PART 2

MYCRON STEEL BERHAD

Advancing Steel.
Sustaining Tomorrow.



Sustainability Report FY2026

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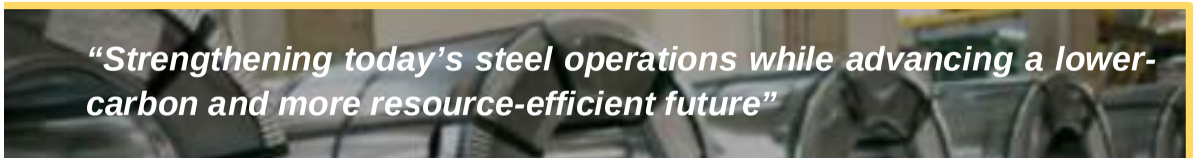
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Who We Are

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.



"Strengthening today's steel operations while advancing a lower-carbon and more resource-efficient future"

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

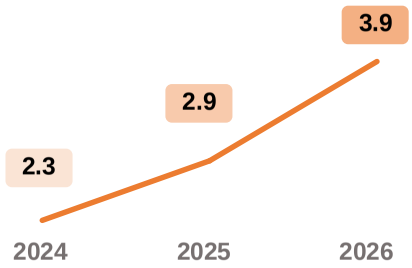
FTSE4Good

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

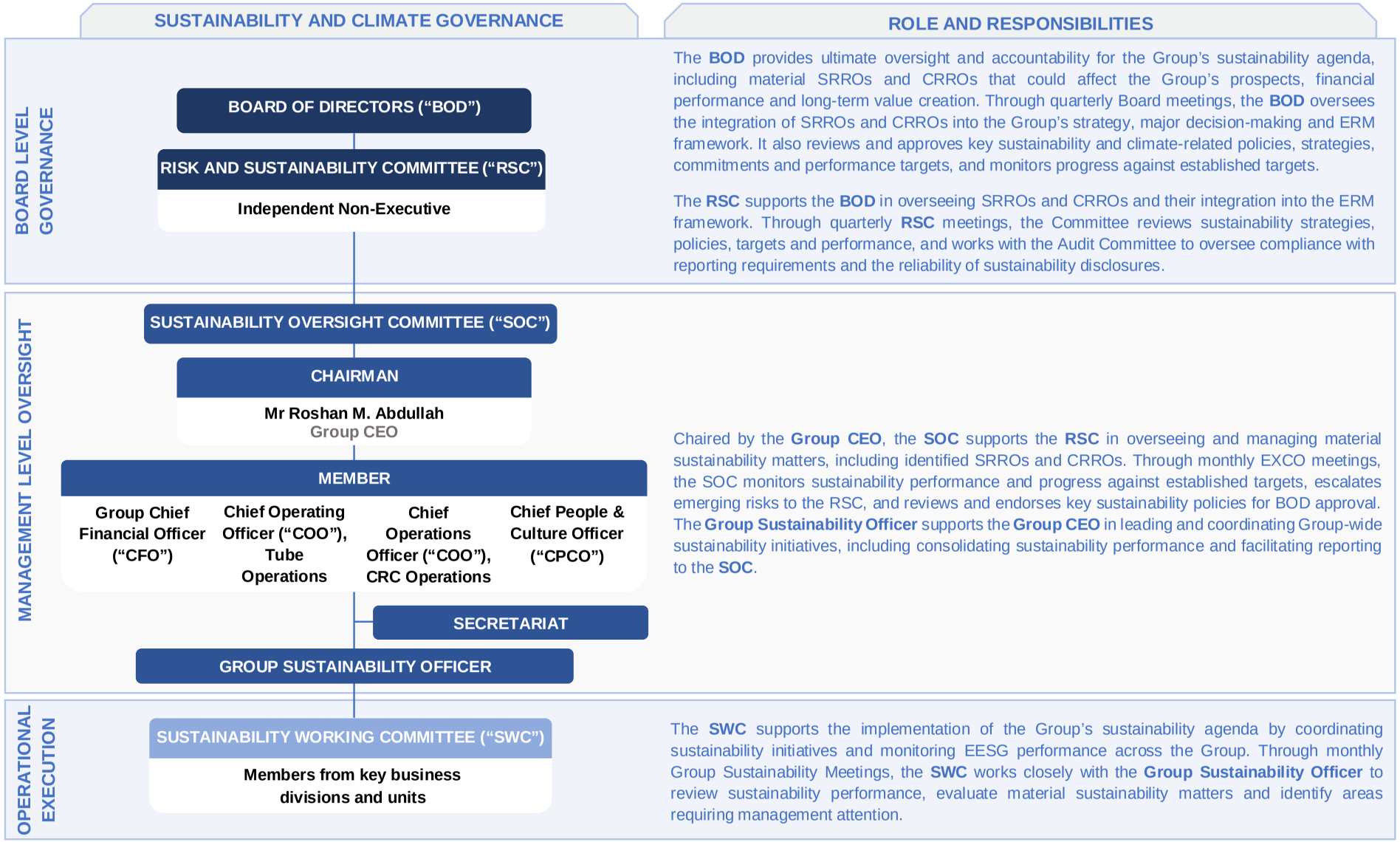
- Awarded the NEA 2024 award for Large Industry category
- Collaborated with Universiti Teknologi Malaysia ("UTM") for the development of the GHG Accounting System
- Signed a MoU with JFE Steel for supplying green steel products
- Launched the Supplier ESG Assessment Programme, prioritising Tier 1 suppliers
- 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.

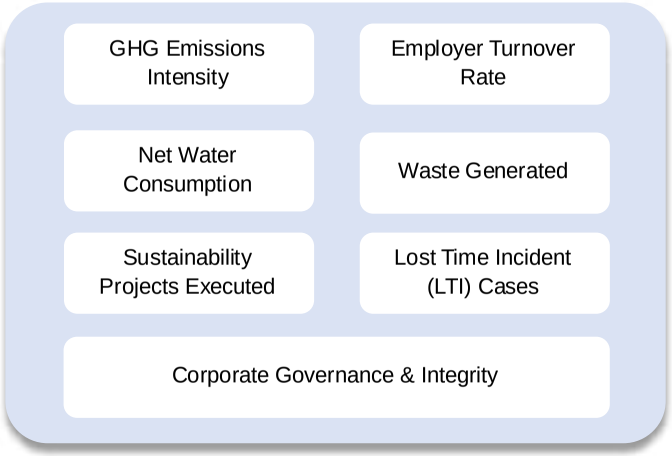


Building Competencies

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 | O 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.

1 Identification

SRROs were identified through a systematic benchmarking approach with internal and external sources: -

- Existing risk register
- SASB disclosure topics
- Industry best practices
- Globally recognised frameworks and ratings: World Steel Association and FTSE Russell
- IFRS S1 and S2

These inputs then resulted into the 15 identified material issues.

2 Prioritisation

A qualitative, judgement-based assessment was conducted through structured interview sessions with key internal stakeholders to determine the financial materiality of each sustainability matter.

Each matter was assigned a financial impact score and relevant time horizon, considering its potential effects on revenue, operating costs, profitability, business continuity, regulatory compliance, and enterprise value.

3 Validation

The assessment results and materiality scores were reviewed and validated by the SWC to ensure they appropriately reflected the Group's operations, strategic priorities, and stakeholder considerations.

The validated results were subsequently used to determine the relative priority of each material matter and plotted on the materiality matrix.

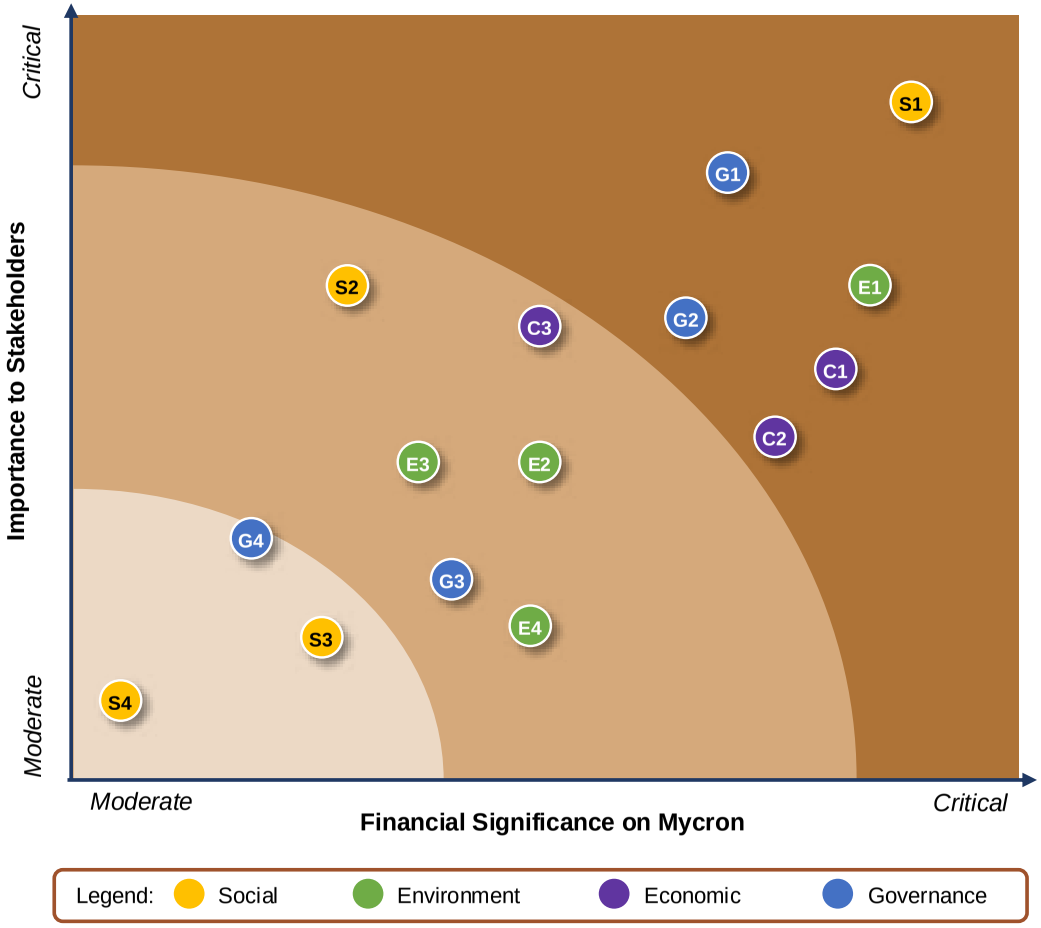
4 Approval

The materiality matrix was presented to the GCEO and the BOD for approval.

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



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°C 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





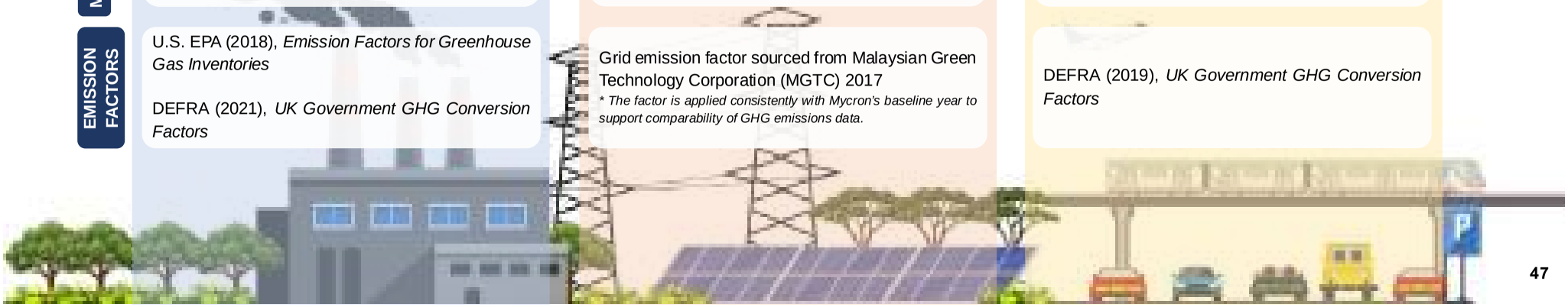
CLIMATE CHANGE AND ENERGY MANAGEMENT

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

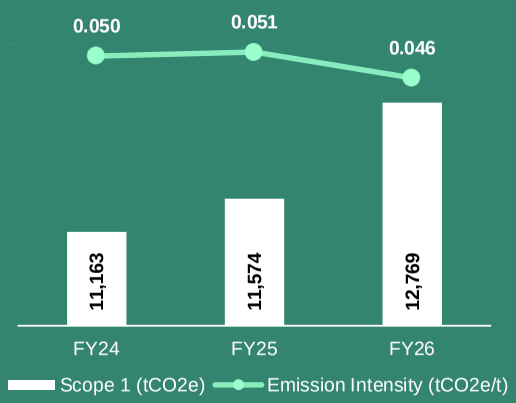
Our GHG Emissions Performance

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.

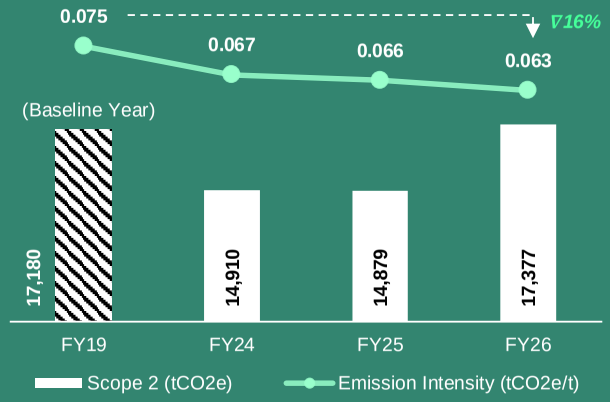
Despite the increase in absolute emissions, overall emissions intensity reduced by 6%, from 0.114 tCO_2e/tonne to 0.107 tCO_2e/tonne, meeting our target of 0.110 tCO_2e/tonne. The improvement was supported by enhanced operational efficiency and process optimisation, particularly in the Batch Annealing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

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

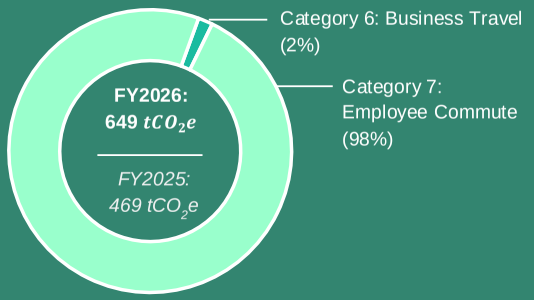
SCOPE 1 GHG EMISSIONS & INTENSITY



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



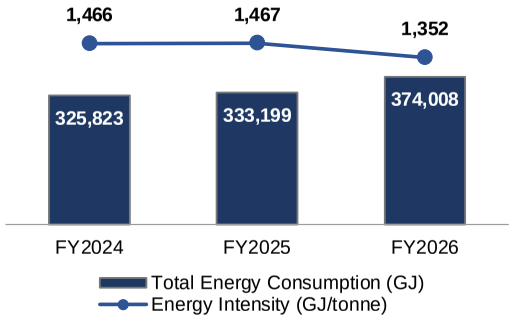
Both entities are subject to the applicable requirements of the Energy Efficiency and Conservation Act ("EECA") 2024 as energy consumers exceeding the prescribed annual energy consumption threshold of 21,600 GJ. Registered Energy Managers ("REM") Type 2 are appointed at each subsidiary to oversee energy 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.

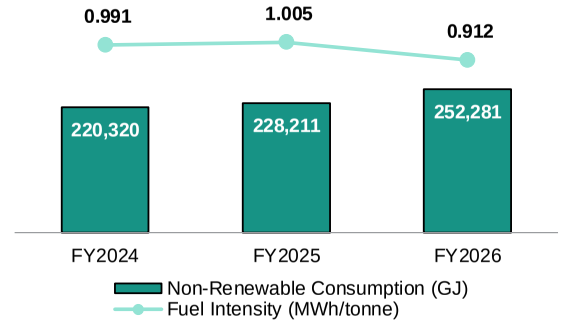
Our Energy Performance

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

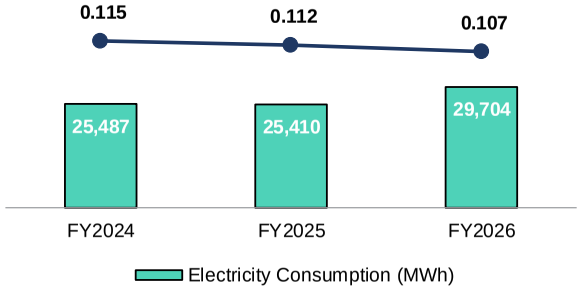
ENERGY INTENSITY (GJ/TONNE)



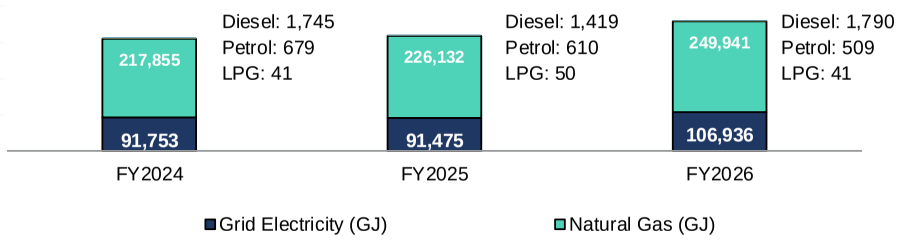
FUEL INTENSITY (GJ/TONNE)



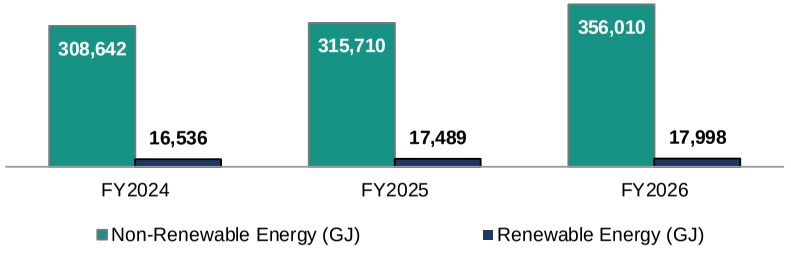
TOTAL ELECTRICITY CONSUMPTION & INTENSITY



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.

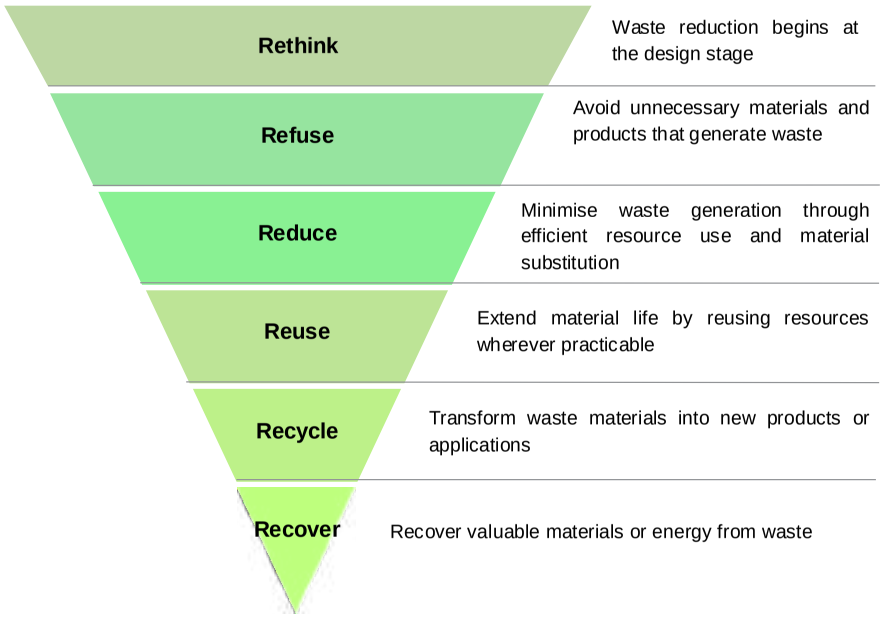
CIRCULAR ECONOMY & WASTE MANAGEMENT

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.

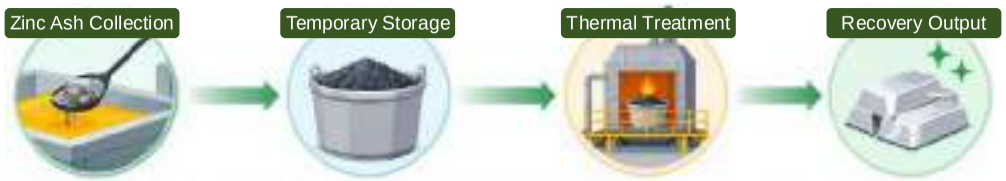
Moving Forward

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

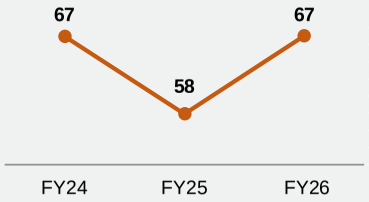


The Group continues to implement a Take-Back Programme where used chemical drums are returned to suppliers for reuse, extending the useful life of industrial containers and reducing waste directed to disposal. This initiative promotes resource efficiency and supports circularity across the supply chain.

CIRCULAR ECONOMY & WASTE MANAGEMENT

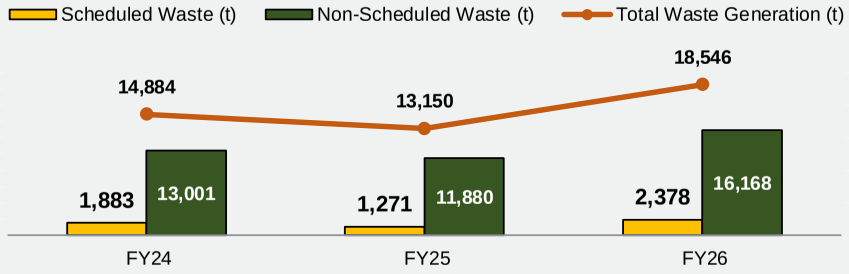
Our Waste Performance

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.

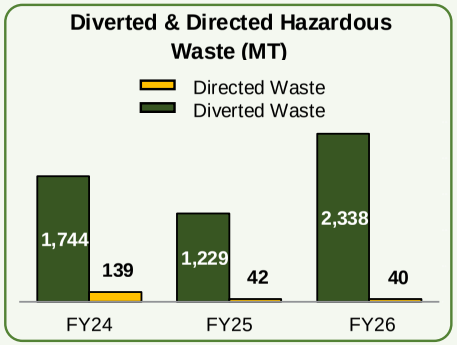
Recycled Waste (MT)

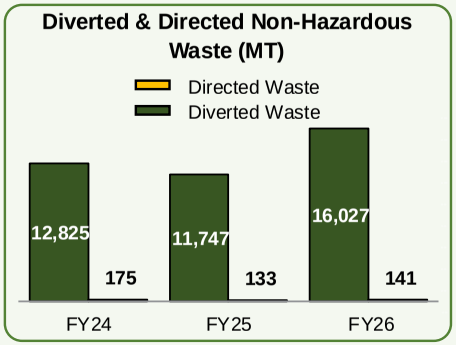
Scrap Metal	Iron Oxide	Boxes	Paper
15,369 tonnes	**650** tonnes	**4** tonnes	**4** tonnes

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



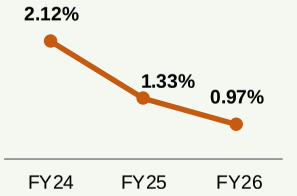


Type of Disposal Operation	Hazardous Waste (MT)			Non-Hazardous Waste (MT)		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Incineration	0	0	0	0	0	0
Secured landfill	139	42	40	175	133	141
Other disposal methods	0	0	0	0	0	0
Total Directed Waste	**139**	**42**	**40**	**175**	**133**	**141**
Type of Recovery 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.

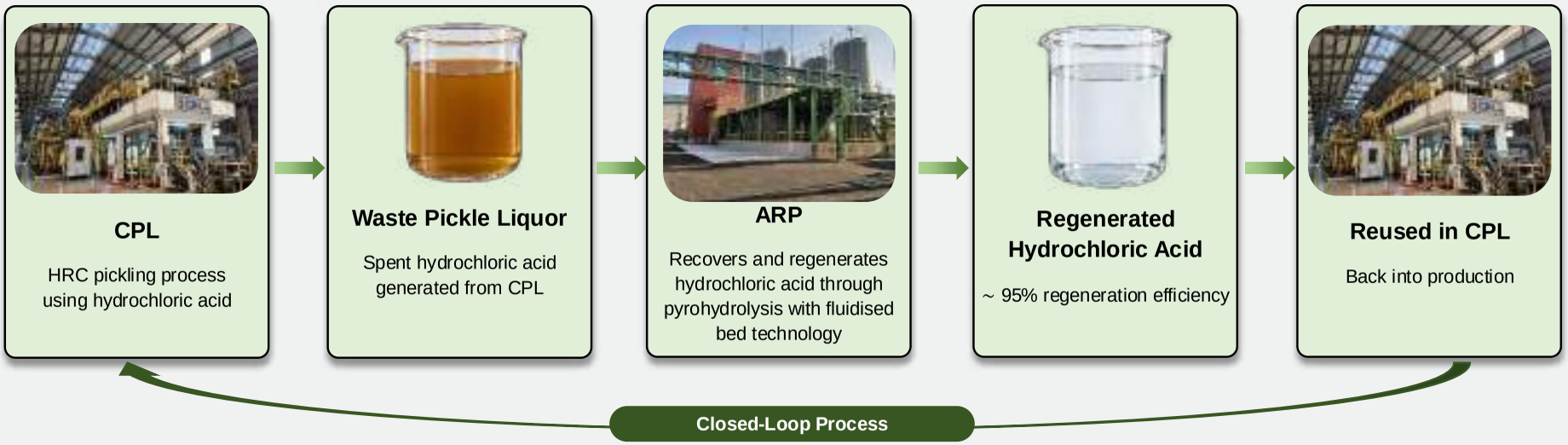
POLLUTION & EFFLUENT MANAGEMENT

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.

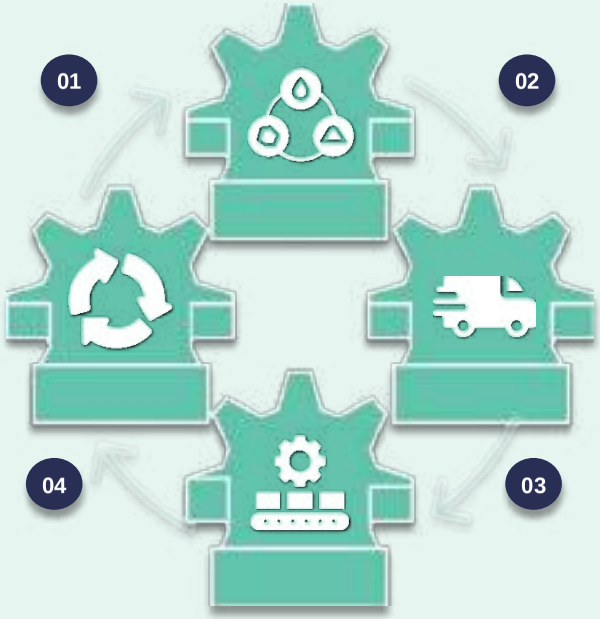
PRODUCTS ASSESSED

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**

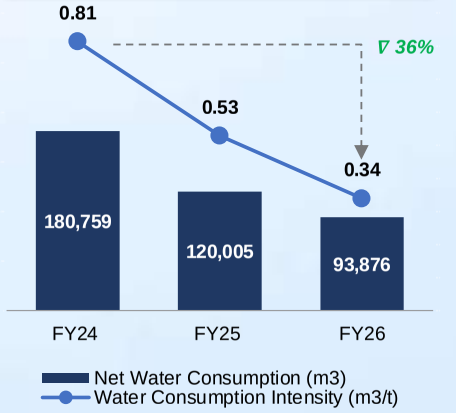
Zero incidents of non-compliance with water quality, quantity permits, standards, and regulatory requirements

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.

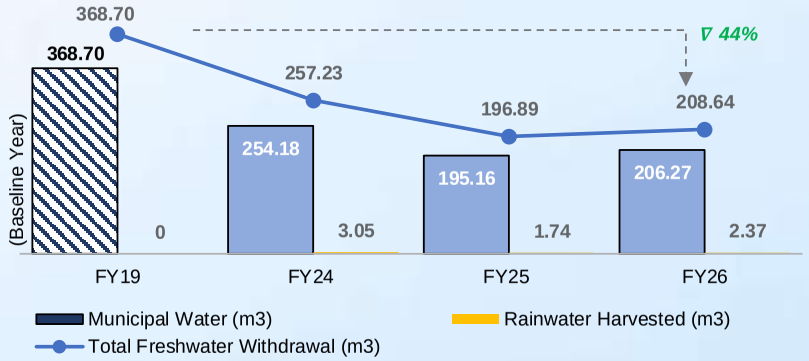
In FY2026, Mycron recorded total wastewater discharge of 114,763 m^3, an increase from FY2025, primarily attributable to higher production activity during the reporting year.

Net Water Consumption Intensity (m^3/tonne)

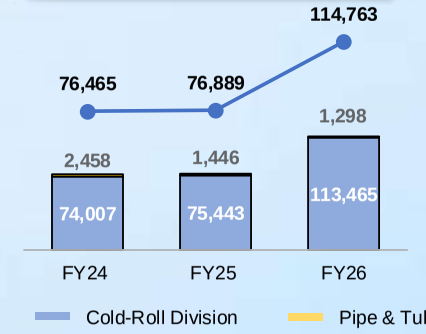


[1] FY2025 data has been restated to account for the latest calculation methodology
[2] The net water consumption intensity is calculated by summing up the total freshwater withdrawn minus off with the discharged water divide by production tonnage

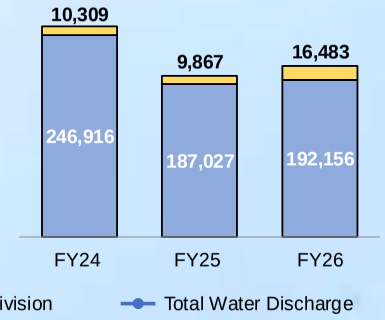
Freshwater Withdrawal by Source (Megalitres)



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.