increased OPEX associated with preventive maintenance and upkeep of drainage and flood-control infrastructure
- Additional expenditure on emergency preparedness measures to minimise potential operational disruption

Anticipated Financial Effects

- Potential revenue loss and increased OPEX from temporary production stoppages during severe flooding
- Increased CAPEX for flood adaptation and resilience measures, including flood barriers and protection of critical equipment
- Potential repair or replacement costs for damaged equipment, electrical systems, and infrastructure
- Increases in insurance premiums and insurance coverage as flood risk intensify

Opportunities

- Integration of flood risk considerations into asset upgrades, infrastructure planning, and future capital investments can strengthen long-term asset resilience across Mycron's operations
- Strengthen contingency planning and alternative logistics arrangements can reduce exposure to flood-related transportation and supply disruptions, supporting continuity of raw material supply and customer deliveries

Mitigation and Adaptation Strategies

Direct

- Conduct preventive maintenance of drainage systems and critical infrastructure to reduce flood-related risks
- Deploy monitoring systems and emergency response procedures ("ERP") to enable timely response to potential flood incidents
- Integrate flood risk assessments into asset management, infrastructure upgrades, and capital investment planning
- Implement flood mitigation measures for critical equipment and electric systems, as well as retention ponds, sump pumps and debris-clearing protocols
- Scale up rainwater harvesting system as flood control and industrial operation use

Indirect

- Engage with local authorities and relevant stakeholders on flood preparedness, drainage management, and emergency response
- Incorporate climate-related flood risks into supplier risk assessments and business continuity planning

CLIMATE CHANGE AND ENERGY MANAGEMENT

Physical Risk Scenario Analysis

WATER STRESS & DROUGHT

Increasing variability and potential water supply disruptions may heighten water stress and drought risks. MCRC is particularly vulnerable due to its reliance on water-intensive processes and approximately 24 hours of water reserve capacity, potentially resulting in production disruptions and higher operating costs.

Key Driver	Time Horizon	Risk Level	
		IPCC SSP2-4.5	IPCC SSP5-8.5
Changing rainfall patterns, prolonged dry periods, and increasing water demand from other nearby industrial users may cause disruptions to municipal water supply	S M L	Low	Low to Medium

Potential Impact on Our Business and Value Chain

- Insufficient water supply may constrain water-dependent processes, such as CPL, resulting in reduced production capacity or temporary shutdowns
- Limited water availability may affect cooling systems
- Water scarcity affecting key suppliers may constrain availability or increase the cost of raw materials
- Prolonged water shortages may affect sanitation, hygiene, and access to adequate water at manufacturing facilities

Current Financial Effects

- Increased OPEX associated with water supply, storage, and treatment
- Additional CAPEX and OPEX associated with water resilience initiatives, such as alternative water sources, rainwater harvesting, and water recycling systems

Anticipated Financial Effects

- Daily production stoppages could result in financial losses of up to RM160,000 per factory site
- Potential revenue loss from production disruptions or reduced production capacity during prolonged water shortages
- Potential higher supply chain costs where suppliers are similarly affected by water scarcity

Opportunities

- Diversification of water sources through rainwater harvesting, groundwater, and water reclamation reduces reliance on municipal water supply, strengthening business continuity during periods of water scarcity
- Investing in additional water storage can enhance Mycron's ability to maintain critical operations during prolonged supply disruptions
- Improving water efficiency through recycling and water-saving technologies can reduce exposure to rising water costs

Mitigation and Adaptation Strategies

Direct

- Expand rainwater harvesting and utilisation to reduce reliance on municipal water
- Increase utilisation of alternative water sources including underground water to further strengthen water security
- Improve water-use efficiency through process optimisation and water-saving measures
- Implement water recycling and reuse initiatives across manufacturing processes
- Conduct preventive maintenance and leak detection to minimise water losses

Indirect

- Integrate water stress and drought risks into business continuity and capital investment planning
- Engage with water authorities and relevant stakeholders on water availability and supply reliability

CLIMATE CHANGE AND ENERGY MANAGEMENT

Mycron's Mitigation and Adaptation Strategies Addressing Our Climate Transition Risks

Key Focus Areas

01 Operational Energy Efficiency

02 Deployment of Renewable Energy

03 Employee Awareness Programme

04 Emissions Management

01) Operational Energy Efficiency



Replaced conventional lighting, including halogen spotlights, with energy-efficient LED lighting, and introduced solar-powered spotlights to further reduce electricity consumption.



Installed inverter-driven air compressors to optimise compressed air generation and reduce energy consumption.



Installed inverters on overhead crane motors to optimise energy use and improve operational efficiency.



Installed transparent roofing to maximise natural daylight and reduce electricity consumption.

In FY2026, the Group invested RM49,900 in sustainability-related CAPEX and incurred RM217,019 in OPEX to support initiatives which includes energy efficiency improvements, ESG compliance, enhanced product transparency, and the implementation of decarbonisation initiatives across our operations.

Moving Forward

Mycron is actively progressing key initiatives to further strengthen energy efficiency and renewable energy adoption across its operations. These include the installation of BESS to optimise peak demand and energy costs, the replacement of existing air compressors with higher-efficiency 110 kW units, and the deployment of heat pump systems to improve energy utilisation and overall operational efficiency.

Sustainability-Related Investment Allocation:

RM5.1 million

CLIMATE CHANGE AND ENERGY MANAGEMENT

Mycron's Mitigation and Adaptation Strategies Addressing Our Climate Transition Risks

01) Deployment of Renewable Energy

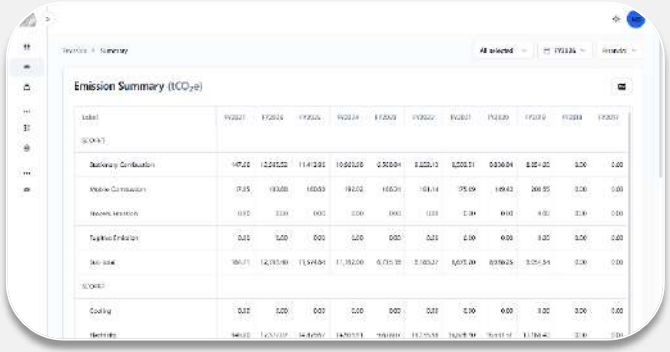


Moving Forward

The Group will expand solar PV capacity across MCRC and MST to further reduce reliance on grid electricity.

02) Emissions Management

Mycron utilises the GHG COPE System to centrally manage its Group-wide GHG inventory and support the monitoring, reporting, and verification ("MRV") of emissions data. The system consolidates GHG activity data and emissions information across the Group, with relevant supporting documents and records uploaded to provide an auditable train and strengthen data traceability, consistency, and reliability.



03) Employee Awareness Programme

The Group promotes responsible energy use across its operations through the ongoing Energy Conservation Programme. Internal guidelines are in place to encourage efficient energy consumption, including maintaining air-conditioning temperatures at 24℃ or above, and unplugging unused electrical equipment. This programme reinforces practical energy conservation behaviours among employees, fostering greater awareness and shared responsibility for creating a more energy-efficient workplace.

04) Low-Carbon Operations

Phased out diesel-powered material handling equipment and transitioned to electric forklifts, resulting in the **complete elimination of diesel use** for material handling at MCRC.



CLIMATE CHANGE AND ENERGY MANAGEMENT

Mycron's Mitigation and Adaptation Strategies Addressing Our Climate Physical Risks

To strengthen resilience to climate-related physical risks, the Group continues to integrate climate adaptation measures across its operations. These initiatives are designed to reduce exposure to climate hazards, particularly flooding, while supporting business continuity, operational resilience, and long-term productivity.

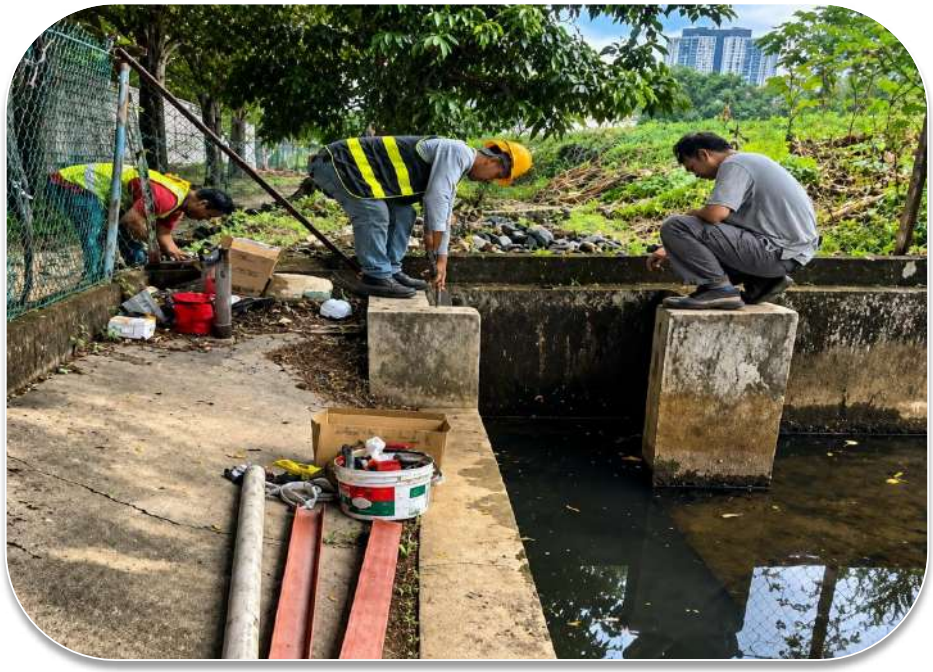
Retention Pond System

MCRC has implemented a retention pond system as part of its climate adaptation measures to enhance resilience against heavy rainfall and flooding. The system temporarily retains excess stormwater during periods of intense rainfall, helping to regulate water discharge and reduce flood risks on-site. Where appropriate, the collected water is reused for dust suppression at the scrap yard, reducing dependence on municipal supply.

Regular Drainage Inspection & Maintenance

The Group maintains a systematic inspection, maintenance, and desilting of its drainage systems on a biannual basis to maintain effective stormwater flow during heavy rainfall. This preventive measure reduces the risk of drainage blockages and flooding, minimising potential operational disruptions, safeguards critical assets, and strengthens resilience to flood risks





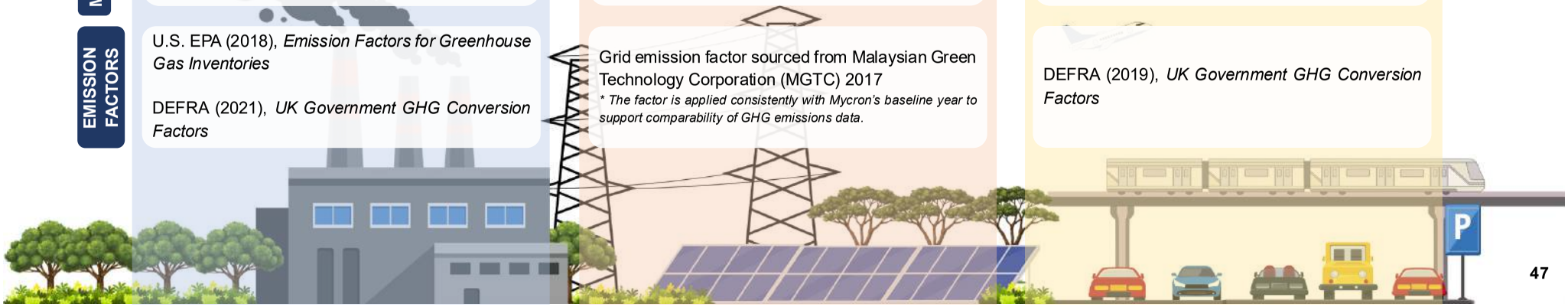
CLIMATE CHANGE AND ENERGY MANAGEMENT

GHG Emissions Calculation Methodology

Mycron's GHG inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard for Scope 1 and Scope 2 emissions, and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Scope 3 emissions. This serves as a preparatory step towards adopting IFRS S1 and S2, and supports readiness for future carbon pricing implementation. Emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), using 100-year time horizon global warming potential ("GWP") values from the IPCC Sixth Assessment Report (AR6, 2020). The inventory covers three of the seven Kyoto Protocol GHGs (CO_2, CH_4, N_2O), which represents the most relevant and material emissions arising from our operational activities.

Mycron applies the operational control approach to define its organisational boundary, accounting for 100% of emissions from entities under its operational control. These include MCRC and MST.

	SCOPE 1 Direct Emissions	SCOPE 2 Indirect Emissions	SCOPE 3 Indirect Emissions
ACTIVITY DATA	**Stationary Combustion:** Natural gas, diesel, and liquified petroleum gas ("LPG") consumed by onsite furnaces, generators, and machinery **Mobile Combustion:** Diesel and petrol consumed by company fleet vehicles	Electricity purchased across Mycron operations	**Category 6 (Business Travel):** Total mileage claimed by employees by transportation mode **Category 7 (Employee Commute):** Estimated distances travelled by employees and transport mode distribution
METHODOLOGY	Emissions are calculated using the amount of fuel purchased using the purchase records and the appropriate emission factors and GWP. Emissions ($kgCO_2e$) = Fuel used × Emission Factor (EF)	Location-based method using the average grid emission factor ("GEF") for purchased electricity. No contractual instruments are held for market-based reporting. Emissions ($kgCO_2e$) = Electricity consumed × GEF	Emissions are estimated using distanced-based (km) methods, where mode-specific emission factors are applied.
EMISSION FACTORS	U.S. EPA (2018), *Emission Factors for Greenhouse Gas Inventories* DEFRA (2021), *UK Government GHG Conversion Factors*	Grid emission factor sourced from Malaysian Green Technology Corporation (MGTC) 2017 ** The factor is applied consistently with Mycron's baseline year to support comparability of GHG emissions data.*	DEFRA (2019), *UK Government GHG Conversion Factors*



CLIMATE CHANGE AND ENERGY MANAGEMENT

Measurement Uncertainties and Assumptions

To best reflect our performance alongside production growth, the Group determined that carbon intensity would be the best, as tracking its emissions per unit activity shows our improved efficiency even as the production expands, providing a fair and consistent measurement.

For Scope 1 emissions, Mycron has determined that fugitive emissions are immaterial, contributing less than 1% of total emissions. Accordingly, this source has been excluded from material reporting.

GHG emissions are subject to inherent uncertainties arising from activity data, measurement accuracy, emission factors, and estimation methodologies. Where primary data is unavailable, reasonable estimates or secondary data are applied based on available data. Published emission factors and 100-year GWP values are applied based on the selected reporting methodology.

Quality Control and Assurance

The Group adopts a multi-level review process to maintain the accuracy and reliability of our GHG emissions data. Activity data and supporting records from MCRC and MST are reviewed at the respective operational level before being consolidated and validated by the Group Sustainability function, including checks for completeness, consistency, and alignment with the Group's GHG accounting methodology.

To further enhance data credibility, Scope 1, Scope 2, and Scope 3 : Category 6 (Business Travel) and Category 7 (Employee Commuting) emissions are subject to independent external verification against the GHG Protocol. This provides greater assurance over the reliability and transparency of the Group's climate-related disclosures.

CLIMATE CHANGE AND ENERGY MANAGEMENT

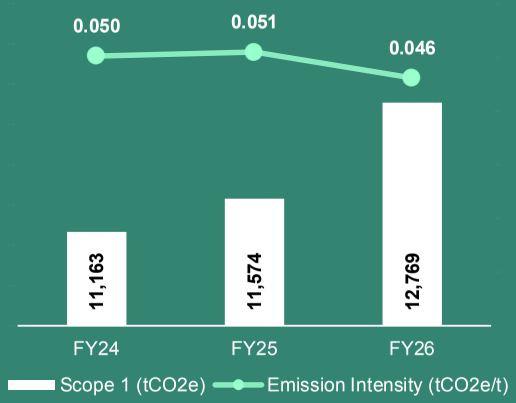
Our GHG Emissions Performance

In FY2026, Mycron recorded 30,146 tCO_2e in total absolute GHG emissions, representing a 14% increase from FY2025, primarily attributable to a 22% increase in production activity, which resulted in higher fuel consumption and electricity demand.

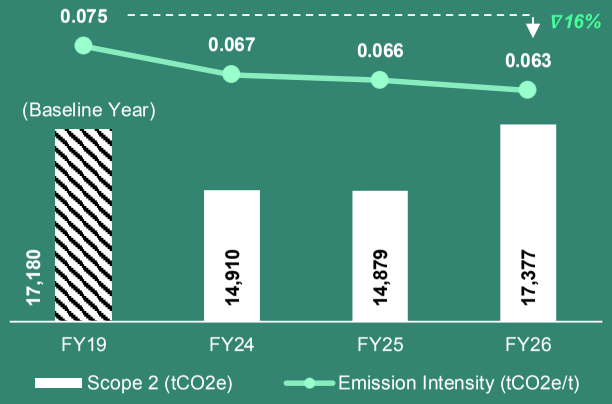
Despite the increase in absolute emissions, overall emissions intensity reduced by 6%, from 0.114 tCO_2e/tonne to 0.107 tCO_2e/tonne, meeting our target of 0.110 tCO_2e/tonne. The improvement was supported by enhanced operational efficiency and process optimisation, particularly in the Batch Annealing Furnace ("BAF") and ARP processes.

5,000 MWh solar energy generated, resulting in **2,925 tCO_2e** carbon avoidance

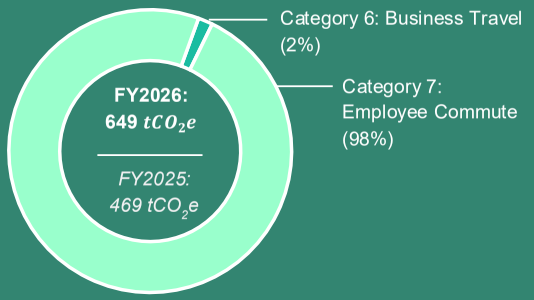
SCOPE 1 GHG EMISSIONS & INTENSITY



SCOPE 2 GHG EMISSIONS & INTENSITY



SCOPE 3 GHG EMISSIONS BREAKDOWN



TOTAL GHG EMISSIONS

	FY2024	FY2025	FY2026
Total GHG Emissions (tCO_2e)	26,072	26,453	30,146
Total Emissions Intensity (tCO_2e/tonne)	0.115	0.114	0.107

Notes:

1. *GHG emissions were calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard*
2. *Scope 1 EFs were sourced from U.S. EPA (2018) and UK DEFRA Conversion Factors (2021)*
3. *Scope 2 GHG EFs were sourced from the Malaysian Green Technology Corporation (MGTC) 2017*
4. *Scope 3 EFs were sourced from the UK DEFRA Conversion Factors (2019)*
5. *FY2025 Scope 3 GHG emissions were restated following the correction of distance data used in the emissions calculation*

Scope 1, Scope 2 and Scope 3 GHG emissions were subject to independent limited level assurance in accordance with ISAE 3410 and GHG Protocol. Refer to the Appendix for the Independent Assurance Statement.

ENERGY MANAGEMENT

As a steel manufacturer, effective energy management remains a key focus area in Mycron's sustainability strategy, making efficient energy use important to both operational performance, cost competitiveness and our carbon footprint. Accordingly, the Group is committed to strengthening energy efficiency, managing energy-related costs, reducing greenhouse gas emissions and supporting a more resilient and sustainable business.

Our Management Approach

Energy management across Mycron's operations is guided through our Energy Policy, which is operationalised through ISO 50001:2018 EnMS at MCRC. The policy reinforces energy conservation awareness through the workforce, strengthening shared accountability for energy performance. The ISO 50001:2018 certification provides a systematic framework for monitoring energy performance, identifying opportunities for improvement, and implementing appropriate energy management measures.

100% of Mycron's manufacturing subsidiaries have implemented an **EnMS**, with **MCRC's EnMS certified to ISO 50001**

MYCRON'S ENERGY POLICY COMMITMENTS

- To constantly seek achievable energy performance improvement based on the established objective and target
- To apply the latest technology as well as energy efficiency practices in all aspects of organisational operations
- To provide necessary resources, training, and information for relevant staff in energy efficiency management
- To utmost support in energy efficiency design and the procurement of energy-efficient products and services
- To use eco-friendly equipment pertaining to the economic feasibility and availability
- To contribute to the efforts of the government in reducing greenhouse gas emissions to achieve the carbon neutrality target


SIRIM QAS INTERNATIONAL

CERTIFICATE

SIRIM QAS International Sdn. Bhd. hereby certifies that

MYCRON STEEL CRC SDN. BHD.
LOT 717, JALAN SUNGAI RASAU
SEKSYEN 16
40200 SHAH ALAM
SELANGOR
MALAYSIA

has implemented a management system complying with

ISO 50001:2018
ENERGY MANAGEMENT SYSTEMS - REQUIREMENTS WITH GUIDANCE FOR USE

Scope of Certification

OPERATION OF A PLANT FOR THE MANUFACTURING OF COLD ROLLED STEEL SHEET IN COIL AND PICKLED & OILED.

Issue date : 05 April 2026
Original certification date : 10 April 2023
Expiry date : 09 April 2029
Certificate no. : EnMS 00131

MALAYSIA

Ts. Md. Adha Bin Katni @ Rahmat
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

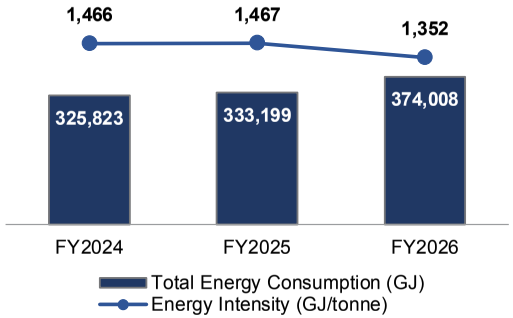
Both entities are subject to the applicable requirements of the Energy Efficiency and Conservation Act ("EECA") 2024 as energy consumers exceeding the prescribed annual energy consumption threshold of 21,600 GJ. Registered Energy Managers ("REM") Type 2 are appointed at each subsidiary to oversee energy management activities and support regulatory compliance, including the submission of annual Energy Efficiency and Conservation Reports to the Energy Commission. Continuous improvement is reinforced through regular internal audits, where enhancement opportunities are identified, corrective and preventive actions are implemented and tracked to completion.

Refer to the 'Mycron's Mitigation and Adaptation Strategies' section on pages 44 – 45 for the key energy efficiency and renewable energy initiatives.

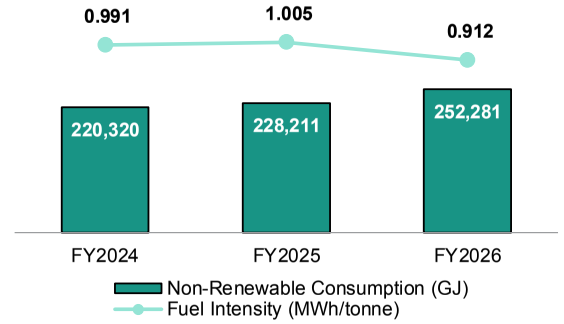
Our Energy Performance

During the reporting period, the Group recorded net total energy consumption of 374,008 GJ, representing an 8% decrease in energy intensity to 1,352 MJ/tonne compared with FY2025. This marks the lowest energy intensity achieved by Mycron over the past three financial years, remaining below our target of 1,400 MJ/tonne, reflecting continued efforts in energy efficiency, process optimisation, and electrification across our operations. The Group's non-renewable energy consumption increased by 13% to 356,010 GJ, primarily due to higher electricity, and natural gas consumption associated with increased production activity. Despite the increase in absolute consumption, electricity intensity decreased by 4%, while fuel intensity decreased by 9% compared with FY2025, indicating improved energy performanc

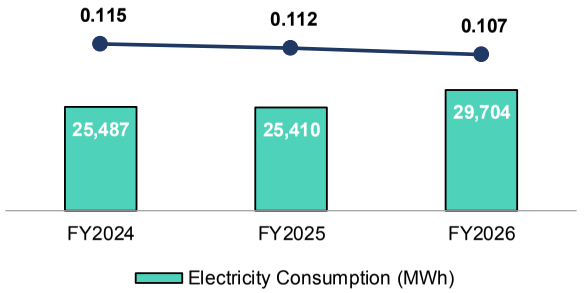
ENERGY INTENSITY (GJ/TONNE)



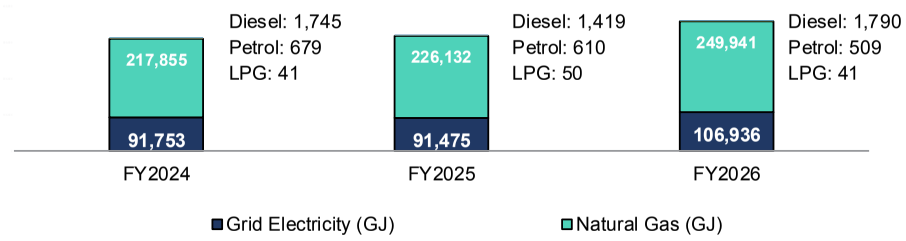
FUEL INTENSITY (GJ/TONNE)



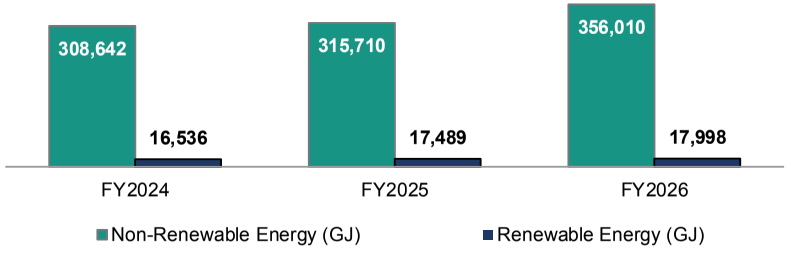
TOTAL ELECTRICITY CONSUMPTION & INTENSITY



NON-RENEWABLE ENERGY CONSUMPTION PROFILE (GJ)



TOTAL ENERGY CONSUMPTION (GJ)



Notes:

1. *FY2024 to FY2026 presents an aggregated energy data from all our operations across Mycron*

Energy management data, which is the total energy consumption, was subject to independent limited level assurance in accordance with ISAE 3000 (Revised). Refer to the Appendix for the Independent Assurance Statement.

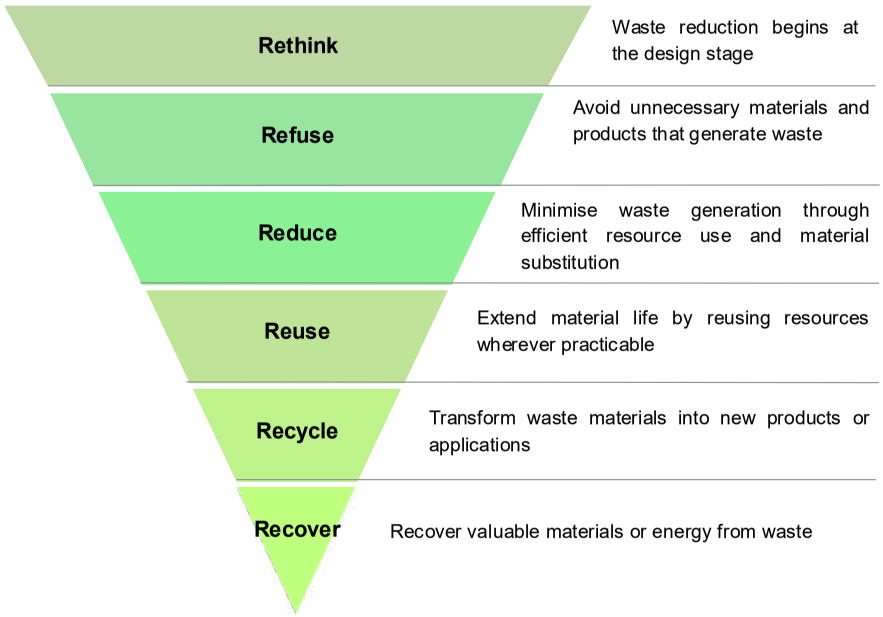
CIRCULAR ECONOMY & WASTE MANAGEMENT

Mycron adopts a responsible approach to managing waste generated across its operations, with a focus on minimising waste generation, mitigating environmental impacts, and maximising resource recovery. Our approach supports the circular economy aspirations of Malaysia's New Industrial Master Plan 2030 (NIMP 2030), while ensuring compliance with applicable waste management requirements.

Our Management Approach

6R Waste Framework

In line with the MITI Circular Economy Policy Framework for Manufacturing Sector, our waste diversion strategy is guided by the waste hierarchy approach, using the 6R principles which provides a structured guide for responsible waste management, emphasising waste diversion and environmentally sound disposal.



The Group identified waste generated based on their characteristics and potential to adversely affect public health and environment, and categorised them into:





Our approach focuses on recovery initiatives to extract value from discarded materials and extend their lifecycle. Only when all other options have been exhausted, do we proceed with responsible disposal, ensuring it remains a last resort.

The Group affirms its commitment to waste management through its Environmental Policy and Sustainability Policy, which establishes a clear long-term commitment to achieve Zero Waste-to-Landfill by 2050, reinforcing our responsibility to move towards a more circular and sustainable production system.

We encourage our suppliers and contractors to uphold ESG standards and collaborate with external partners to promote waste recovery, recycling, and reuse across the value chain, supporting the Group's circular economy and waste diversion objectives.

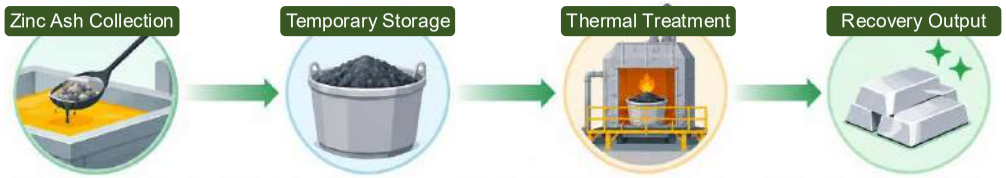
Moving Forward

Mycron plans to pursue Zero Waste-to-Landfill certification to independently validate its waste diversion performance and further strengthen its circular economy practices, in alignment with the Circular Economy Blueprint for Solid Waste in Malaysia (2025 – 2035).

CIRCULAR ECONOMY & WASTE MANAGEMENT

Key Strategies for Hazardous Waste Management

Beyond regulatory compliance, Mycron focuses on extracting greater value from waste and keeping materials in use for as long as practicable. We continue to explore recovery, recycling, and reuse opportunities for scheduled and non-hazardous waste and co-products through process improvements and external collaborations, while ensuring scheduled waste is managed in accordance with the Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005.

Recovery of Spent Alkalis	Spent alkalis are sent to a licensed recovery facility for treatment and resource recovery. The waste undergoes wastewater treatment and the resulting sludge is dried and tested for suitability for cement co-processing. Compliant recovered material is subsequently utilised in cement co-processing, supporting waste diversion and resource recovery.
Recovery of Metal Hydroxide Sludge	Waste metal hydroxide generated from our IETS operations is sent to a licensed recovery facility, where metal oxide is extracted for further use and suitable residual materials are utilised for cement co-processing, maximising resource recovery and minimise waste directed to final disposal.
Recovery of Zinc Ash	Zinc ash generated during the galvanising process undergoes thermal recovery to extract residual zinc, which is subsequently reused in the galvanising process. This closed-loop approach maximises resource recovery, reduces material waste, and supports circularity within our operations. 
Recovery of Waste Acid	At MCRC, spent acid from the CPL is regenerated through the ARP and returned to the pickling process for reuse, creating a closed-loop acid recovery system that reduces fresh acid requirements and waste generation.
Recovery of Waste Oil	Waste oil generated from operational and maintenance activities, is sent to a licensed recovery facility for treatment and recovery as an alternative fuel, supporting resource recovery and reducing waste directed to final disposal.
Utilisation of Carbide Lime as an Alternative Treatment Material	Carbide lime, a by-product generated by an external company, is utilised as an alternative treatment material in its IETS operations. This industrial symbiosis initiative promotes resource circularity, reduces reliance on virgin materials, and extends the useful life of materials across value chains.

CIRCULAR ECONOMY & WASTE MANAGEMENT

Key Strategies for Non-Hazardous Waste Management

The Group prioritises the diversion of non-hazardous waste from disposal through recycling and resource recovery. Recyclable waste streams, including scrap metal, iron oxide and paper/cardboard, are segregated and directed for recycling or recovery, while residual general waste that cannot be recovered is sent for appropriate disposal.

Recycling of Scrap Metal	Scrap metals are collected and sold to licensed scrap collectors for downstream recycling and recovery, including processing by smelters, supporting material circularity, and reducing waste directed to landfill.
Recycling of Iron Oxide	Iron oxide generated from the ARP process as a by-product is diverted from disposal and supplied to a paint factory for use in protective coating applications, promoting beneficial reuse of industrial by-products and supports material circularity.
Recycling of Plastics	Plastic offcuts are reprocessed into resin and recycled as raw material in the production of plastic caps, creating a closed-loop process that eliminates plastic waste. 

6R Programme & Waste Segregation



Guided by the 6R principles, Mycron practices systematic waste segregation at source to facilitate proper handling, recycling, and resource recovery. Designated recycling bins are provided across operational sites to separate recyclable materials from general waste. Monthly internal audits are conducted to monitor waste management practices and identify areas for improvement.

Textile Recycling Drive



In collaboration with Kloth Malaysia, Mycron organised a Textile Recycling Drive that collected approximately 210 kg of used clothing and linens for recycling, encouraging employee participation in waste reduction and promoting a culture of environmental responsibility.

Take-Back Programme

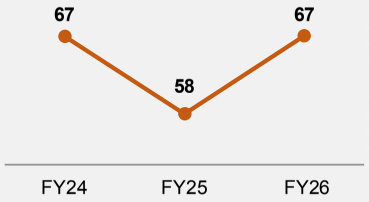


The Group continues to implement a Take-Back Programme where used chemical drums are returned to suppliers for reuse, extending the useful life of industrial containers and reducing waste directed to disposal. This initiative promotes resource efficiency and supports circularity across the supply chain.

CIRCULAR ECONOMY & WASTE MANAGEMENT

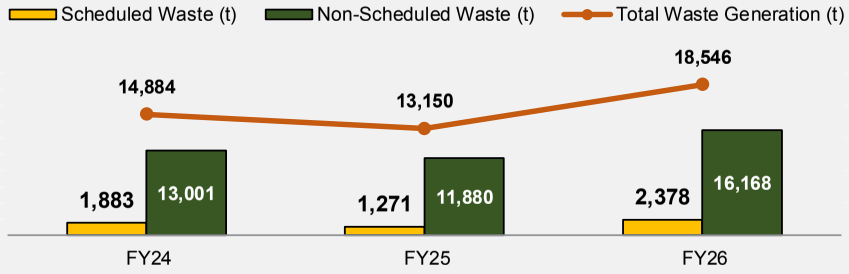
Our Waste Performance

Total Waste Generation Intensity (kg/t)



In FY2026, Mycron's waste generation intensity increased by 16% year-on-year, primarily due to higher IETS-related scheduled waste generated alongside increased production activity. Despite the increase, waste intensity remained within the Group's target of 70 kg/tonne, underscoring our continued commitment to effective waste management.

Waste Generation by Category (MT)



The Group generated 16,168 tonnes of non-scheduled waste and 2,378 tonnes of scheduled waste, with non-scheduled waste accounting for the majority of total waste generated, comprising scrap metal and iron oxide.

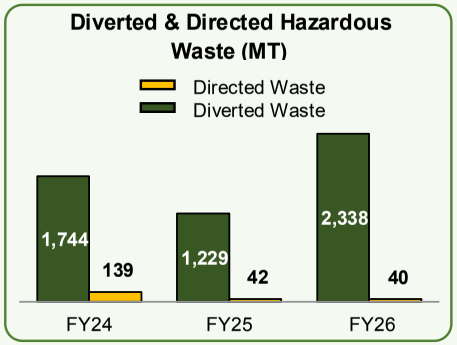
Recycled Waste (MT)

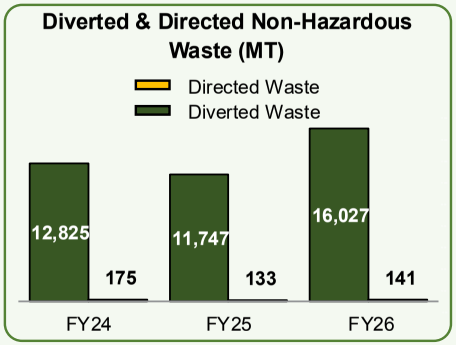
Scrap Metal	Iron Oxide	Boxes	Paper
15,369 tonnes	**650** tonnes	**4** tonnes	**4** tonnes

86% Waste Recycled

In FY2026, a total of 16,027 tonnes of waste were recycled, which is equivalent to 86% of total waste generated. With 99% of non-hazardous waste recycled, the Group continues to advance circular economy by maximising resource recovery and minimising waste directed to disposal.

Diverted and Directed Waste



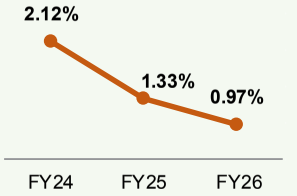


Type of Disposal Operation	Hazardous Waste (MT)			Non-Hazardous Waste (MT)		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Incineration	0	0	0	0	0	0
Secured landfill	139	42	40	175	133	141
Other disposal methods	0	0	0	0	0	0
Total Directed Waste	**139**	**42**	**40**	**175**	**133**	**141**
Type of Recovery Operation						
Reuse	0	0	0	0	0	0
Recycling	0	0	0	12,825	11,747	16,027
Offsite recovery	1,233	897	1,630	0	0	0
Onsite recovery	511	331	709	0	0	0
Total Diverted Waste	**1,744**	**1,229**	**2,338**	**12,825**	**11,747**	**16,027**

Directed Waste to Disposal Target

Mycron has established a target to maintain waste directed to disposal at below 2% from FY2026 to FY2029, supporting the Group's long-term ambition of achieving Zero Waste to Landfill by 2050. In FY2026, the Group outperformed this target, achieving a **99% waste diversion rate**, with only 0.97% directed to disposal.

Directed Waste to Landfill (%)



POLLUTION & EFFLUENT MANAGEMENT

We recognise the importance of responsible pollution and effluent management in minimising the environmental impacts associated with its manufacturing operations. Our production processes may generate wastewater, air emissions and other pollutants that, if not appropriately managed, could affect the surrounding environment. The Group therefore proactively adopts appropriate treatment, monitoring, and pollution control measures to manage these impacts and ensure compliance with applicable environmental requirements.

Our Management Approach

The Group is committed to minimising pollution and managing the environmental impacts arising from our manufacturing operations through effective controls, monitoring, and responsible operational practices. Guided by our Environmental Policy and Sustainability Policy, Mycron maintains oversight of air emissions and industrial effluent across its operations, supported by established pollution control and treatment systems.

Environmental performance is regularly monitored to ensure that emissions and effluent remain within applicable regulatory limits. The Group appoints DOE-certified competent personnel to oversee key environmental monitoring activities, including the operation and performance of pollution control and effluent treatment systems, ensuring adherence to environmental standards. Through these measures, we seek to prevent and minimise pollution, safeguard the surrounding environment and maintain compliance with applicable environmental requirements.

Mycron's pollution and effluent management practices are guided by and conducted in accordance with the following key environmental regulatory requirements:

- ✓ Environmental Quality Act (EQA) 1974
- ✓ Environmental Quality (Clean Air) Regulations 2009
- ✓ Environmental Quality (Industrial Effluent) Regulations 2009, Standard B

As part of our commitment to strong environmental governance, the Group has established an internal benchmark to limit regulatory penalties related to environmental compliance, including waste and emissions management, to no more than one (1) per financial year. In FY2026, we maintained our record of zero environmental fines and penalties and zero non-compliance with discharge limits.

Environmental Non-Compliance Record

	FY2024	FY2025	FY2026
Number of environmental fines and penalties	**0**	**0**	**0**
Incidents of non-compliance related to effluent Standard B discharge limits	**0**	**0**	**0**

POLLUTION & EFFLUENT MANAGEMENT

Managing Air Emissions & Improving Air Quality

Air Emissions Management Strategies

The Group has implemented targeted initiatives to refine air emissions capture across our operations, ensuring to mitigate exposure to environmental incidents and regulatory interventions. These engineering controls are supported by periodic monitoring and equipment maintenance to ensure the continued effectiveness of emission control systems.

Strategy	Key Strategies Implemented
Acid Fume Control	An acid scrubber was installed at the CPL line to capture and treat acid fumes using a scrubbing solution before discharge. Rainwater is utilised for solution top-up where practicable.
Alkaline Fume Control	An alkaline scrubber at the Electrolytic Cleaning Line ("ECL") treats alkaline fumes generated during operations through a scrubbing process.
Metal Dust & Particular Control	A bag filtration system is used for shot blasting activities to capture metal dust and particular emissions. The system has been enhanced with a plastic-coated surface filter to improve filtration performance.





Air Emissions Performance

ISO 14001 – Environmental Management System (EnMS)

FY2024	FY2025	FY2026
100% Certified	100% Certified	100% Certified

100% certification coverage for three consecutive years

It is the practices of the Group to engage DOE-accredited laboratories to conduct isokinetic stack and air emissions monitoring. These assessments are performed periodically, with results monitored to maintain full compliance with the Clean Air Regulations. We actively monitor air emissions by measuring Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x) and Volatile Organic Compound ("VOC") emissions across all our operational sites.

MCRC Air Emissions (mg/m^3)

Pollutants	FY2024	FY2025	FY2026	Limit Value (mg/m^3)
Isokinetic Dust Particulate ("PM")	7.10	8.81	7.82	50
NO_x	2.05	2.05	2.05	500
SO_x	10	10	10	500
VOC	0.01	0.01	0.01	N/A

MST Air Emissions (mg/m^3)

Pollutants	FY2024	FY2025	FY2026	Limit Value (mg/m^3)
Isokinetic Dust Particulate ("PM")	11.85	-	15.46	50
NO_x	20.5	17.5	8.2	500
SO_x	ND (<10)	ND (<10)	ND (<10)	500
VOC	0	0	0	N/A

In FY2026, Mycron has achieved its target of maintaining key air pollutant concentrations below 50% of the applicable regulatory limits prescribed under the Environmental Quality (Clean Air) Regulations 2014.

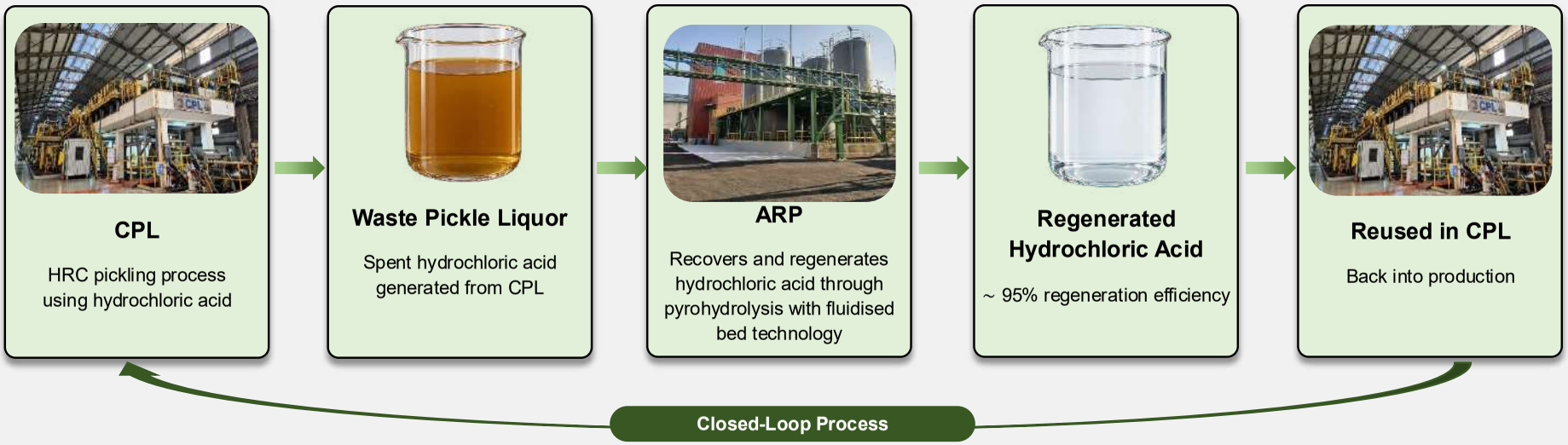
POLLUTION & EFFLUENT MANAGEMENT

Effluent Management & Resource Recovery

Effluent and Resource Management Strategies

Reducing Waste Acid through a Closed-Loop Recovery System

MCRC operates an ARP as part of its integrated effluent and resource management approach. Waste pickle liquor generated from the Continuous Pickling Line (CPL) is treated through the ARP to recover and regenerate hydrochloric acid for reuse within the production process. With a regeneration efficiency of approximately 95%, the system reduces the volume of waste acid requiring treatment or disposal while lowering reliance on virgin hydrochloric acid.



Key Highlights

~ 95%
Acid Regeneration Efficiency

1500
litres per hour
Waste Acid Regeneration Capacity

Environmental Benefits

- Reduces waste acid requiring treatment or disposal
- Lower reliance on virgin hydrochloric acid
- Supports circular economy

POLLUTION & EFFLUENT MANAGEMENT

Effluent & Resource Use Performance

Effluent Performance

As part of the Group's commitment to responsible environmental management, DOE-certified competent persons are appointed to oversee the operation and performance of the IETS at both MCRC and MST. Process effluent is treated onsite prior to discharge in accordance with Standard B requirements under the Environmental Quality (Industrial Effluent) Regulations 2009. Treated effluent is subsequently discharged into the drainage system and ultimately to nearby waterways, in compliance with applicable regulatory requirements.

Total Effluent Discharge (m^3)

Entity	Discharge by Destination	FY2024	FY2025	FY2026
MCRC	Surface Water	74,007	75,443	113,465
MST		2,458	1,446	1,298
Total		**76,456**	**76,889**	**114,763**

MCRC Effluent Discharge Result (mg/l)

Parameter	FY2024	FY2025	FY2026	Standard B (mg/l)
Biochemical Oxygen Demand	33	30	24	< 50
Chemical Oxygen Demand	166	122	92	< 200
Suspended Solids	26	24	6	< 100
Zinc	< 0.5	0.06	-	< 2.0
Iron	1.34	< 0.05	0.17	< 5.0

MST Effluent Discharge Result (mg/l)

Parameter	FY2024	FY2025	FY2026	Standard B (mg/l)
Biochemical Oxygen Demand	6	5	6	< 50
Chemical Oxygen Demand	26	21	27	< 200
Suspended Solids	12	7	9	< 100
Zinc	0.74	0.68	0.49	< 2.0
Iron	0.28	0.40	0.37	< 5.0



IETS at MCRC



IETS at MST Factory 2

POLLUTION & EFFLUENT MANAGEMENT

Effluent & Resource Use Performance

Resource Use and Efficiency Performance

At Mycron, resource efficiency is embedded across our manufacturing operations through process optimisation and responsible material management. Guided by the Group's Environmental Policy and Sustainability Policy, we focus on improving resource efficiency, minimising material losses, and advancing circular economy practices where practicable.

Material efficiency is supported through monitoring of key operating parameters, preventive maintenance and loss analysis to optimise material utilisation and minimise production losses. Steel scrap generated from our manufacturing processes is segregated and recovered for recycling, supporting the continued circulation of steel within the wider value chain, as illustrated below.

Water efficiency is another key focus. During FY2026, initiatives included the rectification of water leaks, particularly within cooling tower systems, and the installation of an underground water abstraction system as an alternative water source. Together with rainwater utilisation, these initiatives support more efficient freshwater use and progressively reduce reliance on municipal water.





Metal scrap yard at MCRC where steel scrap generated is collected and segregated before being sent for external recycling

Resource Use				
Resource Type	**Unit**	**FY2024**	**FY2025**	**FY2026**
Steel Scrap Recovered for Recycling	tonnes	12,214	10,880	15,369
Municipal Water Consumption	m_3	254,180	195,157	206,266

POLLUTION & EFFLUENT MANAGEMENT

Enhancing Operational Sustainability through Life Cycle Assessment

The Group adopts LCA to systematically evaluate the environmental impacts associated with its steel products across relevant stages of their life cycle, including raw material sourcing, inbound transportation, manufacturing, packaging, and end-of-life. The assessment provides insights into key impacts, including GHG emissions, energy consumption, and resource use, enabling the Group to identify opportunities to improve resource efficiency and reduce the environmental footprint of its products.

In FY2026, we further strengthened product-level environmental transparency through the development and publication of four independently verified EPDs for selected steel products across MCRC and MST. Developed based on LCA principles and in accordance with ISO 14025:2006 and EN 15804:2012, the EPDs provide standardised and credible information on the environmental performance of our products across their life cycle.

This milestone enhances Mycron's product stewardship and carbon transparency, while providing customers and other stakeholders with verified environmental data to support informed procurement, carbon accounting, and sustainability reporting. It also strengthens the Group's readiness to participate in green building projects, ESG-driven supply chains and markets with increasing demand for transparent product-level environmental information.

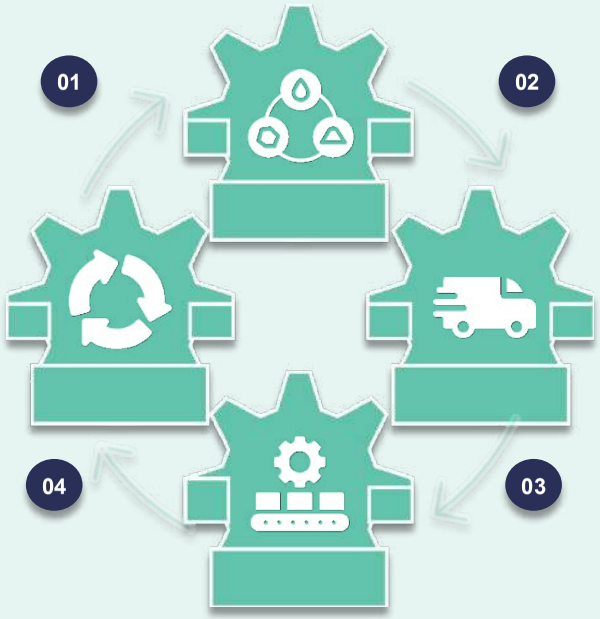
PRODUCTS ASSESSED

MCRC

- SPCC-1B Cold-Rolled Coil
- SPCC-SD Cold-Rolled Coil
- Hot-Rolled Pickled and Oiled Coil (HRPO)

MST

- Welded Steel Structural and Formed Section Products



Raw Material Supply
Sources steel coils and other production inputs from Malaysian and international suppliers. Supplier-specific environmental data is incorporated into the LCA where available to assess upstream environmental impacts.

Inbound Transportation
Assesses the transportation of steel coils and other production inputs to our manufacturing facilities, including relevant road and sea freight.

Manufacturing
Covers raw material handling, slitting, forming, finishing, inspection and packaging, together with electricity, water, ancillary materials, waste generation and waste treatment associated with production.

End-of-Life & Beyond the Life Cycle
Assesses end-of-life impacts from deconstruction, transportation, recycling and disposal, including the potential benefits of recovered steel, based on an 85% recycling and 15% disposal scenario.

POLLUTION & EFFLUENT MANAGEMENT



Moving Forward

We will continue to strengthen the Group's air emissions and effluent management through technological improvements, enhanced monitoring, and preventive controls. Over the longer term, continued investment in cleaner technologies and improvements to monitoring systems are expected to strengthen regulatory compliance and operational resilience as environmental requirements evolve.

While these initiatives may require capital investment, they are intended to mitigate regulatory and operational risks, prevent potential disruptions and minimise environmental impacts associated with our operations.

WATER STEWARDSHIP

The Group recognises water as a vital natural resource and an important input to its steel manufacturing operations. Water is primarily used for cooling systems, processes, equipment maintenance, and other auxiliary activities. The Group is committed to responsible water stewardship by promoting efficient water use, complying with applicable requirements, and managing potential impacts on water supply, in line with its Sustainability Policy and Environment Policy.

Water-Related Risk Assessment

In FY2026, the Group conducted a water stress assessment across its operations using the WRI Aqueduct Water Risk Atlas. All current operating sites are located in areas of low water stress.

However, under the pessimistic scenario (SSP5 RCP 8.5), both sites are projected to experience low to medium water stress by 2030. The Group has therefore implemented proactive measures to strengthen long-term water security and resilience to future water-related risks, as this may result in higher water procurement costs, supply constraints, and potential operational disruptions.

Entity	Location	Current Basin Water Stress in FY2026	Forecasted Basin Water Stress in 2030
MCRC	Shah Alam	Low (< 10%)	Low-Medium (10 – 20%)
MST	Shah Alam	Low (< 10%)	Low-Medium (10 – 20%)

[1] Source: World Resources Institute, Aqueduct Water Risk Atlas
[2] Assessment conducted based on the "pessimistic" scenario (SSP5 RCP 8.5)

Category	Cost (RM)	Description
Costs associated with water-related risks	0	No material costs arising for water-related disruptions or crisis were incurred as there we no incidents in FY2026.
Investment in R&D to mitigate water-related risks	0	No specific R&D expenditure for water-risk mitigation was incurred during FY2026
Investment in water-related risk mitigation	RM83,200	Investment in the underground water system to diversify water sources and reduce reliance on municipal water.

Our Management Approach

Water is essential to Mycron's manufacturing operations, with the majority sourced from municipal potable water supplies. Our approach focuses on improving water efficiency, increasing water reuse, and diversifying water sources to strengthen long-term water security and reduce reliance on municipal water.

Water performance is regularly monitored across our operations to identify opportunities for improvement. The Group targets a 50% reduction in municipal water consumption by FY2029 against the FY2019 baseline, supported by ongoing water conservation and alternative water sourcing initiatives.

Further information on our commitment to water management is set out in the Group's Sustainability Policy and Environmental Policy, available at https://www.mycronsteel.com/corporate-governance.php

WATER STEWARDSHIP

1 Rainwater Harvesting System

Integrated rainwater harvesting technology with a total storage capacity 333,000 litres at both operating sites. The collected rainwater is reused for cleaning acid fume scrubbers, landscaping, toilet cleaning, pipe cleaning, and chemical dilution for industrial processes.

In FY2026, a total of 2,373,000 litres of harvested rainwater was utilised for our daily operations.

2 Underground Water System

In FY2026, MCRC completed the installation and testing of an underground water abstraction system as part of efforts to diversify its water sources and reduce reliance on municipal water. The system is designed to supply up to 60 m^3/day, subject to the abstraction limits and conditions stipulated by the Lembaga Urus Air Selangor ("LUAS"). The abstracted water will progressively support suitable operational and non-potable uses, reducing the demand for municipal water.

3 Embedding Water Efficiency Across Our Operations

Water-Efficient Fixtures	Installation of self-closing and motion-sensor taps, as well as waterless urinals, to minimise unnecessary water consumption.
Leak Detection & Rectification	Regular inspections are conducted to identify and promptly rectify water leaks, reducing avoidable water losses across our facilities.
Water Management Audits	Monthly water management audits are conducted across operations to monitor conservation practices, with recognition and incentives for teams demonstrating strong performance.
Aware & Engagement	Water conservation awareness programmes are conducted to encourage responsible water-use practices among employees and relevant stakeholders.

4 Wastewater Discharge

Both MCRC and MST are equipped with Industrial Effluent Treatment Systems ("IETS") to ensure wastewater is appropriately treated prior to discharge. Discharge is management in accordance with the Environmental Quality Act 1974 and Environmental Quality (Industrial Effluent) Regulations 2009, including applicable DOE discharge limits.

Daily monitoring is conducted by our Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (CePIETSO) personnel, covering key effluent parameters such as pH, dissolved oxygen, and relevant pollutants. In FY2026, all monitored parameters remained within applicable regulatory limits, demonstrating Mycron's commitment to responsible wastewater management.

Moving Forward

The Group will develop a Water Management Plan and Reduction Roadmap to provide a structured pathway towards our FY2029 target of reducing municipal water consumption by 50%. Having achieved a 44% reduction to date, our focus will be on sustaining this progress while pursuing further opportunities to improve water efficiency across our operations.

Moving forward, the Group will prioritise process optimisation, increased water recycling and reuse, expansion of rainwater harvesting, and alternative water sources, supported by continuous monitoring and targeted infrastructure improvements. We will also continue to strengthen closed-loop water systems and optimise water-intensive processes to reduce reliance on municipal water, enhance operational resilience, and support the Group's long-term water security.

WATER STEWARDSHIP

Our Management Approach



Rainwater harvesting system at MCRC



Installation of self-closing taps at MST



Newly installed underground water system at MCRC

WATER STEWARDSHIP

Our Water Management Performance

Reduced net water consumption intensity by **36%** vs FY2025

Reduced total freshwater withdrawal by **44%** vs FY2019 baseline

Total rainwater harvested amounts to **2373 m^3**

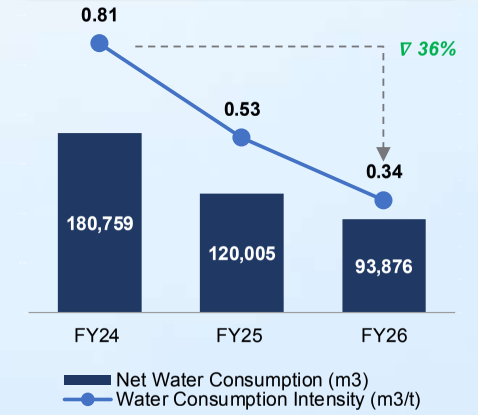
Zero incidents of non-compliance with water quality, quantity permits, standards, and regulatory requirements

In FY2026, Mycron's freshwater usage decreased by 43% against the FY2019 baseline, demonstrating continued progress towards the Group's target of a 50% reduction by FY2030.

The Group also recorded a 36% year-on-year improvement in net water intensity, decreasing from 0.53 m^3/tonne in FY2025 to 0.34 m^3/tonne in FY2026. This represents the lowest water intensity recorded over the past three financial years and surpassed the FY2026 target of 0.40 m^3/tonne. The improvement reflects ongoing efforts to enhance water-use efficiency and optimise water management across our operations.

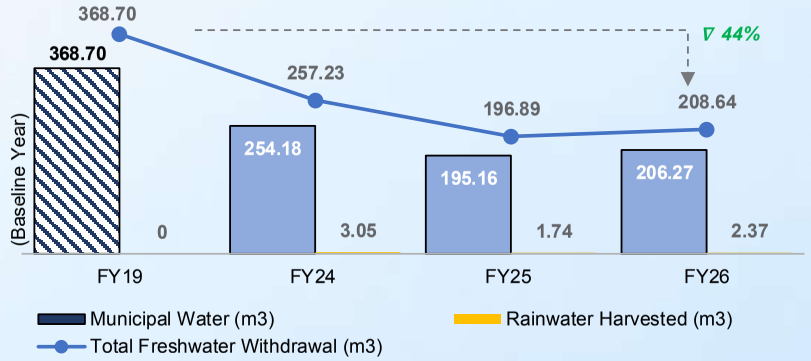
In FY2026, Mycron recorded total wastewater discharge of 114,763 m^3, an increase from FY2025, primarily attributable to higher production activity during the reporting year.

Net Water Consumption Intensity (m^3/tonne)

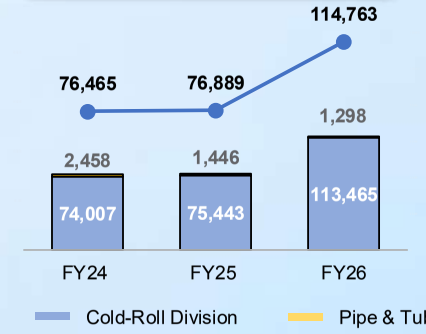


[1] FY2025 data has been restated to account for the latest calculation methodology
[2] The net water consumption intensity is calculated by summing up the total freshwater withdrawn minus off with the discharged water divide by production tonnage

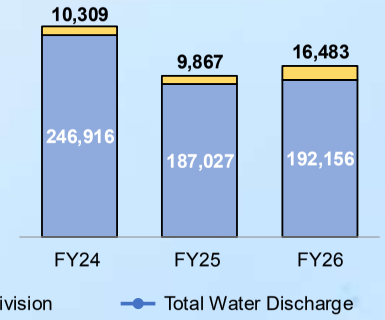
Freshwater Withdrawal by Source (Megalitres)



Total Wastewater Discharge by Business Division (m^3)



Water Withdrawal by Business Division (m^3)



[1] FY2025 data has been restated to account for the latest calculation methodology
[2] Freshwater withdrawal represents the total amount of water withdrawn from harvested rainwater sources

Total water use data was independently assured to a limited level in accordance with ISAE 3000 (Revised). Refer to the Appendix for the Independent Assurance Statement.

Advancing Workforce Well-being & Positive Community Impact



Material Sustainability Matters

- S1 Occupational Health & Safety
- S2 Human Rights & Labour Standards
- S3 Employee Development & Well-being
- S4 Community Engagement

Stakeholder Groups

- Employees & Unions
- Suppliers
- Local Communities

Contribution to UN SDGs

OCCUPATIONAL HEALTH AND SAFETY

OHS is fundamental to Mycron's operations, given the inherent risks associated with steel manufacturing. As operating conditions evolve due to asset ageing, process complexities, and changing regulatory requirements, effective management of health and safety risks is essential to safeguarding our employees, contractors and visitors, protecting our assets and maintaining operational continuity.

The Group manages OHS in compliance with Malaysia's Occupational Safety and Health Act 1994, as amended by the Occupational Safety and Health (Amendment) Act 2022, the Factories and Machinery Act 1967, and applicable Department of Occupational Safety and Health ("DOSH") regulations, while incorporating recognised international practices across our operations.

Guided by the Group's OHS Policy, our structured OHS management system encompasses governance and accountability, hazard identification and risk assessment, operational controls, training, performance monitoring, and continuous improvement. Through this approach, we seek to strengthen a generative safety culture, systematically prevent workplace incidents, and advance towards our long-term goal of zero major accidents by 2030.

OHS MANAGEMENT STRUCTURE

Governance & Oversight

- Group-wide OHS Policy
- HSE Committee
- Periodic management reviews of OHS performance

Monitoring & Reporting

- Work authorisation processes
- Operational safety procedures
- ERP
- Incident and accident reporting
- Safety trend monitoring
- Risk management and assessment
- Internal and external audits
- Periodic HSE site

Training & Awareness Programmes

- Structured safety training programmes
- Employee participation in health and safety improvements

Performance

- LTIR tracking
- Corrective and preventive actions

Zero fatalities

Zero fines and penalties from DOSH

Zero occupational illnesses and lost time injuries

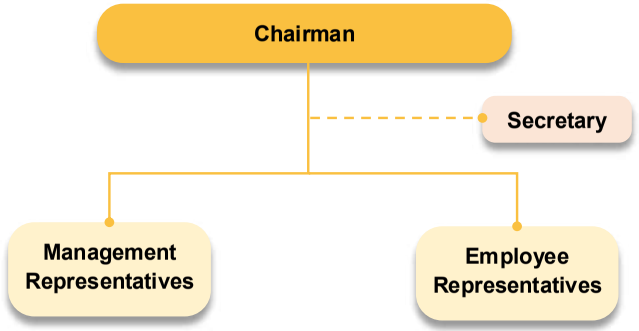
OCCUPATIONAL HEALTH AND SAFETY

Governance and Oversight

The BOD holds ultimate oversight of Mycron's OHS performance and the management of health and safety risks, with oversight supported by RSC. The BOD and RSC receive regular updates on OHS performance, key risks, and corresponding management measures through the Group's established governance and reporting structure.

At the operational level, HSE Committee is established for each business division in accordance with the Occupational Health and Safety Regulations 1994, chaired by COO and comprising both management and employee representatives. The committees meet quarterly to review incidents and emerging risks, strengthen preventive measures, and oversee the implementation of the Group's OHS Policy. The Policy is reviewed annually through Management Review meetings to ensure its continued relevance, effectiveness and compliance with applicable requirements.

HSE Committee Organisational Chart



Roles and Responsibilities of the HSE Committee

- Establish and oversee workplace health and safety procedures and practices
- Identify and implement appropriate corrective actions to prevent injuries, minimise asset damage, and address occupational illnesses
- Promote strong safety culture through employee awareness and Group-wide campaigns
- Evaluate the implementation and effectiveness of OSH management system programmes
- Drive 100% compliance with all mandatory and compulsory training
- Address HSE concerns and unsafe conditions raised by employees and HSE Committee members, ensuring appropriate follow-up actions are taken
- Adopt and maintain ISO 45001 certification



HSE Working Committee

The HSE Committee is supported by dedicated working committees, each focusing on specific areas of health and safety management, to ensure effective implementation and continuous improvement across the Group.

Legal & Document Committee	Emergency Response & Preparedness Committee	Training Committee	Internal Auditor Committee	Risk & Communication Committee	Aspect, Impact & HIRARC Committee	Chemical & Waste Committee
Ensures compliance with regulations and proper documentation	Develops and coordinated emergency response plans	Plans and implements HSE training and awareness programmes	Monitors and audits HSE compliance	Manages risk assessments, hazard communication and employee engagement	Identifies hazards, assesses risks and implements controls	Oversees chemical handling, storage and waste management

OCCUPATIONAL HEALTH AND SAFETY

Monitoring & Reporting

Hazard Risk Assessment and Management

In FY2026, Mycron transitioned from Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to HIRAO, strengthening the Group's approach to OHS risk management in line with its ISO 45001 management system. HIRAO enables the Group to move beyond hazard and risk management by systematically identifying opportunities to strengthen controls and improve safety performance.

HIRAO assessments are conducted across the Group's operational processes, work activities and any potential new operations by designated assessment teams. Hazards are evaluated across routine, non-routine activities, emergency situations and past relevant incidents, and classified into six categories: physical, mechanical, chemical, biological, ergonomic, and psychosocial. The likelihood and severity of identified hazards are assessed to determine its risk level.

Based on the assessed risk level, appropriate controls are established according to the Hierarchy of Controls, prioritising elimination, substitution, isolation, engineering controls, administrative controls, and PPE. Opportunities for improvement are incorporated into action plans, with assigned responsibilities and timelines for implementation. This approach strengthens proactive risk management, reinforces accountability and drives continual improvement in OHS performance across the Group.

Key OHS Risks Identified:
Material & Machinery Handling | Workplace Exposure | Fire & Electrical hazards

OUR HIRAO PROCESS

1. **IDENTIFY HAZARDS**
2. **ASSESS HAZARD RISKS**
3. **IMPLEMENT CONTROLS AND IMPROVEMENTS**
4. **IDENTIFY OPPORTUNITIES**
5. **MONITOR AND REVIEW**

ASSESSMENT SCOPE

Routine Activities
Day-to-day operations

Non-Routine Activities
e.g., maintenance

Emergency Situations
e.g., fire, chemical spill

Past Relevant Incidents
To capture lessons learned

Incident and Near-Miss Reporting

A dedicated team comprising the Safety and Health Officer ("SHO") and HSE representatives from the respective business divisions oversees the reporting and investigation of workplace incidents and accidents. Incidents occurring on-site are promptly communicated through WhatsApp to facilitate timely reporting.

Investigations are led by the relevant area owner with support from the HSE team to establish the circumstances, identify root cause, and determine appropriate corrective and preventive actions. The investigation process includes:

- Conducting root cause analysis using methodologies such as 5-Why and 4M1E
- Establishing appropriate corrective and preventive actions
- Monitoring the implementation and effectiveness of corrective measures
- Reviewing and, where necessary, strengthening existing controls, procedures, and OHS risk assessments

Investigations into workplace incidents during FY2026 found that the majority of injuries involved the hands, primarily arising from caught-in or caught-between machinery and materials, struck-by incidents and material-handling activities. Key contributing factors identified included unsafe work practices, gaps in work instructions, and opportunities to strengthen operational controls.

In response, corrective and preventive measures were implemented, including reviewing HIRAO and work instructions, strengthening engineering and isolation controls, reinforcing Lockout/Tagout ("LOTO") practices, conducting targeted employee training and enhancing supervision of high-risk activities. The lessons learned were communicated through toolbox talks and the effectiveness of corrective actions is subsequently monitored to support continuous improvement and prevent recurrence.

OCCUPATIONAL HEALTH AND SAFETY

Safety Controls for Suppliers and Contractors

We extend our OHS expectations to suppliers and contractors through our Supplier Code of Conduct, reinforcing consistent HSE standards and practices across our supply chain.

Contractors undertaking work at our premises are subject to site-specific safety controls. Prior to commencing work, the scope of work and associated hazards are assessed through a Job Safety Analysis ("JSA"), followed by HSE review and Permit-to-Work ("PTW") approval. Safety induction and pre-job briefings are conducted, where applicable, to ensure relevant hazards, controls, and responsibilities are understood. Compliance is monitored throughout the work, with stop-work orders and penalty actions imposed for HSE non-compliances where necessary.

Suppliers are required to comply with applicable OHS requirements, identify and mitigate workplace risks, provide appropriate PPE and safety training, and maintain mechanisms for reporting workplace hazards and accidents.



Safety induction session conducted for contractors

Emergency Response and Preparedness

The Group maintains ERP measures to effectively manage potential incidents and minimise impacts on our employees, operations, assets, and the surrounding environment. Key emergency scenarios identified across our operations include fires and explosions, toxic gas releases, chemical spills, electrical incidents, natural disasters, and other operational emergencies, supported by established response procedures and dedicated Emergency Response Team ("ERT").

Annual emergency response exercises, including fire, spillage and evacuation drills, are conducted to strengthen preparedness, enhance employee awareness and familiarise employees with established emergency response protocols. Following each exercise, the ERT reviews the effectiveness of the response and identifies opportunities for improvement to strengthen safety and operational readiness.

Through our emergency preparedness framework, we seek to safeguard our people and assets, minimise operational disruption, strengthen business resilience, and maintain effective communication with relevant stakeholders during emergencies.


Emergency Response Evacuation Drill at MST Factory 2

OCCUPATIONAL HEALTH AND SAFETY

Training & Awareness Programmes

In FY2026, Mycron conducted targeted OHS training and awareness programmes to strengthen employee competency, promote safe work practices, and enhance preparedness across our operations. Training programmes are tailored to workplace risks, operational requirements, and relevant regulatory and management system requirements.

3,427 hours
of total safety and health training hours in FY2026

330 employees
trained on health and safety standards in FY2026

Overview of OHS Training & Preparedness Programmes

HAZARD IDENTIFICATION AND ACCIDENT PREVENTION
- HIRAO/HIRARC Training
- Accident Prevention and OHS Awareness

EMERGENCY RESPONSE AND FIRST AID
- Basic Occupational First Aid ("BOFA")
- Fire Safety and Emergency Response

MACHINERY, LIFTING AND MATERIAL HANDLING SAFETY
- Forklift and Overhead Crane Safety Training
- Rigging, Slinging, and Lifting Training
- Welding and Electrical Safety

ENVIRONMENTAL AND SCHEDULED WASTE MANAGEMENT
- Scheduled Waste Management
- Air Pollution Control
- ISO 14001 Environmental Management Awareness Training

CHEMICAL AND OCCUPATIONAL EXPOSURE SAFETY
- Chemical Handling and Safety
- Hearing Conservation and Noise Control
- Radiation Safety
- Ergonomics

OHS SYSTEMS, AUDITING AND LEGAL COMPLIANCE
- ISO 45001, ISO 1400, and ISO 19011 Awareness Training
- ISO 14001 and ISO 45001 Internal Auditing
- Environmental, Safety and Health Legal Compliance Obligations


Hearing Conservation Training Programme



Welding Safety Training


BOFA Training

OCCUPATIONAL HEALTH AND SAFETY

Employee Participation in Health & Safety Improvements

We ensure that all of our workforce, including employees and contractors, participate in the development, implementation, and evaluation of our HSE Management System, from policy formulation to strategic oversight, to on the ground execution. This inclusive approach helps cultivate a safety-first culture and shared commitment of safety that reinforces safe work practice implementation across the organisation.



Safety toolbox briefing for operators



6S programme organised at the storeroom

Direct Participation

Employees actively participate in workplace health and safety through the HSE Committee, which comprises employee and management representatives from various operational lines and departments. Regular meetings provide a two-way communication platform for employees to raise concerns, share feedback, and contribute to improvements in workplace health and safety.

Programme 6S

Employee participation is embedded in Mycron's 6S Programme, which integrates Safety into the principles of Sort, Set in Order, Shine, Standardise, and Sustain. Through the weekly 6S Day, employees take an active role in maintaining safe, organised and efficient work areas. Monthly audits further encourage engagement between the HSE and Sustainability Teams and line employees to identify safety concerns, discuss areas for improvement, and implement timely corrective actions.

Toolbox Briefings & Safety Dialogues

The Group engages employees and contractors on workplace health and safety through toolbox briefings, townhall sessions and on-site dialogues. These channels are used to disseminate HSE policies, procedures, safety requirements, workplace hazards, and incident learnings, while enabling employees to raise concerns, provide feedback, and contribute to a safer workplace.

OCCUPATIONAL HEALTH AND SAFETY

Employee Engagement in Health & Well-being Initiatives

We prioritise our employees' overall well-being by encouraging active participation in initiatives that promote physical and mental well-being, healthy lifestyles, and greater workplace health awareness.

HSE Day
MCRC conducts a monthly HSE Day involving employees across departments and operational lines to promote health, well-being, and HSE awareness. Activities include light exercises, sharing of HSE updates and learnings, and employee engagement on maintaining a safe and healthy workplace.

Health Talks and Screening Activities
A health screening was conducted in collaboration with Management and Science University ("MSU") to promote preventive healthcare and increase employees' awareness of their health and well-being. Employees are provided with outpatient medical treatment coverage for health screenings, medical check-ups and dental services. The Employee Handbook further reinforces our commitment to employee well-being by encouraging relevant departments to organise health talks, awareness campaigns and other health-related activities

Flexible Working Options
Employees may request time off up to twice a month, subject to superior's approval, providing greater flexibility to manage personal commitments and support work-life balance.


HSE Day

Our HSE Performance

In FY2026, the Group recorded a LTIR of 1.75, remaining relatively consistent with the previous financial year and below the Group's target of 2.11. The Group continues to strengthen hazard and risk management, preventive controls, and organisational learning to reduce workplace injuries and improve OHS performance across our operations.

Health and Safety Metrics	FY2024	FY2025	FY2026
Total number of hours worked (hr)	1,264,132	1,261,750	1,485,904
Total number of lost-time injuries	16	11	13
Total number of work-related fatalities	0	0	1
LTIR[1]	2.53	1.74	1.75

[1] *LTIR is based on 200,000 hours worked*

During the reporting period, the Group recorded one work-related fatality across 1,485,904 man-hours worked. Recognising the importance of strengthening workplace safety performance, Mycron has established a target to achieve a fatal occupational injury rate of not more than 2.05 per 100,000 workers by 2030, benchmarked against Malaysia's 2023 national fatal occupational injury rate published by the Department of Statistics Malaysia ("DOSM"). In FY2026, the Group's fatal occupational injury rate exceeded this target. We continue to strengthen our preventive controls, incident investigation and organisational learning to improve OHS performance.

Following the incident, corrective and preventive measures include reinforcing safe work procedures, conducting refresher safety training, strengthening unloading requirements at delivery sites, and enhancing engineering controls on delivery vehicles. As part of the enhanced controls, secondary load-retention measures were introduced to minimise the risk of pipes rolling or falling during delivery activities, while relevant risk assessments and work procedures were reviewed to prevent recurrence. Lessons learned from the incident were also communicated to relevant personnel to reinforce awareness and strengthen safety practices across similar activities.

Moving Forward

Mycron will continue to strengthen OHS performance by reviewing HIRAO and safe work procedures, strengthening controls for material handling and delivery activities, and conducting targeted safety training based on identified incident trends. Greater emphasis will also be placed on incident investigation, corrective actions and contractor safety management to reduce workplace injuries.

HUMAN RIGHTS AND LABOUR STANDARDS

We are committed to respecting and upholding human rights and fundamental labour rights across our operations and value chain. The Group strives to foster a workplace founded on dignity, fairness, and respect by promoting equal opportunity and non-discrimination, fair employment practices, freedom of association, safe and healthy working conditions, and the prohibition of child labour, forced labour, and all forms of exploitation.

Our Management Approach

Respect for human rights is integral to the way Mycron conducts its business and supports the long-term well-being of our workforce, responsible business practices, and sustainable value creation. Our approach is guided by applicable Malaysian employment and labour legislation and internationally recognised human rights principles, including the Universal Declaration of Human Rights ("UDHR"), the International Labour Organization ("ILO") Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights ("UNGPs").

Our human rights and labour practices are supported by the Group's governance framework and relevant policies, including our Sustainability Policy, Diversity Policy and Supplier Code of Conduct. Our Diversity Policy, in particular, establishes Mycron's commitment to diversity and equality in employment and opposition to unlawful and unfair discrimination.

These codes and policies are communicated via emails, the company website, and internal intranet and provided in English and Bahasa Malaysia.

Mycron Human Rights Instruments

Internal Human Rights Instruments

1. Code of Conduct and Ethics for all directors, senior officers and employees
2. MSB Sustainability Policy
3. Supplier Code of Conduct
4. OHS Policy
5. Diversity Policy
6. Employee Handbook
7. Child and Labour Policy

External Human Rights Instruments

1. Universal Declaration of Human Rights ("UDHR")
2. International Labour Organization ("ILO") Fundamental Principles and Rights at Work
3. United Nations Guiding Principles on Business and Human Rights ("UNGPs")
4. Employment Act 1955 (Act 265)
5. Minimum Wages Order 2022
6. Industrial Relations Act 1967
7. United Nations Global Compact ("UNGC")

Board Oversight

The BOD holds ultimate oversight of human rights matters across Mycron's operations and value chain, ensuring that material human rights risks are appropriately considered within the Group's sustainability, risk management and decision-making processes.

The RSC supports the BOD in fulfilling this responsibility by providing quarterly oversight of human rights-related risks, performance and emerging issues, including the effectiveness of relevant policies, controls and mitigation measures. Material matters requiring further attention are escalated to the BOD, where appropriate.

At the management level, the SOC, chaired by the Group CEO, provides strategic direction and oversees the implementation of human rights commitments and initiatives. The SOC reviews performance, emerging risks, and management responses to ensure that human rights considerations are integrated into the Group's sustainability priorities and operational practices.

Supporting this governance structure, the Group Sustainability Officer and SWC coordinate the identification and assessment of human rights risks, consolidate relevant performance data, monitor initiatives and corrective actions, and facilitate the escalation of material matters through the SOC and RSC to the BOD.

Human Rights-Related Performance

Zero substantiated complaints regarding human rights violations	**Zero** incidents of violations involving human rights of indigenous people	**100%** employees trained on Code of Conduct and Ethics and internal Human Rights Policies

HUMAN RIGHTS AND LABOUR STANDARDS

Embedding Human Rights Principles Across Value Chain

Mycron extends its human rights and labour standards oversight across its supply chain through the Supplier Code of Conduct, which establishes minimum standards of responsible business conduct for suppliers and relevant third parties across the Group, including contractors, sub-contractors, consultants, vendors and agents. For new business partners, we evaluate their commitment to upholding human rights and require them to sign our Supplier Code of Conduct as a demonstration of compliance with relevant laws and regulations.

Key Human Rights and Labour Standards Applicable to Suppliers

Forced Labour

Suppliers must not use any form of forced, coerced, bonded, indentured or involuntary labour. Employment must be voluntary and workers must be provided with valid employment contracts clearly setting out their terms and conditions, including wages and benefits.

Child Labour

Suppliers are expected to prohibit child labour and comply with applicable Malaysian laws and international labour standards on minimum working age. Given the hazardous nature of manufacturing activities, Mycron does not employ persons below 18 years of age.

Responsible Working Hours

Suppliers must comply with applicable legal limits on regular and overtime working hours. Overtime must be voluntary and appropriately compensated, and employees must be provided with at least one rest day within every seven-day period.

Safe and Appropriate Workplace Conditions

Suppliers are expected to provide safe and conducive workplace and accommodation conditions that meet employees' basic needs, including access to potable water and appropriate sanitary facilities.

Humane Treatment

Suppliers must maintain workplace practices that prohibit harsh or inhumane treatment, including sexual harassment, sexual abuse, mental or physical coercion, and verbal abuse.

Non-Discrimination and Equal Opportunity

Suppliers must provide a workplace free from discrimination in hiring and other employment practices, including discrimination based on race, gender, age, nationality, ethnicity, disability, religion, union membership, marital status, or other protected characteristics. Equal opportunities must be provided for promotion and career development.

Freedom of Association and Collective Bargaining

Suppliers must respect workers' rights to freely associate, seek representation, and collectively bargain in accordance with applicable laws. Workers must be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

Fair Wages and Benefits

Suppliers must provide the minimum or prevailing wage, whichever is higher, and comply with legal requirements. Wages and compensation must be paid in a timely manner, with deductions permitted only where legally allowed.

HUMAN RIGHTS AND LABOUR STANDARDS

Assessing Human Rights Issues through a Risk Assessment

The identification, management, and mitigation of potential salient and business-specific human rights issues form part of Mycron's approach to responsible business conduct and sustainable value creation. Human rights and labour-related considerations are integrated into the Group's risk management processes, enabling potential impacts on our workforce and value chain to be considered alongside other business risks. Identified risks are reviewed during quarterly Risk and Sustainability Committee meetings, with appropriate mitigation measures implemented where necessary.

Managing Our Potential Salient Human Rights Issues

Recognising the nature of our manufacturing operations, the Group continues to focus on five potential salient human rights and labour matters and strengthens preventive controls across operations and supply chain. Through this structure approach, we reinforce our commitment to responsible business conduct and ethical labour standards.

Promoting Equal Opportunity and Non-Discrimination

Mycron is committed to fostering an inclusive and respectful workplace where employees are treated fairly, with dignity and respect. The Group adopts a fair and merit-based approach to recruitment and employment, promoting equal opportunities and prohibiting discrimination based on race, religion, gender, age, sexuality, disability, and nationality. These principles are reinforced through the Group's Diversity Policy and Employee Handbook, covering recruitment, performance evaluation and workplace interactions. We do not tolerate discriminatory behaviour, bullying, harassment, or victimisation.

Established grievance mechanisms enable employees to raise concerns confidentially. Managers are trained to manage bullying, harassment, and workplace misconduct reports.

Prohibiting Child and Forced Labour

We remain resolute to a zero-tolerance approach towards child, forced, and indentured labour within our operations. The risk of human violations arising from such labour practices is incorporated into the Group's risk management process, with established preventative controls including compliance with the Children and Young Persons (Employment) Act 1966 (Act 350) and a quarterly employee age verification by the Department of People & Culture.

The Group further extends these expectations to our supply chain through contractual provisions, as set out in the Supplier Code of Conduct.

Zero cases of child, forced or indentured labour identified within our operations in FY2026

Ensuring Fair Working Hours, Wages and Employment Conditions

The Group maintains fair and responsible employment conditions in accordance with applicable labour requirements. To prevent excessive working hours and support employee well-being, working hours and overtime are governed through established controls, with all overtime requiring prior management approval. Employees are also encouraged to fully utilise their annual leave entitlements to maintain a healthy and balanced lifestyle. In FY2026, Mycron employees recorded an average of 42.75 working hours per week, below the regulatory maximum of 45 hours per week. During the year, flexible working arrangements were also introduced to promote work-life balance.

The Group promotes fair and equitable remuneration, with remuneration determined based on job scope, qualifications, skills, and performance. These principles are extended to the supply chain through the Supplier Code of Conduct, which requires suppliers to provide the minimum or prevailing wage.

Supporting Freedom of Association and Collective Bargaining

Mycron respects employees' rights to freedom of association and collective bargaining, in line with ILO principles. Employees are free to form or join trade unions and workers' committees without fear of intimidation, pressure or reprisal, with equal treatment regardless of union or committee membership. Grievance channels are available for employees to raise any related concerns. These principles are also extended to Mycron's supply chain through the Supplier Code of Conduct.

Safeguarding Workplace Health and Safety

We strive to provide a safe and healthy working environment, guided by the Group's OHS Policy. This is supported by established safety management practices, risk assessments, training, and employee participation to identify and manage workplace health and safety risks.

HUMAN RIGHTS AND LABOUR STANDARDS

Stakeholder Engagement on Human Rights Issues

Stakeholder engagement supports Mycron's identification and assessment of potential human rights and labour-related concerns. The Group engages with employees and local community representatives to understand workplace and community matters associated with its operations.

Employee Engagement

In FY2026, we conducted engagement sessions through "Sembang Teh Tarik" at MCRC and "Sembang Santai" at MST, providing employees with a safe and approachable platform to engage directly with People & Culture on workplace experiences, well-being, health and safety, and other employment-related concerns. A designated spokesperson also supports foreign workers in voicing concerns, promoting inclusive and equitable access to grievance channels. Matters raised are documented with appropriate confidentiality and escalated for follow-up.

Community Engagement

Mycron also engages with local community leaders to maintain open dialogue on potential community impacts and human rights-related concerns arising from its operations. Feedback from these engagements is documented and escalated through the SWC, where relevant, to inform appropriate mitigation measures and continuous improvement.

Grievance Mechanism

Employees, service providers, contractors, vendors and suppliers and local communities may raise concerns about any misconduct, inappropriate behaviour, fraud or corrupt practices through our grievance channel, which support confidential and anonymous reporting. Reported matters are reviewed and addressed through our internal grievance management process.

Refer to page 94 - 95 for more information on our grievance mechanism and Whistleblowing Policy.







Moving Forward

Mycron will continue to strengthen human rights and labour practices across our operations and supply chain, with a focus on fair employment practices, safe working conditions, and accessible grievance mechanisms. Moving forward, we will enhance supplier due diligence and monitoring, while strengthening engagement with employees, suppliers, and local communities to identify and address emerging human rights risks.

EMPLOYEE DEVELOPMENT AND WELL-BEING

Our people are fundamental to Mycron's ability to achieve sustainable growth and maintain safe, reliable, and efficient operations. A diverse and inclusive workforce brings together different perspectives, experiences, and capabilities that strengthen innovation, problem-solving, and effective decision-making. Providing fair and equitable opportunities for development, while fostering a workplace where employees feel respected, supported, and empowered, strengthens employee engagement and enables our people to contribute meaningfully to business performance.

The Group also recognises that developing a competent and future-ready workforce is essential to our long-term resilience. Through continuous learning and development, we seek to strengthen both technical capabilities and critical skills such as leadership, communication, problem-solving, and adaptability, while supporting our ability to attract, develop and retain diverse talent.

Workplace Diversity

We enforce strict zero-tolerance on discrimination, bullying, and harassment in line with our Diversity Policy and Code of Conduct and Ethics. Our Diversity Policy sets out the principles that guide our approach to building a workplace where everyone is treated fairly, respected, and given equal opportunities to contribute.

Guiding Principles on Our Diversity Policy

Equal Opportunity	Merit-based Decisions	Respect for Diversity	Non-Discrimination	Shared-Responsibility
We provide fair and equal opportunities in employment, regardless of gender, race, ethnic origin, disability, age, nationality, religion or belief, marital status or social and cultural background.	We draw on diverse experience, skills, expertise and perspectives, while maintaining merit as the key criterion in appointments and career development.	We value the different perspectives, background and personal attributes our people bring, and foster a culture of respect, integrity, and openness.	We oppose all forms of unlawful and unfair discrimination and strive to maintain an inclusive and supportive workplace for all.	Our BOD, management and employees share responsibility in upholding the policy, promoting equal opportunities, and reporting any concerns or practices that may breach it.





EMPLOYEE DEVELOPMENT AND WELL-BEING

The Group strives to foster an inclusive workplace that upholds dignity, equality, and mutual respect, with zero tolerance for discrimination, bullying, harassment and victimisation, in line with our Code of Conduct and Ethics.

Zero cases of discrimination, bullying, harassment and victimisation were reported in FY2026

We are committed to providing equal opportunities and embracing diverse talent, including persons with disabilities. In FY2026, we continued to embrace diversity in ability by providing equitable employment opportunities for person with disabilities, recognising the valuable contributions of individuals of all abilities.

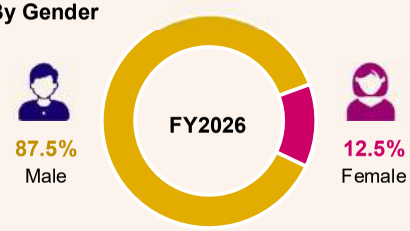
0.18% of Mycron workforce are **persons with disabilities**

Women hold 38% of all management positions at Mycron. While the overall workforce remains predominantly male, reflecting the nature of the steel industry, the Group continues to advance female representation by strengthening opportunities for women, particularly in executive and technical roles.

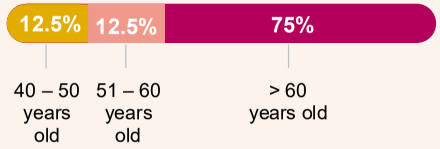
14.3% female representation among Mycron employees in FY2026

BOARD AND LEADERSHIP COMPOSITION

By Gender



By Age Group



MYCRON WORKFORCE PROFILE

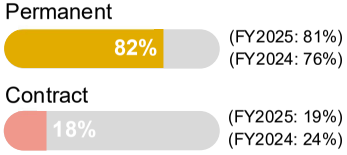
Total Workforce Strength

	FY2026	FY2025	FY2024
	567	545	530
Employees	464	440	405
Contract workers	103	105	125

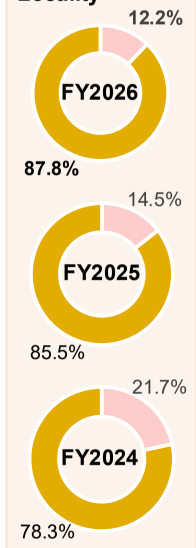
Employee Gender Diversity

FY2026	83%	17%
FY2025	82%	18%
FY2024	82%	18%

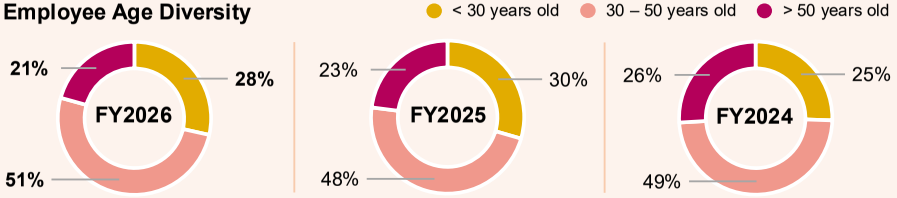
Type of Employment



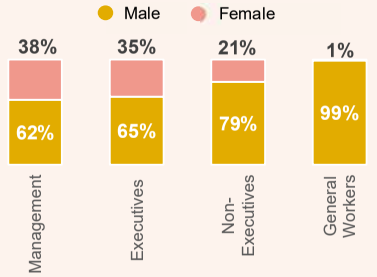
Locality



Employee Age Diversity

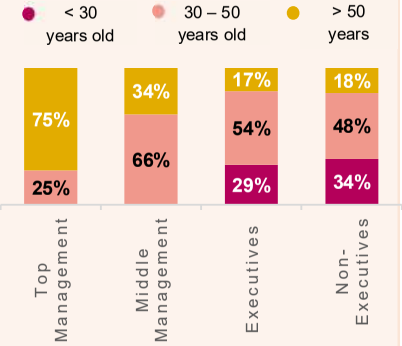


GENDER DIVERSITY BY EMPLOYEE CATEGORY

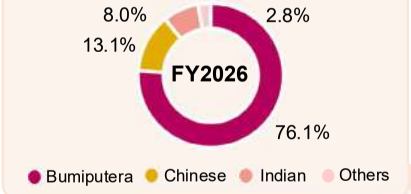


[1] *Management employee category includes top and middle management*

AGE DIVERSITY BY EMPLOYEE CATEGORY



ETHNICITY



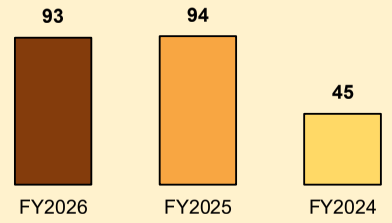
EMPLOYEE DEVELOPMENT AND WELL-BEING

Our Performance

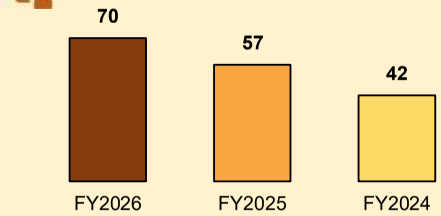
Group Turnover Rate

FY2026	FY2025	FY2024
15.9%	14.8%	10.5%

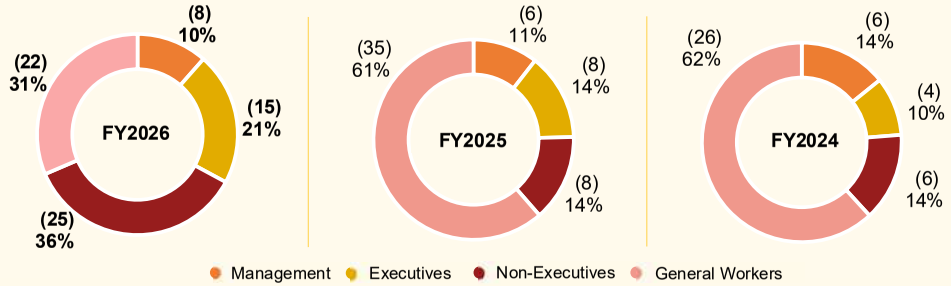
Total New Hires



Total Turnover



Employee Turnover by Category



Parental Leave

	Gender	FY2026	FY2025	FY2024
Number of employees who took parental leave	Male	17	16	12
	Female	5	4	6
Number of employees returned from parental leave	Male	17	16	12
	Female	4	4	6
Number of employees who returned to work after paternal leave ended and were still employed 12 months after returning to work	Male	17	16	12
	Female	4	4	6

Talent Recruitment and Retention

Operating within the iron and steel industry requires a workforce with strong technical capabilities and industry expertise. In FY2026, the Group onboarded 93 new employees, while 70 employees departed due to resignations and retirements. The Group recorded an annual employee turnover rate of 15.9%, slightly higher than the previous financial year.

We continue to monitor employee retention and turnover trends to support a stable, skilled, and productive workforce. Turnover is tracked across employee categories to identify workforce trends and inform talent retention initiatives, succession planning, and workplace planning, supporting the Group's ability to retain critical capabilities and meet its evolving business needs.

In FY2026, the Group's gender salary distribution comprised 78% male and 22% female. We remain committed to fair and equitable remuneration practices, with remuneration determined based on factors such as job responsibilities, experience, qualifications, and performance.

Share of total employee salaries

78% Male

22% Female



EMPLOYEE DEVELOPMENT AND WELL-BEING

Employee Benefits

Mycron provides a comprehensive range of employee benefits designed to promote mental well-being, workplace safety, employee engagement, long-term retention, and professional development. Our employee benefits framework supports career growth and personal development, while recognising outstanding contributions through various awards and incentives. Together, these initiatives contribute to a stable, supportive, and rewarding working environment

Paid Leave Entitlements

- Annual Leave
- Examination and Study Leave
- Compassionate Leave
- Emergency Leave
- Maternity Leave
- Paternity Leave
- Marriage Leave
- Time-Off
- Sick Leave
- Hospitalisation Leave
- Prolonged Illness Leave

"Supporting work-life balance is our top-most priority"

Fringe Benefits

- Company Vehicles and Petrol Cards
- Vehicle Substitution Allowance
- Travelling Allowance
- Parking Allowance/Reimbursement
- Job Relocation Allowance

Healthcare and Insurance Benefits

- Outpatient Medical Reimbursement for employees and immediate family members
- Group Hospitalisation and Surgical Insurance Scheme
- Group Personal Accident Insurance Scheme
- Group Term Life (GTL) Insurance Scheme

Flexible Working Arrangements

- Two-hour time-off entitlement, up to twice a month for each employee
- Work-from-home arrangement on a case-by-case basis
- Flexible clock-in and clock-out hours



Presentation of the Long Service Award to 18 dedicated employees, in recognition of their loyalty, commitment, and valuable contribution throughout the years.

Employee Welfare Initiatives

Amenities and Gifts



We extend thoughtful gestures through donations, tokens, or contributions when employees experience life's milestones. From welcoming a child or marriage celebrations to times of illness, bereavement, and unforeseen disasters. These acts of support reflect our commitment to treating our employees as part of one family.

Professional Memberships and Certifications



The Group sponsors or reimburses professional membership fees and certification renewals for eligible employees. This initiative recognises their commitment to maintaining professional excellence while enhancing their expertise, credibility, and networking opportunities within their respective fields.

Health Talks and Activities



We organise health talks, awareness campaigns, free health screenings, mental health programmes, blood donation drives, and team-building activities to promote good health and work-life balance. These initiatives encourage employees to take charge of their well-being, nurture resilience and strengthen camaraderie across teams.

Long Service Recognition



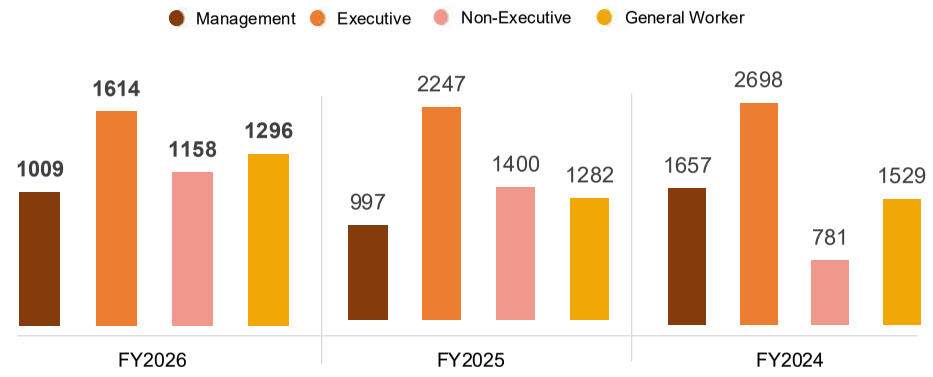
Long-serving employees are recognised through monetary awards and tokens of appreciation in acknowledgement of their dedication, loyalty, and valued contributions to Mycron.

EMPLOYEE DEVELOPMENT AND WELL-BEING

Training & Development Performance

	FY2026	FY2025	FY2024
Total Training Hours	5,076 hours	5,926 hours	6,665 hours
Average Training Hours per Employee	11.13 hours	13.64 hours	16.63 hours
Average Training Days per Employee	1.37 days	1.71 days	2.08 days

Total Training Hours by Employee Category



[1] *Management employee category includes top and middle management*

Empowering Talent through Continuous Development

Mycron is committed to building a skilled, capable and future-ready workforce through continuous learning and development. Guided by a people-first approach and the Group's Training Policy, career development opportunities are provided across career stages, from technical trainees to executives, to strengthen professional and technical capabilities while supporting career progression and evolving business needs.

To ensure learning initiatives remain relevant and targeted, the Group conducts an annual Training Needs Analysis across departments to identify competency and development needs. The findings inform the Group's Annual Training Plan, guiding training priorities and the effective allocation of resources towards employee development.

Types of Training Programmes

- Leadership Skills
- Soft Skills
- Technical and Operational Upskilling
- Environmental, Health and Safety
- Finance, Tax, and Compliance
- Digital and Technology Skills

Mycron invested RM 275,404.41 on employee training and development programmes in FY2026, averaging RM 593.53 per employee

During the reporting period, the Group recorded 1,016 training participations across 159 training programmes, amounting to 5,076 total training hours, or an average of 11.13 training hours per employee. Training participation increased by 42% from 717 in FY2025, reflecting the Group's continued investment in strengthening employee capabilities and supporting continuous professional development.

To support talent development, annual performance reviews are conducted to assess employee performance and development needs.

100% Mycron employees received performance review in FY2026

The Group also invests in early-career talent development through structured internship programmes for students and fresh graduates, supported by department-specific training and supervisor guidance. Upon completion, candidates may progress to on-the-job training and employment opportunities, subject to performance and available vacancies. In FY2026, 15 interns were placed across various functions.

EMPLOYEE DEVELOPMENT AND WELL-BEING

Celebrating Our Diverse Workforce



Mycron celebrates the diversity of our workforce by creating opportunities for employees to connect, celebrate, and appreciate different cultures and traditions. Through festive celebrations and inclusive activities throughout the year, we foster stronger relationships, mutual respect, and a shared sense of belonging across the Group.

Hari Raya Celebration & Employee Appreciation Night

In FY2026, Mycron brought together employees across the Group for its Hari Raya Aidilfitri celebration and Employee Appreciation Night, providing an opportunity for employees from diverse backgrounds and functions to connect and celebrate together. The event featured cultural performances, interactive activities and employee recognition, fostering inclusivity, camaraderie, and a stronger sense of belonging across Mycron.







Chinese New Year Celebration

In February 2026, MST celebrated Chinese New Year with employees, customers and suppliers, bringing together stakeholders from diverse backgrounds to celebrate the festive occasion. Featuring traditional cultural activities, including a lion dance, alongside performances and festive gatherings, the celebration provided an opportunity to foster inclusivity, strengthen employee connections, and build closer relationships with customers and business partners.







EMPLOYEE DEVELOPMENT AND WELL-BEING

Building Team Spirit through Sports

The Group promotes employee well-being and engagement through sports and recreational activities that encourage active lifestyles, strengthen relationships, and foster team spirit across the organisation.

Mycron CEO Cup: *Sukan Rakyat "Jaguh Kampung"*

The annual Mycron CEO Cup brought together employees across the Group for *Sukan Rakyat: Jaguh Kampung*, featuring a series of traditional team-based games. Through friendly competition and shared experiences, the event fostered teamwork, camaraderie and stronger connections across the Group.





Merdeka & Malaysia Day Hiking

In conjunction with Merdeka and Malaysia Day, a group hike was organised at Taman Tugu, providing employees with an opportunity to stay active while celebrating the occasion together. The activity promoted physical well-being and social connection beyond the workplace.





MCRC Sports Club Activities

The MCRC Sports Club supports employee well-being and engagement through year-round sports activities. Pickleball sessions are organised weekly, with coaching provided to employees to encourage participation and skill development. These activities provide regular opportunities for employees to stay active, connect with colleagues, and strengthen team spirit outside the workplace.





EMPLOYEE DEVELOPMENT AND WELL-BEING

Promoting Health Awareness

Mycron promotes employee health and well-being through awareness programmes, health screenings, and wellness initiatives that encourage employees to better understand and manage their health. These initiatives support early detection, preventive care, and healthier lifestyle choices, contributing to a healthier and more informed workforce.

Mycron Pink October: Breast Cancer Awareness

In support of Pink October, Mycron collaborated with BCWA to raise awareness of breast cancer and the importance of early detection. The initiative provided employees with breast cancer awareness education and complimentary examinations, encouraging greater health awareness and proactive preventive care among employees.





Mycron Movember: Men's Health Awareness

In support of Movember, the Group organised a men's health awareness programme featuring a prostate health talk by a medical professional, followed by complimentary health screening for employees. This initiative aimed to increase awareness of men's health issues and promote proactive health management among employees.





COMMUNITY ENGAGEMENT

We recognise that meaningful community engagement plays an important role in fostering inclusive and sustainable development. Our community initiatives are guided by societal needs and the priorities of communities surrounding our operations, reflecting our sustainability values and broader role in nation-building. Through purposeful engagement and investment, we seek to strengthen community well-being, foster lasting relationships and contribute to long-term social and economic resilience.

OUR APPROACH

Mycron's targeted community investment strategy is built on four strategic pillars, prioritising the surrounding community well-being, education, and youth development, support for vulnerable groups and environmental awareness and volunteerism. These focus areas complement the Group's broader sustainability priorities by contributing to social development and strengthening relationships with communities surrounding our operations.

Our key community investment focus areas include:

Focus Area	Objective
Education & Youth Development	To expand access to learning and educational opportunities while developing a future pipeline of skilled talent to support long-term workforce needs.
Community Well-Being	To support initiatives that address the social and essential needs of local communities.
Support for Vulnerable Groups	To provide assistance to children, persons with disabilities and other underprivileged members of the community.
Environmental Awareness & Volunteerism	To promote environmental awareness and encourage sustainable practices through employee participation and community-based initiatives.
Industry & Stakeholder Engagement	To strengthen industry collaboration and stakeholder relationships while supporting the continued development of Malaysia's iron and steel sector

These initiatives are focused on communities surrounding our operations, enabling us to address local needs and create meaningful, long-term value creation.

Before establishing any community partnership, we undertake a due diligence assessment to evaluate the credibility, transparency, and suitability of the organisation. This enables us to direct our contributions towards genuine initiatives that are consistent with our internal requirements and capable of delivering meaningful and lasting benefits to the community.

To facilitate structured community engagement with charitable partners, the Group's Communications and Outreach Team oversees the planning, coordination, and implementation of community initiatives. Employee participation is fostered through a culture of volunteerism and shared social responsibility, with opportunities provided for employees to contribute directly to community initiatives and charitable activities.

In FY2026, we contributed **RM73,170** through sponsorships, donations, community engagement and employee-led initiatives, benefiting **2,197** individuals and supporting 7 organisations.

Performance Metrics	FY2024	FY2025	FY2026
Number of beneficiaries from community investments	2,055	3,218	2,197
Total amount invested (RM)	67,676	31,232	73,170
Number of community programmes organised	13	11	15

COMMUNITY ENGAGEMENT

July 2025

Sponsorship for a Community Gotong-Royong Programme

Mycron supported a community gotong-royong programme at Pangsapuri Taman Sri Rasau, promoting collective responsibility for maintaining a clean and pleasant living environment. The initiative also provided an opportunity to strengthen engagement and foster closer ties with the local community.

Contribution: RM500 **Beneficiaries: Residents of Pangsapuri Taman Sri Rasau**



Gotong-Royong at Pangsapuri Taman Sri Rasau

July 2025

Supporting Community Healthcare

The Group supported the Maaedicare Charitable Foundation through sponsorship of its fundraising gala dinner, contributing to the Foundation's efforts to support the healthcare needs of patients within the community.

Contribution: RM10,000 **Beneficiaries: 750 patients**



Table tennis set donation for Kampung Padang Jawa residents

August 2025

Promoting Active Lifestyles and Community Well-Being

Mycron supported the Kampung Padang Jawa community by contributing a table tennis set, providing residents with greater access to recreational activities. The initiative aims to encourage active lifestyles, social interaction, and community well-being.

Contribution: RM880 **Beneficiaries: 50 residents of Kampung Padang Jawa**

September 2025

Supporting Malayan Tiger Conservation

Mycron supported Persatuan Pelindung Harimau Malaysia (RIMAU) through sponsorship of its RIMAU Gala Dinner, contributing to efforts aimed at protecting and conserving the Malayan tiger and its natural habitat. The initiative reflects the Group's commitment to supporting biodiversity conservation and raising awareness of the importance of protecting Malaysia's endangered wildlife.

Contribution: RM12,500 **Beneficiaries: RIMAU**



Malayan tiger

COMMUNITY ENGAGEMENT

September 2025

Strengthening Industry Engagement

The Group supported the MISIF Annual Dinner as part of its continued engagement with the local iron and steel industry. The initiative provided a platform to strengthen industry relationships, foster collaboration, and maintain engagement with key stakeholders across the sector.

Contribution: RM30,000 **Beneficiaries: Industry Stakeholders**

October 2025

Supporting Breast Cancer Welfare Association Malaysia

Recognising the importance of community health and well-being, Mycron provided sponsorship to the Breast Cancer Welfare Association Malaysia ("BCWA"), supporting the association's efforts to support the community.

Contribution: RM1,500 **Beneficiaries: Individuals with breast cancer and the wider community**

December 2025

Christmas Visit to Persatuan Kebajikan Sayap Kasih Malaysia (IQ70+)

The Group extended its community support to Persatuan Kebajikan Sayap Kasih Malaysia (IQ70+), a welfare organisation supporting children and senior citizens with intellectual disabilities. In conjunction with the festive season, our employees also engaged with residents through activities such as greeting sessions, colouring and interactive activities, fostering meaningful interaction and bringing festive cheer to the community.

Contribution: RM3,102 **Beneficiaries: 68 residents**

March 2026

MCRC *Ihya Ramadan* Programme

In conjunction with Ramadan, MCRC organised its *Ihya Ramadan* Programme on 16 March 2026, bringing together employees and the local community from Padang Jawa and Pangsapuri Taman Sri Rasau through the preparation and distribution of traditional dishes, including *bubur candil*, *rendang ayam* and *ketupat*.

Contribution: RM3,109 **Beneficiaries: 200 local communities**



Christmas visit to Persatuan Kebajikan Sayap Kasih Malaysia



Christmas visit to Persatuan Kebajikan Sayap Kasih Malaysia



Ihya Ramadan Programme



Ihya Ramadan Programme

COMMUNITY ENGAGEMENT

February - March 2026

Celebrating Festive Traditions with our Local Communities

Mycron sponsored festive celebrations within its surrounding communities. This included a *Majlis Berbuka Puasa* organised by KRT Pangsapuri Taman Sri Rasau and a Hari Raya Aidilfitri celebration organised by JPKK Kampung Padang Jawa. These contributions supported community gatherings and strengthened engagement with residents in areas surrounding our operations.

Contribution: RM1,500

Beneficiaries: 1000 residents


Earth Warrior Programme held at MST HQ

April 2026

Supporting a Child's Medical and Essential Needs

The Group provided financial assistance to support the medical needs of a one-year-old child requiring respiratory support. The contribution facilitated the purchase of a CPAP machine, alongside essential supplies including milk formula, diapers, feeding syringes, and feeding tubes. The assistance helped provide access to the necessary medical equipment and essential supplies required for the child's ongoing care and well-being.

Contribution: RM2,000

Beneficiaries: Child under the care of Pusat Kebajikan Sayap Kasih Malaysia


Earth Warrior Programme held at MCRC

April 2026

Earth Warrior

In collaboration with Earth Warriors Association, the Group organised a clean-up programme across its premises and surrounding areas, bringing together employees from MCRC and MST and members of the local community. Participants collected and segregated waste for appropriate recycling and disposal, promoting environmental awareness and responsible waste management. The initiative also strengthened community engagement through collective environmental action.

Beneficiaries: Employees across Mycron and local community members


Earth Warrior Programme held at MST Factory 2

COMMUNITY ENGAGEMENT

June 2026

Educational Visit to Pusat Sains Negara

Mycron and MIGB organised an educational visit to Pusat Sains Negara for children aged 7 to 15 from Rumah Kasih Harmoni Paya Jaras. Through interactive science exhibits, the programme provided the children with an engaging learning experience designed to spark curiosity and encourage interest in science, technology, engineering and mathematics ("STEM"). The programme reflects Mycron's commitment to community enrichment and supporting educational development among underprivileged children.

Contribution: RM2,901

Beneficiaries: 60 children



Educational visit to Pusat Sains Negara

June 2026

Employee Donation Drive

Mycron and MIGB employees came together through an employee-led donation drive in support of Rumah Kasih Harmoni Paya Jaras, a care home for children aged 10 months to 18 years. Employees contributed a range of essential items, including baby necessities, household supplies, and food provisions to support the day-to-day needs of the home and its residents. The initiative reflects our employees' spirit of giving and active participation in supporting the communities around us.

Contribution: RM11,000 worth of items

Beneficiaries: 120 residents of the home



Educational visit to Pusat Sains Negara

Moving Forward

The Group will continue to strengthen community engagement through targeted initiatives in education, community well-being, environmental awareness, and support for vulnerable groups. Greater emphasis will be placed on collaborating with local communities, NGOs and relevant stakeholders, encouraging employee volunteerism, and assessing programme outcomes to guide the continuation or expansion of initiatives that deliver meaningful community impact.



Employee donation drive for Rumah Kasih Harmoni Paya Jaras



Upholding

Transparency, Integrity & Strong Governance Culture

Material Sustainability Matters

- G1 Corporate Governance & Business Ethics
- G2 Regulatory Compliance
- G3 Risk Management
- G4 Data Privacy & Cybersecurity

Stakeholder Groups

- Government & Regulatory Authorities
- Shareholders & Investors
- Suppliers
- Employees & Unions
- Customers

Contribution to UN SDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CORPORATE GOVERNANCE AND BUSINESS ETHICS

Mycron is committed to upholding strong corporate governance and ethical business practices, underpinned by integrity, transparency, accountability, and compliance with applicable laws and regulations. Clear policies, governance structures, and internal controls guide responsible decision-making and conduct across the Group. As an established player in Malaysia's cold-roll steel industry, maintaining high standards of business ethics strengthens stakeholder trust and business relationships while supporting long-term resilience, sustainable growth, and value creation.

Embedding Good Governance and Compliance

The Group embeds ethical conduct and responsible governance across its operations and value chain through a structured framework of policies, codes, and procedures that promote integrity, transparency and accountability.

The BOD provides oversight of the Group's Code of Conduct, reinforcing accountability at the highest level and setting expectations for ethical conduct across management and employees. Through this governance framework, Mycron seeks to safeguard stakeholder trust, mitigate legal, financial and operational risks, and support responsible and sustainable business practices.

Codes and Policies

- Anti-Corruption Policy
- Anti-Fraud Policy
- Code of Conduct and Ethics
- Fit and Proper Policy
- Conflict of Interest Policy
- Whistleblowing Policy
- Supplier Code of Conduct
- Diversity Policy
- Procedure for Determining the Remuneration of Directors, Group Managing Director, C-Suite and Senior Officers
- Quality Policy
- Energy Policy
- Occupational Health and Safety (OHS) Policy
- Sustainability Policy
- Environment Policy

**The full policy is available on our official website at https://www.mycronsteel.com/corporate-governance.php*

Zero reported and confirmed incidents of corruption and bribery

Zero political contributions made in FY2026

100% of Mycron workforce received training on anti-corruption

Combatting Anti-Corruption and Fraud

The Group adopts a zero-tolerance approach to bribery, corruption, and fraud, underpinned by the Group's Code of Conduct and Anti-Corruption/Anti-Fraud Framework. The framework comprises policies and procedures for the prevention, detection, reporting, and management of misconduct, supporting compliance with applicable laws and regulatory requirements.

Oversight of the Anti-Corruption Policy rests with the BOD, supported by the Audit and Governance Committee ("AGC") and Anti-Corruption Managing Committee ("ACMC"), which oversee the implementation and effectiveness of anti-corruption measures across the Group.

Mycron conducts Corruption Risk Assessments across its operations to systematically identify, assess, and manage corruption-related risks. Business divisions and departments are responsible for identifying and reporting key corruption risks within their respective areas, enabling appropriate controls and mitigation measures to be implemented.

100% of operations assessed for corruption-related risks

Policy Communication and Training

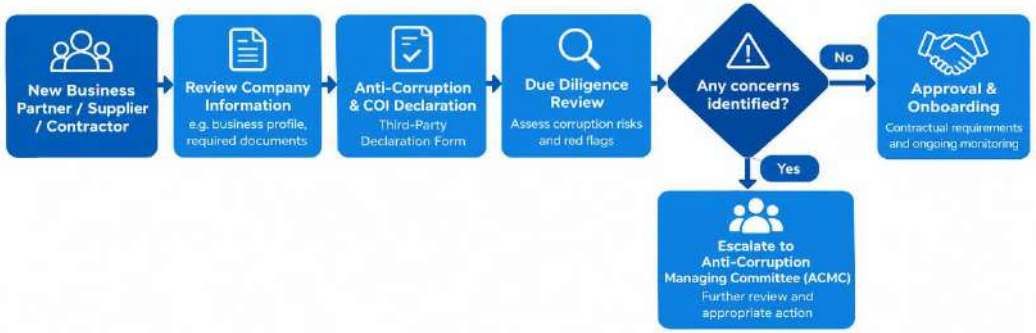
The Group communicates its anti-corruption requirements to Directors, Senior Management, employees, and business partners through induction programmes, awareness initiatives and the corporate website. Mandatory online anti-corruption training is provided to employees to strengthen awareness of bribery and corruption risks, regulatory requirements and expected standards of conduct, with refresher training conducted every two to three years. Senior personnel and employees in risk-exposed functions sign annual pledges to uphold compliance.

RM 0 cost of corruption-related fines, penalties over the past three financial years

CORPORATE GOVERNANCE AND BUSINESS ETHICS

Due Diligence on Business Partners

The Group conducts due diligence on new business partners, suppliers, contractors, and other third parties to mitigate bribery, corruption and conflict-of-interest risks. Third parties are subject to established procurement and supplier selection procedures and are required to acknowledge the Group's anti-corruption requirements through the Third-Party Declaration Form. Any identified red flags or potential conflicts are escalated to the ACMC for further review and appropriate action.



Whistleblowing Channel

Mycron provides a confidential reporting mechanism for employees, business partners, and members of the public to report suspected improper conduct or wrongdoing involving the organisation, including any: -

- Fraud, bribery and corruption;
- Abuse of authority or conflicts of interest;
- Financial or accounting irregularities;
- Breaches of laws, regulations or Group policies; and
- Health, safety and environmental concerns.

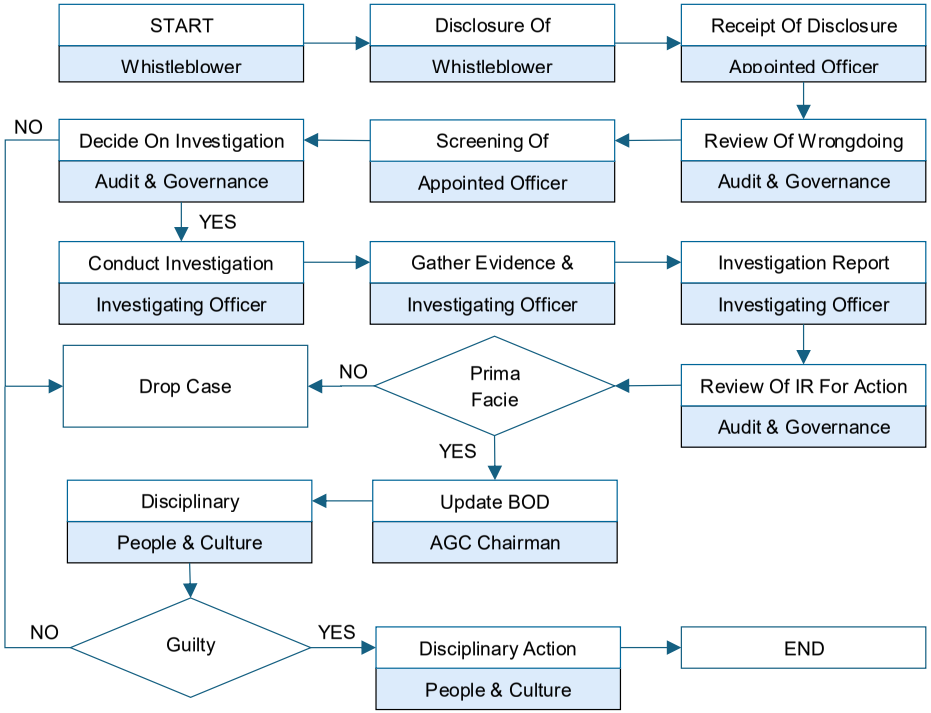
Zero
substantiated whistleblowing cases reported in FY2026

Any non-compliances with the Code of Conduct are addressed through established reporting, investigation, and disciplinary procedures. Suspected violations are reported through the Group's Whistleblowing channels, with appropriate action determined based on the nature and severity of the breach.

Disclosures are made to ACMC or AGC, depending on the personnel involved. Reports received are subject to appropriate review and investigation, with findings escalated through the established governance process for appropriate action.

Mycron's Whistleblowing Policy provides safeguards consistent with the principles of the Whistleblower Protection Act 2010 (Act 711), including confidentiality and protection against detrimental action for disclosures made in good faith. Any retaliation against a whistleblower is treated as a serious breach and may result in disciplinary action.

Whistleblowing Process Flow Chart



CORPORATE GOVERNANCE AND BUSINESS ETHICS

Grievance Mechanism

The Group is committed to maintaining a fair, safe, and supportive working environment. A formal grievance mechanism is provided to enable employees to raise concerns relating to workplace matters, management practices and unethical conduct through established channels.

Our grievance framework provides employees with multiple channels to raise workplace concerns, including through their immediate superior, the Department of People & Culture or, where necessary, direct escalation to Senior Management. All grievances are handled through a fair, impartial, and confidential process, with safeguards against retaliation, and employees have the right to appeal where they are dissatisfied with the outcome of an investigation.

RAISE

Employees submit grievances through the **Grievance Management Form** available on the Employee Intranet.

DOCUMENT

All grievances and outcomes are properly **documented and reviewed** to support transparency, consistency and accountability.

PROTECT

Strict confidentiality is maintained throughout the process to protect the rights and dignity of all parties involved.

Reporting Channels

Mid-level management & below → ACMC: acmc@melewar-mig.com

Senior management & above → AGC: agc@melewar-mig.com



Moving Forward

Mycron will continue to strengthen its governance, ethical business practices and regulatory compliance by enhancing internal controls, reinforcing employee awareness and integrating sustainability considerations into decision-making and risk management. The Group will also progressively strengthen its governance expectations across suppliers and business partners, supporting greater accountability, transparency and long-term business resilience.

REGULATORY COMPLIANCE

Mycron maintains compliance across its operations and supply chain through adherence to applicable laws and regulatory requirements, supported by an established compliance framework and internal risk management processes.

Relevant Laws and Regulations	
01	Employment Act 1955
02	Occupational Safety and Health Act 1994
03	Factories and Machineries Act 1967
04	Companies Act 2016
05	Industrial Relations Act 1997
06	Environmental Quality Act 1974 and its Amendments
07	Minimum Wages Order 2018 and its Amendments
08	Personal Data Protection Act 2010
09	Children and Young Persons (Employment) Act 1966
10	Bursa Main Market Listing Requirements
11	Malaysian Code on Corporate Governance ("MCCG")



Achievement of ISO 45001:2018 certification at MCRC and MST

Mycron's commitment to regulatory compliance is supported by internationally recognised management systems that strengthen operational consistency, environmental management, and OHS practices. In FY2026, both manufacturing subsidiaries further strengthened its management systems by achieving ISO 45001 certification for OHS Management, reinforcing a systematic approach to managing workplace health and safety risks.

To support ongoing compliance, each department maintains a Legal Compliance Register, which is reviewed quarterly to identify applicable legal and regulatory requirements and monitor compliance status.

ISO 9001:2015
Quality Management System

Demonstrates our commitment to service quality and operational excellence.

100% — MCRC, MST

ISO 14001:2015
Environmental Management System

Strengthens our environmental risk management.

100% — MCRC, MST

ISO 45001: 2018
Occupational Health and Safety

Reinforces our commitment to a safe and healthy workplace for our workforce.

100% — MCRC, MST

ISO 50001: 2018
Energy Management System

Supports improved energy performance and efficient resource utilisation.

50% — MCRC

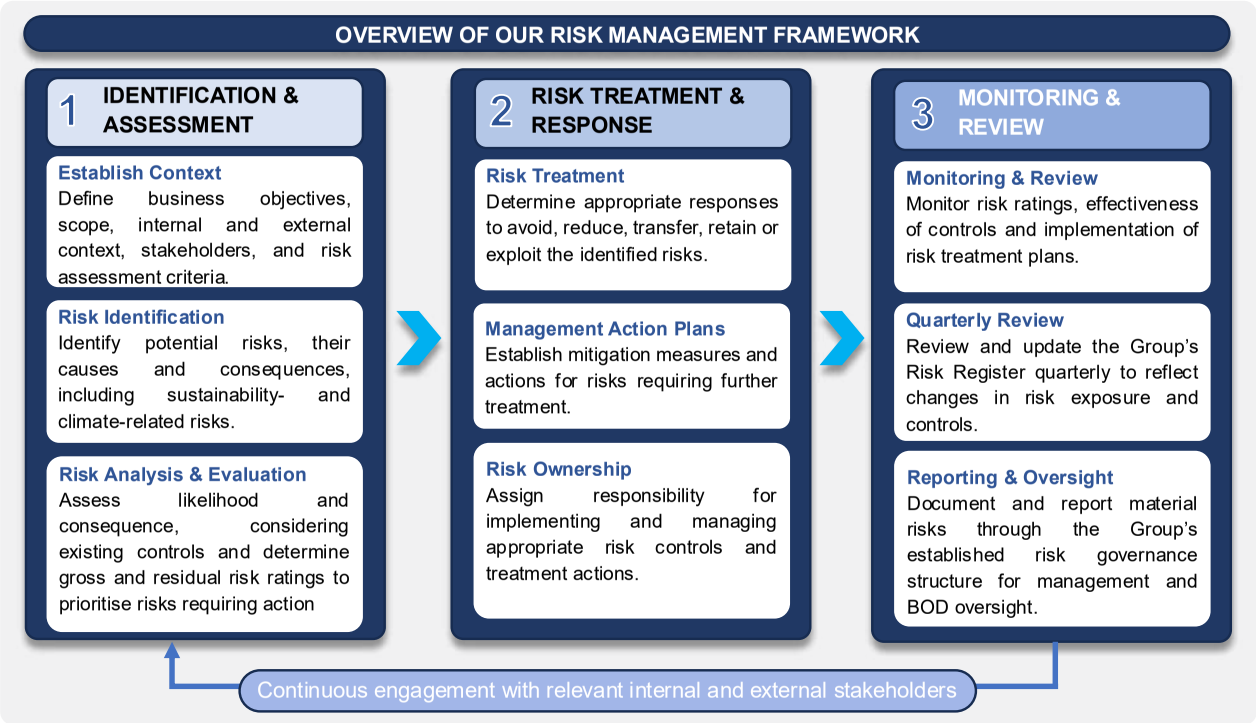
RISK MANAGEMENT

Effective risk management is integral to Mycron's strategic and operational decision-making. In alignment with IFRS S1 and IFRS S2, sustainability- and climate-related risks and opportunities are progressively integrated into the Group's overall risk management processes alongside principal business risks. This enables Mycron to better anticipate and respond to evolving regulatory requirements, climate-related risks, market dynamics, energy costs, potential carbon pricing mechanisms, and stakeholder expectations, while strengthening the Group's long-term resilience and supporting informed strategic decision-making.

Our ERM Framework and Processes

Guided by established risk management principles and industry practices, Mycron's ERM framework provides a structured approach to identify, analyse, evaluate, treat, monitor, and report risks across its operations and value chain. The framework supports informed decision-making by establishing clear risk ownership, assessment criteria, mitigation measures, and ongoing monitoring through the Group's Risk Register.

Material sustainability- and climate-related risks are integrated into the Group's ERM process and Risk Register, with risks reviewed periodically to reflect changes in operating conditions and the external environment. In FY2026, the Group further enhanced its climate risk assessment approach in alignment with IFRS S2, incorporating internal assessments, climate scenario analysis covering physical and transition risks, and consideration of relevant regulatory and market developments.



Governance & Oversight

The BOD holds ultimate oversight of the Group's risk management, supported by the RSC, which oversees the effectiveness of processes for identifying, assessing, treating, and monitoring material risks. Significant matters are escalated to the BOD for deliberation, while coordination with the AGC supports alignment between key risk exposures and risk-based audit coverage.

At the management and operational levels, senior management provides direction on strategic and emerging risks, while respective business units are responsible for managing risks within their areas of operation. Risk ownership extends across the organisation, with employees expected to remain vigilant and accountable for risks relevant to their respective roles. This integrated approach enables Mycron to incorporate sustainability-related and other material risks into its ERM processes, strengthening informed decision-making and the Group's long-term resilience.

RISK MANAGEMENT

1 Risk Identification

Risk identification is an ongoing and structure process embedded across Mycron's operations, supported by regular engagement between the RSC and Management. The Group assesses a broad range of risks, including strategic, operational, financial, legal and compliance risks, as well as sustainability- and climate-related physical and transition risks.

Relevant internal and external developments, including regulatory changes, market preferences, supply chain dependencies and reputational factors, are also considered. Identified risks are assessed based on their likelihood and potential consequences, taking into account existing controls.

2 Risk Assessment Methodology

Identified risks are assessed using Mycron's established risk assessment methodology, considering the likelihood of occurrence and potential consequences of each risk. The initial assessment determines the gross risk rating, after which existing controls and their effectiveness are considered to determine the residual risk exposure.

Likelihood Assessment

The likelihood of each identified risk is assessed based on its probability or frequency of occurrence, using the Group's established rating criteria, ranging from Rare to Almost Certain. Climate-related risks are evaluated to materialise over defined time horizons.

Consequence Assessment

The potential consequences of each risk are evaluated against defined impact criteria, taking into consider the following financial and non-financial potential effects:

- Financial performance in terms of revenue and profit before tax ("PBT")
- Legal, regulatory and compliance consequences
- Health and safety impacts
- Operational disruptions
- Company reputation

Impact levels range from Insignificant to Catastrophic, reflecting the potential severity of consequences.

Existing Controls and Residual Risk

Existing controls and mitigation measures are considered to determine the extent to which the risks are being managed, ranging from Satisfactory to Weak. The resulting residual risk rating reflects the Group's remaining exposure after considering these controls.

Risk Evaluation and Prioritisation

The assessed likelihood and consequences are evaluated using the Group's risk matrix and established risk criteria to determine the overall risk rating. This enables Mycron to prioritise risks according to their significance and determine whether additional treatment or management action is required. Higher-rated risks are prioritised for further mitigation and monitoring, while risks within acceptable levels may be retained and periodically reviewed.

3 Risk Treatment and Management

Risk responses may include avoiding, reducing, transferring, or accepting the risk, supported by appropriate controls and mitigation measures. Management and respective risk owners are responsible for implementing agreed actions, while the RSC monitors key risk exposures, the effectiveness of controls and progress of risk treatment plans. Action plans include strengthening workplace safety and health, implementing resource efficiency initiatives, investing in infrastructures, and enhancing supply chain resilience.

4 Risk Monitoring & Review

Risk management is an ongoing process, with Mycron's risk profile and Risk Register periodically reviewed to reflect changes in risk exposure, controls, and the operating environment. The RSC reviews the Risk Register quarterly, while material risks are reported through the Group's established governance structure for Management and BOD oversight. This process enables the Group to monitor emerging and evolving risks, including sustainability- and climate-related risks, evaluate the effectiveness of mitigation measures, and take appropriate action where necessary.

DATA PRIVACY AND CYBERSECURITY

Cybersecurity and data protection are integral to Mycron's governance approach and business resilience. The Group maintains data governance practices to safeguard the confidentiality, integrity, and availability of information across its operations and value chain. Personal data is managed in accordance with Mycron's Personal Data Privacy Notice and the Malaysian Personal Data Protection Act 2010 ("PDPA") and its amendments, supporting the lawful and transparent processing of personal data and the protection of individual rights. Cybersecurity protocols and controls are implemented to protect information from unauthorised access, disclosure, misuse, and other cyber threats, with data-related risks integrated into the Group's SRRO management framework.

To further strengthen its cybersecurity posture and resilience against cyber and data privacy risks, the Group implements the following measures:

Mycron's Strategies to Improve our Cybersecurity Resilience

Secure Access and Stronger Controls
Strengthen system and application security through secure Virtual Private Network ("VPN") access, Multi-Factor Authentication ("MFA"), password ageing controls and periodic reviews of user access and authorisation levels.

Data Privacy and Cybersecurity Risk Management
Identify, assess, and manage data privacy and cybersecurity risks through regular risk assessments, with identified risks incorporate into the Group's risk register for ongoing monitoring and mitigation.



IT Security and Data Governance Framework
Maintain an IT Security Policy governing the secure collection, processing, storage, and protection of personal data, applicable to employees and relevant third-party service providers.

Cybersecurity Awareness and Preparedness
Strengthen cybersecurity awareness and digital resilience through targeted email communications, periodic phishing simulations and cybersecurity assessments, fostering a security-conscious culture across the Group.

Our Cybersecurity Performance

Indicator	No. of Cases		
	FY2024	FY2025	FY2026
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Moving Forward

Mycron will continue to strengthen its cybersecurity and data privacy capabilities in response to evolving digital risks and business needs. Moving forward, the Group plans to develop and strengthen its cybersecurity incident response and recovery framework to enhance preparedness, facilitate timely response to cyber incidents and support business continuity. We will also explore appropriate technologies and security solutions to support the evolving needs of its operations while safeguarding critical systems and stakeholder information.

Delivering Sustainable Business Value through Responsible Supply Chain & Quality Excellence

Material Sustainability Matters

- C1 Responsible Supply Chain Management
- C2 Product Quality & Customer Responsibility
- C3 Economic Performance

Stakeholder Groups

- Government & Regulatory Authorities
- Shareholders & Investors
- Financial Institutions
- Employees & Unions
- Customers

Contribution to UN SDGs



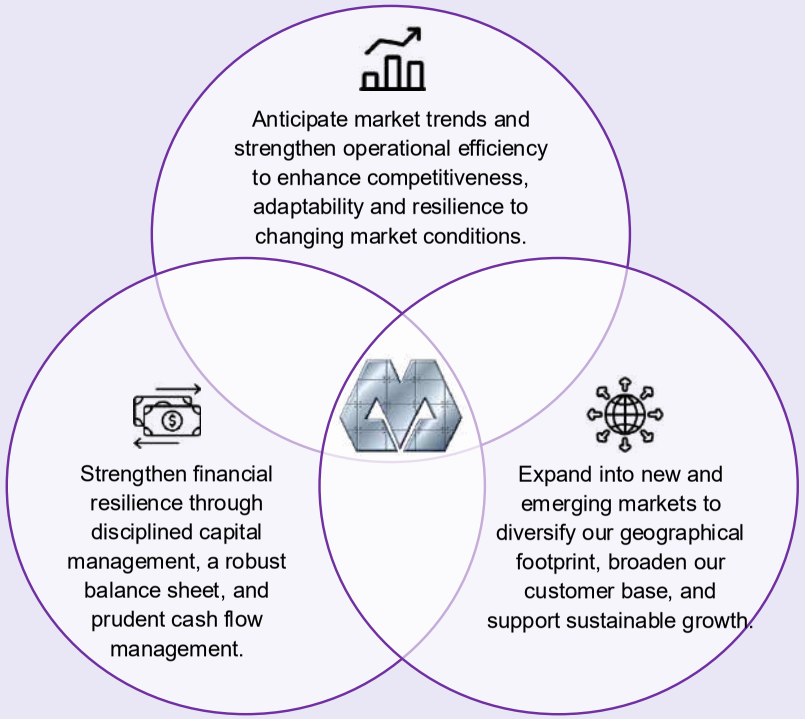
ECONOMIC PERFORMANCE

Economic performance remains fundamental to Mycron's ability to strengthen business resilience and create long-term value for our stakeholders. Through the manufacturing and supply of cold-rolled steel sheets and steel tube products, the Group generates economic value while supporting our customers, employees, suppliers, and the broader industrial value chain.

We strengthen our economic resilience by sustaining diversified revenue streams, maintaining healthy cash flows, and exercising disciplined capital management. At the same time, we continue to pursue strategic opportunities to expand our presence across domestic and international markets, including Asia and Europe, broaden our customer base, and strengthen the competitiveness of our product portfolio.

Our business strategy is anchored on the following priorities to strengthen economic resilience, expand market presence, and position the Group for sustainable long-term growth.

MANAGEMENT APPROACH TO ECONOMIC RESILIENCE



Economic Value Generated (Revenue)

RM765.9 million

(FY2025: RM722 million)

Operating Costs	Employee Wages & Benefits	Payment to Government
RM746.1 million	RM44.9 million	RM1.2 million

Payment to Capital Providers

RM3.5 million

Revenue Growth

6.08%

compared to FY2025

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

As a key player in the midstream and downstream steel value chain, Mycron recognises that a responsible and ethical supply chain is essential to long-term business sustainability. Our suppliers play an important role in supporting labour and human rights standards, environmental performance, and the reliability of our operations.

Our value chain begins with strategic sourcing of raw materials, particularly HRC from domestic and international markets, followed by in-house manufacturing focused on operational efficiency, resource optimisation, and meeting customer requirements. We continue to strengthen supply chain resilience through supplier diversification, responsible sourcing, and ESG engagement, while regularly monitoring performance to identify emerging risks and opportunities for improvement.

SUPPLIER PRE-QUALIFICATION & DUE DILIGENCE PROCESS

In line with ISO 9001:2015 requirements, the Group applies a structured pre-qualification process to assess prospective suppliers prior to engagement, ensuring they meet the Group's established requirements and standards. 100% of new and existing approved suppliers underwent Mycron's supplier due diligence process in FY2026, achieving full assessment coverage.

1 Supplier Information & Verification

Suppliers' corporate information and supporting documents are reviewed, including company profiles and relevant *Suruhanjaya Syarikat Malaysia* ("SSM") records, to verify key company details prior to registration and further assessment.

2 Supplier Performance Evaluation

We conduct supplier performance evaluations for new and existing approved suppliers across four key criteria, incorporating sustainability-related considerations:

- Quality of Goods & Services | HSE Compliance
- Delivery | Administrative & Technical Support

Suppliers are required to achieve a minimum performance score of 80% to qualify for approval or continue engagement with Mycron.

3 Code of Conduct Acknowledgement

Suppliers are required comply and formally acknowledge Mycron's Supplier Code of Conduct, committing to uphold our expectations across labour practices, HSE, business ethics, and management systems throughout their operations and supply chain.

4 Ethics & Anti-Corruption Compliance

Suppliers are required to comply with Mycron's Anti-Corruption Policy, including the disclosure of any potential conflicts of interest.

5 Supplier ESG Assessment

We integrate sustainability criteria into our Tier 1 supplier due diligence process to promote a resilient, transparent and accountable supply chain while strengthening responsible sourcing practices.

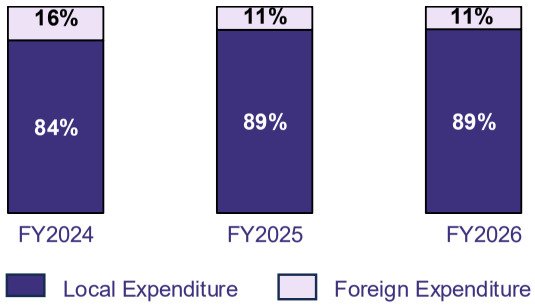
Procurement Spending

We prioritise local sourcing wherever feasible to support domestic economic activity and strengthen supply chain efficiency. However, supply availability and cost competitiveness remain key sourcing considerations, requiring the Group to engage international suppliers where necessary.

In FY2026, 89% of the Group's procurement expenditure was directed to local suppliers, consistent with FY2025. Local sourcing remains an integral part of our supply chain strategy, supporting shorter lead times, reducing exposure to shipment delays and supply chain disruptions, while contributing to lower transportation-related carbon emissions. The Procurement Team oversees the sourcing of materials and continues to strengthen collaboration with local vendors to enhance overall supply chain resilience.

The Group targets to maintain more than 90% local procurement spending by FY2029.

Procurement Spending on Suppliers (%)



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Supplier ESG Assessment

As part of our responsible supply chain management approach, Mycron conducts a Supplier ESG Assessment covering Tier 1 approved suppliers with annual transaction values exceeding RM500,000. The assessment enables us to identify and monitor sustainability-related risks across our supply chain and evaluate suppliers' ESG practices.

Suppliers are assessed across key areas including environmental management and climate change, occupational health and safety, labour and human rights practices, governance and business ethics, and responsible sourcing. These sustainability requirements are integrated into the vendor pre-qualification process, ensuring that both newly registered and renewing Tier 1 suppliers are evaluated against established criteria. Assessment findings support the identification of potential ESG gaps and areas for further supplier engagement and continuous improvement, strengthening the resilience and sustainability of our supply chain.

ESG ASSESSMENT CRITERIA

ENVIRONMENT

Assesses suppliers' approach to environmental management, including energy and fuel use, water and wastewater management, waste management and recycling, climate change awareness and mitigation measures, and GHG emissions tracking and reduction efforts.

SOCIAL

Assessment of suppliers' practices related to occupational health and safety, employee welfare, labour and human rights (including child and forced labour), talent development, and community engagement.

GOVERNANCE

Assesses suppliers' sustainability governance structure and oversight, integration of ESG considerations into business decisions, sustainability reporting practices, relevant policies (e.g., Code of Conduct, Anti-Corruption) and compliance with applicable laws and regulations.

RESPONSIBLE SOURCING

Assessment of suppliers' commitment to responsible sourcing of raw materials, management of suppliers and subcontractors, ESG monitoring performance and continuous improvement efforts to enhance sustainability across the value chain.

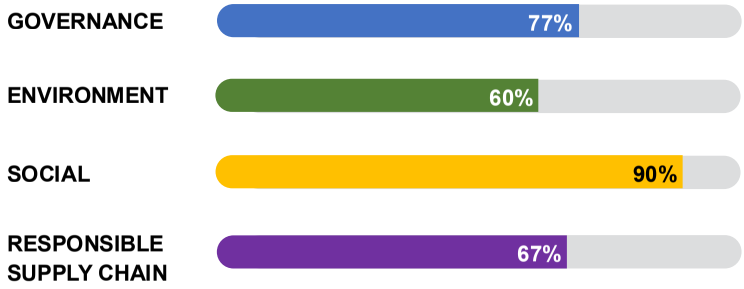
ASSESSMENT PERFORMANCE

30 Tier 1 suppliers assessed

100% Response rate

ESG ASSESSMENT RESULTS

Of the 30 Tier 1 suppliers invited, 30 responded, resulting in a 100% response rate. The assessment results based on the average scores across suppliers, are as follows:



Key Findings

The assessment indicates relatively strong social and governance practices among our Tier 1 suppliers, while environmental performance and responsible sourcing present opportunities for further engagement, particularly in climate action, GHG reduction target-setting, and decarbonisation planning.

Moving Forward

The Group will continue engaging suppliers to strengthen ESG practices, with particular emphasis on climate action, decarbonisation, and responsible supply chain management.

PRODUCT QUALITY & CUSTOMER RESPONSIBILITY

Driving Excellence in Quality Stewardship

Delivering high-quality steel products that consistently meet customer requirements and applicable regulatory and industry standards remains a key priority for Mycron. Our Quality Management System, supported by the Group's Quality Policy, provides a structured framework for maintaining product quality and reliability throughout our manufacturing processes.

Quality controls are embedded across each stage of production, from incoming HRC coil inspection through to final product inspection, enabling us to monitor product conformity and maintain consistent quality standards. Mycron maintains its ISO 9001:2015 Quality Management System certification, reinforcing our commitment to effective quality management, continual improvement, and consistent product and service delivery. Through robust quality assurance practices and adherence to recognised standards, we seek to strengthen customer confidence while delivering reliable and responsibly manufactured steel products.

100% of Mycron's manufacturing sites are ISO 9001:2015 certified

Product Quality-related Metrics	FY2024	FY2025	FY2026
Number of substantiated incidents of non-compliance concerning the health and safety impacts of our products and services	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0

OUR PRODUCT CERTIFICATIONS

The Group maintains relevant product licences, certifications, and accreditations to support compliance with applicable local and international product requirements. In FY2026, the Group achieved a significant milestone, with MST becoming the first steel pipe manufacturer to obtain the SustainBuild Mark certification, reinforcing our commitment to delivering more sustainable and environmentally responsible steel products.

Entity	Product Name	Product Certification
MCRC	Cold-Reduced Carbon Steel Sheet and Strip of Commercial and Drawing Qualities	MS 2651:2020
	Cold-Reduced Carbon Steel Strip	JIS G 3141:2017
MST	Steel Conduit for Electrical Wiring	BS 31:1940
	Carbon Steel Pipe for Ordinary Piping	JIS G 3452:2010
	Cold Formed Welded Carbon Steel Structural Tubing in Round	ASTM A500/A500M:2013
	Welded Steel Pipe	MS 863:2010
	Carbon Steel Tube for General Structure	JIS G 3444:2015
	Welded Steel Tube	BS EN 10255:2004
	Carbon Steel Tube for Machine Structural Purpose	JIS G 3445:1988
	Light Gauge Steel for General Structure	JIS G 3350:2009
	Non-Alloy Steel Tube for Water and Sewerage	SPAN TS 21827: Part 2:2013
	Cold Formed Welded Structural Hollow Sections of Non-Alloy Steel	MS EN 10219-1:2015
	Rigid Steel Conduit for Cable Management	MS 61386-21:2010
	Steel Tubes for Tubular Scaffolding	MS 1462-2-1:2010
	Loose Steel Tubes for Tube and Couple Scaffolds	BS EN 39:2001

15 **SIRIM-Certified Products** Licensed under the SIRIM QAS International Product Certification Scheme

15 **Products Certified with Eco-Labelling & MyHIJAU Mark**

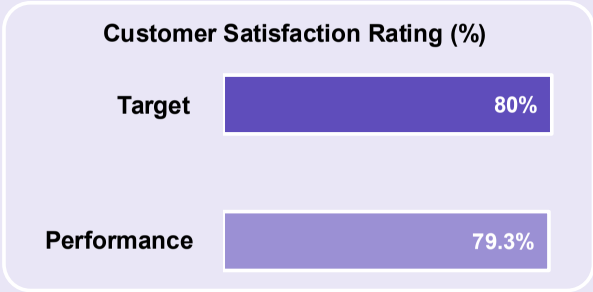
5 **SustainBuild Mark-certified Products**

PRODUCT QUALITY & CUSTOMER RESPONSIBILITY

Customer Responsibility

Our Group remains committed to delivering quality products and services through operational excellence and responsive customer engagement. Our quality assurance processes support consistent product quality and service delivery, while customer feedback provides valuable insights to drive continuous improvement across our operations.

To better understand our customers' expectations and experiences, we conduct an annual Customer Satisfaction Survey covering key areas including product quality and range, order management, delivery performance, technical support, customer service, and pricing. In FY2026, the Group recorded an overall Customer Satisfaction Score of 79.3%, slightly below our 80% target.



Prioritising Customer Satisfaction & Continuous Improvement

To strengthen customer satisfaction, Mycron maintains regular engagement with customers to understand their evolving needs, expectations, and market requirements. Our sales and technical teams conduct customer site visits to gain first-hand insights into how our steel products are used and integrated into customers' production processes. These engagements provide valuable insights into product performance and operational requirements, enabling us to identify areas for improvement and respond effectively to customer needs.

In parallel, the Group implements structured quality management measures across its operations to maintain product consistency, address quality issues and drive continuous improvement in product quality and operational performance.

1. **Strengthening Product Inspection and Quality Control:**
   Quality inspections and testing are conducted throughout our manufacturing processes, including final inspections prior to delivery, to ensure products meet established quality standards and customer specifications.

2. **Customer Complaint Management:**
   Customer complaints are promptly investigated by the relevant sales, technical, and quality teams to identify root causes, implement corrective actions, and prevent recurrence.

3. **Quality Audits:**
   Regular internal and external quality audits are conducted to assess compliance with established procedures and standards. Identified non-conformities are addressed through corrective and preventive actions, with follow-up monitoring to assess their effectiveness.

4. **Continuous Training and Competency Development:**
   Quality-related training, including inspection and testing, management of quality issues and ISO 9001 requirements, is conducted to strengthen employee competencies and reinforce consistent quality practices.

Moving Forward

Mycron will continue to strengthen product quality through enhanced quality control and inspection practices, process optimisation, and the effective management of product deviations and non-conformities. The Group will also leverage customer feedback and technical engagement to identify opportunities for continuous improvement and ensure that product performance remains aligned with evolving customer requirements. Moving forward, the Group will explore opportunities to further enhance process monitoring, automation and traceability across its manufacturing operations, with the aim of improving product consistency while reducing rejection, rework, and material wastage. These efforts will support operational efficiency, customer satisfaction and the long-term competitiveness of the Group's products.

INDEPENDENT ASSURANCE STATEMENT

SGS (Malaysia) Sdn Bhd,
QT-7, Quayside Tower, Kompleks Perniagaan Gamuda,
Persiaran Freesia, Gamuda Kemuning 25.7,
42500 Telok Panglima Garang, Kuala Langat,
Selangor, Malaysia

ASSURANCE STATEMENT

Independent Limited Assurance Statement to the Board of Directors
MYCRON STEEL BERHAD

Subject Matters and Scope of The Limited Assurance Engagement

SGS Malaysia Sdn. Bhd has been engaged by Mycron Steel Berhad to perform **Limited Assurance** engagement on selected sustainability information for the reporting period **July 2025 to June 2026,** as identified below.

Subject Matters	
Common Sustainability Matters	**Common Indicators**
Energy Management	Total Energy Consumption
Waste Management	Total Waste Generated *(Total Waste Diverted from Disposal)* *(Total Waste Directed to Disposal)*
Water	Total Volume of Water Used
Emission Management	Scope 1 emissions in tonnes of CO_2e Scope 2 emissions in tonnes of CO_2e Scope 3 emissions in tonnes of CO_2e (Categories for business travel and employee commuting only)

Management's Responsibilities

Management of Mycron Steel Berhad is responsible for the preparation and presentation of the selected sustainability information in accordance with the applicable criteria set out on *page 2* of this report. This responsibility includes establishing and maintaining appropriate processes and internal controls, maintaining adequate records, supporting documentation, selecting appropriate measurement and calculation methods, and making estimates and judgements that are reasonable in the circumstances.

The management is also responsible for designing, implementing and maintaining internal control relevant to the preparation of the selected subject matters such that it is free from material misstatement, whether due to fraud and error.

Practitioner's Responsibility

SGS Malaysia is accountable to draw a conclusion on the selected sustainability information based on the procedures that have been obtained and performed. The engagement is in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and International Standard and Assurance Engagements (ISAE 3410)

That Standard requires us to plan and perform the engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement consists primarily of making enquiries of persons responsible for the preparation of the sustainability information, applying analytical and other procedures, and evaluating the evidence obtained. The procedures performed in a limited assurance engagement are substantially less in extent than those performed in a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Applicable Criteria

The selected sustainability information has been prepared by management using the following criteria:

- ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. International. International Framework for Assurance Engagements and Related Conforming Amendments
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements
- GHG Protocol Corporate Accounting and Reporting Standard
- GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Summary of Procedures and Methodology Performed

The assurance comprised a combination procedure and methodology as below:

- Obtaining an understanding of the processes used to prepare the selected sustainability information;
- Making enquiries about relevant management and personnel responsible for sustainability data and reporting;
- Reviewing selected supporting documentation, records and source data;
- Performing analytical procedures over selected sustainability information and investigating significant movements or variances;
- Performing selected recalculations and agreeing selected reported amounts to underlying records;
- Evaluating selected assumptions, estimates, emission factors and conversion factors used in the calculations;
- Considering the completeness of the reported energy, water, waste and GHG data within the stated reporting boundaries;
- Evaluating whether the selected sustainability information has been prepared consistently with the applicable criteria.

Statement of Independence and Quality Management

SGS Group of companies is the world's leading testing, inspection, and certification, operating in more than 140 countries. SGS is recognized as the global benchmark for sustainability, quality and integrity. SGS (Malaysia) Sdn. Bhd affirms our independence from Mycron Steel Berhad being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

SGS Malaysia Sdn. Bhd. have applied our firm's established system of quality management to this assurance engagement. The engagement was planned, performed, documented, reviewed and reported in accordance with our quality management policies and procedures and the applicable requirements of ISAE 3000 (Revised) and ISAE 3410.

The engagement team comprised personnel with appropriate professional competence, technical knowledge and experience relevant to the subject matter, including expertise in sustainability reporting and, where applicable, greenhouse gas emissions measurement, quantification and reporting. The verification team conducted the engagement in accordance with the SGS Code of Integrity.

INDEPENDENT ASSURANCE STATEMENT

Inherent Limitations

Specific inherent limitations relevant to the engagement include the use of estimates, assumptions and employee-provided activity data in the calculation of GHG emissions. In particular, there is a risk that inaccurate employee commuting mileage or commuting frequency, emission factors that are not updated, used in GHG emissions. Such limitations and uncertainties may result in the reported GHG emissions being overstated or understated compared with the actual emissions.

The Scope 2 Electricity Indirect GHG Emission were calculated by using the emission factor for year 2017 of "2017 CDM Electricity Baseline for Malaysia" prepared by MGTC instead of latest emission factor published by Energy Commission applicable to the reporting period which may affect the comparability of the resulting emissions that is used for similar reporting purposes

Limited Assurance Conclusion

Nothing has come to our attention that causes us to believe that the selected subject matter information of Mycron Steel Berhad for the reporting period July 2025 to June 2026 has not been prepared, in all material respects, in accordance with the applicable criteria described on page 2 of this report.

Restriction on Use

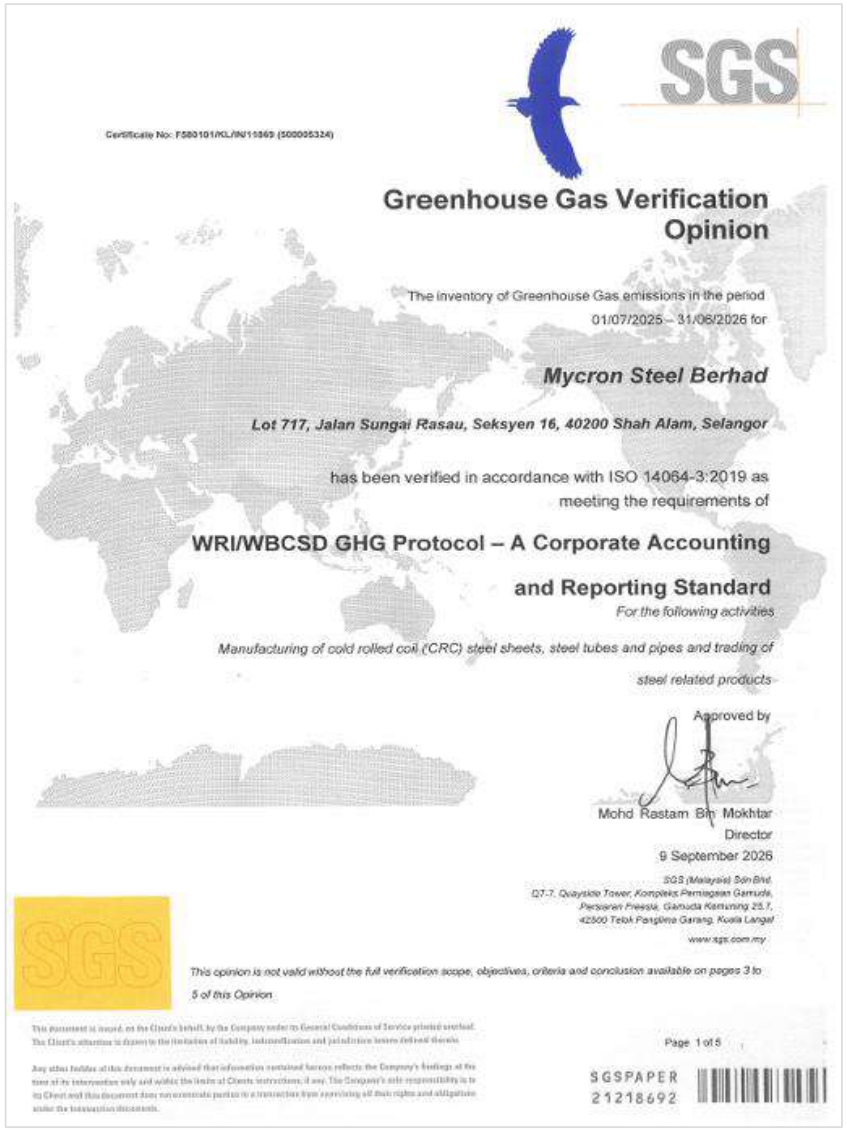
This assurance report is intended solely for the use of Mycron Steel Berhad and its intended users in connection with the Company's sustainability reporting for the reporting period July 2025 to June 2026

Naim Shaharman
Team Leader
Shah Alam
9 September 2026

APPENDIX A – Subject Matters and Indicators

Common Sustainability Matters	Common Indicators	Value (July 25 – June 26)	Unit
Energy Management	Total Energy Consumption	374,008	GJ
Waste Management	Total Waste Generated *(Total Waste Diverted from Disposal)* *(Total Waste Directed to Disposal)*	18,546.0 18,365.0 181.0	*Tonne* *Tonne* *Tonne*
Water	Total Volume of Water Used	93.87	ML
Emission Management	Scope 1 emissions in tonnes of CO2e	12,768.78	tCO_2e
	Scope 2 emissions in tonnes of CO2e	17,377 .07	tCO_2e
	Scope 3 emissions in tonnes of CO2e • Business travel • Employee commuting	649.45 10.85 638.60	tCO_2e tCO_2e tCO_2e

GHG VERIFICATION STATEMENT



Certificate No: FS80101/KL/IN11869 (S00005324)

SGS

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in the period 01/07/2025 – 31/06/2026 for

Mycron Steel Berhad

Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard

For the following activities

Manufacturing of cold rolled coil (CRC) steel sheets, steel tubes and pipes and trading of steel related products

Approved by

Mohd Rastam Bin Mokhtar
Director
9 September 2026

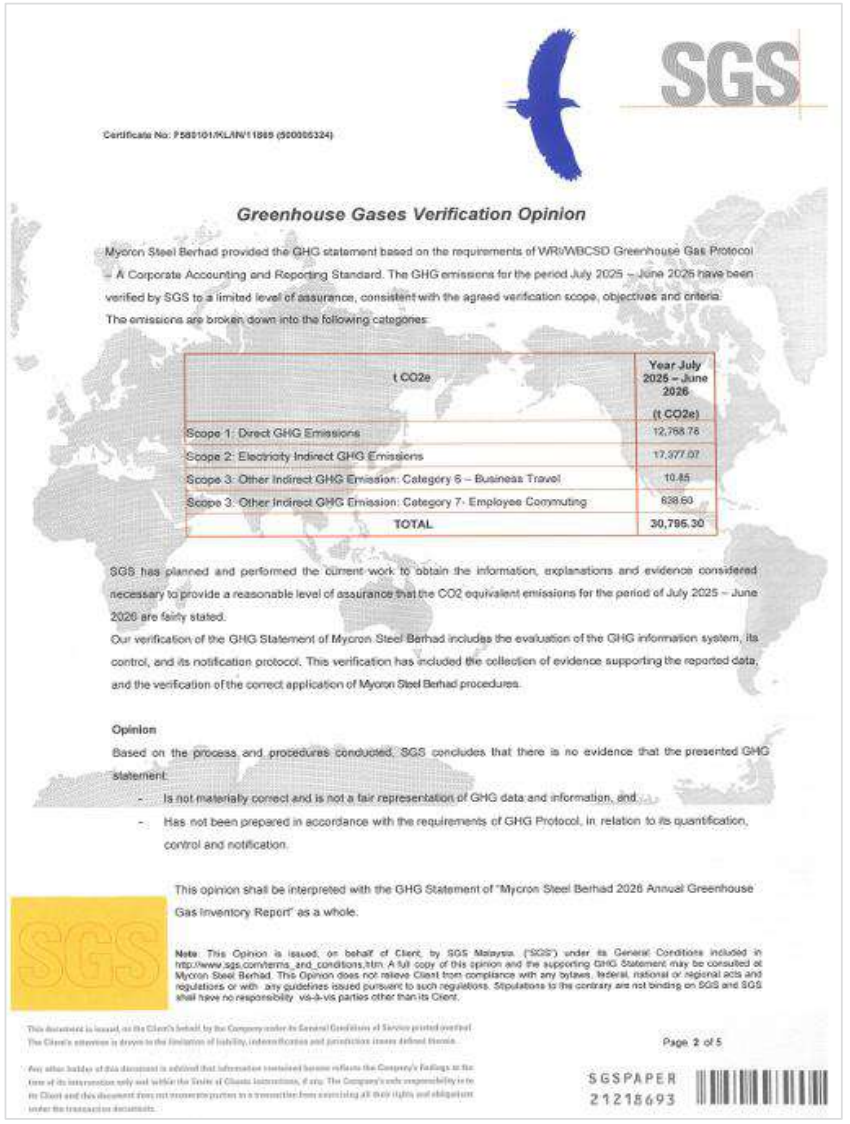
SGS (Malaysia) Sdn Bhd.
Q7-7, Quayside Tower, Kompleks Perniagaan Garuda,
Persiaran Freesia, Gamuda Kemuning 25.1,
42300 Telok Panglima Garang, Kuala Langat
www.sgs.com.my

This opinion is not valid without the full verification scope, objectives, criteria and conclusion available on pages 3 to 5 of this Opinion

This document is issued, on the Client's behalf, by the Company under its General Conditions of Service printed overleaf. The Client's attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.

Any other holder of this document is advised that information contained hereon reflects the Company's findings at the time of its intervention only and within the limits of Client instructions, if any. The Company's sole responsibility is to its Client and this document does not exonerate parties to a transaction from exercising all their rights and obligations under the transaction documents.

SGSPAPER 21218692



Certificate No: FS80101/KL/IN11869 (S00005324)

SGS

Greenhouse Gases Verification Opinion

Mycron Steel Berhad provided the GHG statement based on the requirements of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard. The GHG emissions for the period July 2025 – June 2026 have been verified by SGS to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria.
The emissions are broken down into the following categories:

t CO2e	Year July 2025 – June 2026 (t CO2e)
Scope 1: Direct GHG Emissions	12,768.78
Scope 2: Electricity Indirect GHG Emissions	17,377.07
Scope 3: Other Indirect GHG Emission: Category 6 – Business Travel	10.85
Scope 3: Other Indirect GHG Emission: Category 7- Employee Commuting	638.60
TOTAL	**30,795.30**

SGS has planned and performed the current work to obtain the information, explanations and evidence considered necessary to provide a reasonable level of assurance that the CO2 equivalent emissions for the period of July 2025 – June 2026 are fairly stated.
Our verification of the GHG Statement of Mycron Steel Berhad includes the evaluation of the GHG information system, its control, and its notification protocol. This verification has included the collection of evidence supporting the reported data, and the verification of the correct application of Mycron Steel Berhad procedures.

Opinion

Based on the process and procedures conducted, SGS concludes that there is no evidence that the presented GHG statement:

- Is not materially correct and is not a fair representation of GHG data and information, and
- Has not been prepared in accordance with the requirements of GHG Protocol, in relation to its quantification, control and notification.

This opinion shall be interpreted with the GHG Statement of "Mycron Steel Berhad 2026 Annual Greenhouse Gas Inventory Report" as a whole.

Note: This Opinion is issued, on behalf of Client, by SGS Malaysia, ("SGS") under its General Conditions included in http://www.sgs.com/terms_and_conditions.htm. A full copy of this opinion and the supporting GHG Statement may be consulted at Mycron Steel Berhad. This Opinion does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

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SGSPAPER 21218693

GHG VERIFICATION STATEMENT

SGS

Schedule Accompanying Greenhouse Gas Verification Opinion

SGS has been contracted by Mycron Steel Berhad for the verification of direct and indirect carbon dioxide (CO_2) equivalent emissions as provided by Mycron Steel Berhad in their GHG statement "Mycron Steel Berhad 2026 Annual Greenhouse Gas Inventory Report" covering the period 01/07/2025 – 31/06/2026 and considering the period of July 2017 – June 2018 as the base year.

Responsibilities

The Senior QMS of Mycron Steel Berhad is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS responsibility to express an independent GHG verification opinion on the GHG emissions as provided in their GHG Statement for the period 01/07/2025 – 31/06/2026.

SGS conducted a third-party verification following the requirements of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard and ISO 14064-3:2019 of the provided GHG Statement "Mycron Steel Berhad 2026 Annual Greenhouse Gas Inventory Report" for the period 01/07/2025 – 31/06/2026.

Inherent Limitations

Specific inherent limitations relevant to the engagement include the use of estimates, assumptions and employee-provided activity data in the calculation of GHG emissions. In particular, there is a risk that inaccurate employee commuting mileage or commuting frequency, emission factors that are not updated, used in GHG emissions. Such limitations and uncertainties may result in the reported GHG emissions being overstated or understated compared with the actual emissions.

The Scope 2 Electricity Indirect GHG Emission were calculated by using the emission factor for year 2017 of 2017 CDM Electricity Baseline for Malaysia instead of latest emission factor published by Energy Commission 2024 applicable to the reporting period which may affect the comparability of the resulting emissions that is used for similar reporting purposes.

Level of Assurance

The level of assurance agreed for the assignment is a Limited level of assurance.

SGS

Scope

Mycron Steel Berhad has commissioned an independent verification by SGS of reported CO2 equivalent emissions arising from their activities, to establish conformance with the requirements of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard in their facilities located in Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor.

The reporting boundaries have been:

Scope 1: Direct GHG emissions:
- Direct emission from stationary combustion
- Direct emission from mobile combustion

Scope 2: Electricity Indirect GHG Emission

Scope 3: Indirect GHG emission from transportation
- Employee commuting
- Business travel

The organizational boundaries were established following the **operational** control approach.

This engagement covers verification of emissions and removals of greenhouse gases included within the organization's boundaries and meets the requirements of ISO 14064-3:2019.

- **Title and description of activities**: Verification of the GHG statement for Mycron Steel Berhad
- **Location of the activities**: Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam, Selangor
- **Activities of the organization:** Manufacturing of Cold Rolled Coil (CRC) steel sheets, steel tubes and pipes and trading of steel related products.
- **Types of GHGs included**: CO_2, CH_4, and N_2O
- **The verification period**: 01/07/2025 – 31/06/2026

GHG VERIFICATION STATEMENT

Certificate No: FS80501/KL/IN/11859 (S00005324)

SGS

Objectives

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the CO2 equivalent emissions are as declared by the organization's GHG Statement.
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission.
- Whether the inventory system complies with the criteria and scope established in the of WRI/WBCSD Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard

Criteria

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-3:2019.

Materiality

The materiality required of the verification was considered by SGS to be below 10 %.

Mohd Shahirosnaim bin Shaharman

Lead Verifier

SGS Malaysia Sdn. Bhd.

Note: This Opinion is issued, on behalf of Client, by SGS Malaysia ("SGS") under its General Conditions included in http://www.sgs.com/terms_and_conditions.htm. A full copy of this opinion and the supporting GHG Statement may be consulted at Mycron Steel Berhad. This Opinion does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

This Opinion is not valid without the full verification scope, objectives, criteria and conclusion available included in the schedule

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BURSA PRESCRIBED TABLE

MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14_11:36:45
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Corporate Governance and Business Ethics	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Management	%	100	100	100	No assurance
Corporate Governance and Business Ethics	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Executive	%	100	100	100	No assurance
Corporate Governance and Business Ethics	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	%	100	100	100	No assurance
Corporate Governance and Business Ethics	Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	%	100	100	100	No assurance
Corporate Governance and Business Ethics	Bursa C1 (b) Percentage of operations assessed for corruption-related risks	%	100	100	100	No assurance
Corporate Governance and Business Ethics	Bursa C1 (c) Confirmed incidents of corruption and actions taken	Number	0	0	0	No assurance
Data Privacy and Cybersecurity	Bursa C6 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	No assurance
Responsible Supply Chain Management	Bursa C7 (a) Proportion of spending on local suppliers	%	88.89	88.04	> 70	No assurance
Climate Change and Energy Management	Bursa C4 (a) Total energy consumption	MWh	92,726	103,691	-	No assurance

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BURSA PRESCRIBED TABLE

MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-15J9:33:46
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Climate Change and Energy Management	Bursa C7 (a) Total energy consumption	GJ	333,821	334,008	-	External Limited
Water Stewardship	Bursa C9 (a) Total volume of water used	ML	12162	93.87	-	External Limited
Circular Economy & Waste Management	Bursa C10 (a) Total waste generated	MT	13150	18,546	-	External Limited
Circular Economy & Waste Management	Bursa C10 (a)(i) Total waste diverted from disposal	MT	12,975	18,385	-	External Limited
Circular Economy & Waste Management	Bursa C10 (a)(ii) Total waste directed from disposal	MT	175	181	-	External Limited
Circular Economy & Waste Management	Percentage of waste disposal to refuse or landfills over total waste generated	%	1.01	0.87	Maintain a total waste directed rate below 2% through FY2029	No assurance
Circular Economy & Waste Management	Total waste generated per tonne of output	kg/tonne	5791	8302	Achieve waste generation intensity of < 70 kg/tonne by FY2026	No assurance
Climate Change and Energy Management	Bursa C11 (a) Scope 1 GHG emissions	Metric tonnes of carbon dioxide equivalents (tCO2e)	11,574	12,769	-	External Limited
Climate Change and Energy Management	Bursa C11 (b) Scope 2 GHG emissions	Metric tonnes of carbon dioxide equivalents (tCO2e)	14,234	12377	-	External Limited
Climate Change and Energy Management	Bursa C11 (c) Scope 3 GHG emissions (for Category 6: Business travel and Category 7: Employee commuting)	Metric tonnes of carbon dioxide equivalents (tCO2e)	* 469.22	649.45	-	External Limited
Footnote 2025	FY2025 Scope 3 GHG emissions have been restated following the correction of distance data used in the emissions calculation.					
Climate Change and Energy Management	Total Scope 1 and Scope 2 emissions per tonne of output	kg/tonne	114	107	Achieve a Scope 1 and Scope 2 total emissions intensity of < 110 kg/tonne	No assurance
Occupational Health and Safety	Bursa C5 (a) Number of work-related fatalities	Number	0	1	Zero work-related fatalities	No assurance

MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14J1:36:45
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Occupational Health and Safety	Bursa C5 (b) Lost time incident rate ("LTIR")	Rate	1.24	1.75	Maintain our LTIR < 2.1T by FY2026	No assurance
Occupational Health and Safety	Bursa C5 (c) Number of employees trained on health and safety standards	Number	285	330	-	No assurance
Employee Engagement and Well-being	Bursa C5 (a) Total hours of training by employee category - Management	Hours	992	1,008	-	No assurance
Employee Engagement and Well-being	Bursa C5 (a) Total hours of training by employee category - Executive	Hours	2,247	1,614	-	No assurance
Employee Engagement and Well-being	Bursa C5 (a) Total hours of training by employee category - Non-executive	Hours	1,400	1,158	-	No assurance
Employee Engagement and Well-being	Bursa C5 (a) Total hours of training by employee category - General Workers	Hours	1,282	1,296	-	No assurance
Human Rights and Labour Standards	Bursa C5 (b) Percentage of employees that are that are contractors or temporary staff	%	19.27	1817	-	No assurance
Human Rights and Labour Standards	Bursa C5 (c) Total number of employee turnover by employee category - Management	Number	6	8	-	No assurance
Human Rights and Labour Standards	Bursa C5 (c) Total number of employee turnover by employee category - Executive	Number	8	15	-	No assurance
Human Rights and Labour Standards	Bursa C5 (c) Total number of employee turnover by employee category - Non-executive	Number	8	25	-	No assurance

BURSA PRESCRIBED TABLE

MYCRON STEEL BHD
BMLR Transition Period
Date & Time: 2026-10-14T1:36:45
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Human Rights and Labour Standards	Bursa C6 (c) Total number of employee turnover by employee category - General Workers	Number	35	22	-	No assurance
Human Rights and Labour Standards	Bursa C6 (g) Number of substantiated complaints concerning human rights violation	Number	0	0	Zero	No assurance
Responsible Supply Chain Management	Percentage of suppliers subjected to ESG impact assessment (applies to only key suppliers with transaction value > RM500/year)	%	96.77	100	100%	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Management (Male)	%	65	62	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Management (Female)	%	35	38	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (Male)	%	58	65	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (Female)	%	42	35	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (Male)	%	79	79	-	No assurance

MYCRON STEEL BHD
BMLR Transition Period
Date & Time: 2026-10-14T1:36:45
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (Female)	%	21	21	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - General Workers (Male)	%	98	99	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - General Workers (Female)	%	2	1	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Top Management (< 30)	%	0	0	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Top Management (30 - 50)	%	40	25	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Top Management (> 50)	%	60	75	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Middle Management (< 30)	%	2	0	-	No assurance

BURSA PRESCRIBED TABLE



MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14_11:36:45
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Middle Management (30 - 50)	%	62	60	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Middle Management (> 50)	%	36	34	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (< 30)	%	33	29	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (30 - 50)	%	47	54	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Executive (> 50)	%	20	17	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (< 30)	%	34	34	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (30 - 50)	%	45	48	-	No assurance

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MYCRON STEEL BHD
BMLR Transition Period

Date & Time: 2026-10-14_11:36:45
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Employee Engagement and Well-Being	Bursa C3 (a) Percentage of employees by gender and age group, for each employee category - Non-Executive (> 50)	%	21	18	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (b) Percentage of directors by gender and age group (Male)	%	875	875	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (b) Percentage of directors by gender and age group (Female)	%	12.5	12.5	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (b) Percentage of directors by gender and age group (40 - 50)	%	0	12.5	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (b) Percentage of directors by gender and age group (51 - 60)	%	25	12.5	-	No assurance
Employee Engagement and Well-Being	Bursa C3 (b) Percentage of directors by gender and age group (> 60)	%	75	75	-	No assurance
Community Engagement	Bursa C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	31,232	73,170	-	No assurance
Community Engagement	Bursa C2 (b) Total number of beneficiaries of the investment in communities	Number	3,218	2,197	-	No assurance

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	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-IS-110a.2	
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NO_x (excluding N_2O), (3) SO_x, (4) particulate matter (PM_{10}), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	EM-IS-120a.1	Pollution and Effluent Management, pages 60 – 65
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	EM-IS-130a.1	Energy Management, pages 50 – 51
	(1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas and (4) percentage renewable	EM-IS-130a.2	
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-IS-140a.1	Water Stewardship, pages 52 – 54
Waste Management	(1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled	EM-IS-150a.1	Circular Economy and Waste Management, pages 56 – 59
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	EM-IS-320a.1	Occupational Health and Safety, pages 68 – 74
Supply Chain Management	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	EM-IS-430a.1	Responsible Supply Chain Management, pages 102 – 203