

SUSTAINABILITY REPORT

ENVIRONMENTAL (Cont'd)

2025 Energy and GHG Performance (Cont'd)

GHG Footprint (Cont'd)

A summary of our emissions profile is as follows:

GHG Emissions	Unit	FY2025	FY2024 ⁽⁶⁾	FY2023
Direct Emissions (Scope 1) ⁽¹⁾	tCO ₂	233	59	55
Indirect Emissions (Scope 2) ⁽²⁾	tCO ₂	11,962	12,445	9,861
Total Scope 1 & 2 Emissions	tCO ₂	12,195	12,504	9,916
Business Air Travel (Scope 3) ⁽³⁾	tCO ₂	1,135	1,106	901
Employee Commuting (Scope 3) ⁽⁴⁾	tCO ₂	3,850	3,703	-
Total Scope 3 Emissions	tCO ₂	4,985	4,809	901
GHG Emissions Intensity Ratio ⁽⁵⁾				
Revenue	RM' million	771	752	659
Scope 1	tCO ₂ /Revenue	0.30	0.08	0.08
Scope 2	tCO ₂ /Revenue	15.51	16.55	14.97
Scope 3	tCO ₂ /Revenue	6.47	6.39	1.37

⁽¹⁾ Scope 1 emissions are calculated based on reported fuel consumption data (including diesel and natural gas, where applicable) and converted into CO₂ emissions using country-specific emission factors obtained from the following sources:

Malaysia – Malaysian Green Technology Corporation
 United States – U.S. Environmental Protection Agency
 Ireland – Sustainable Energy Authority of Ireland
 Slovakia – Ministry of Environment of the Slovak Republic (Petrol and Diesel) and SPP – distribúcia, a.s.(Natural Gas)

⁽²⁾ Scope 2 emissions are calculated based on reported electricity consumption data (in kWh) and converted into CO₂ emissions using country-specific grid emission factors obtained from the following sources:

Malaysia – Malaysian Green Technology Corporation
 United States – U.S. Environmental Protection Agency
 Ireland – Sustainable Energy Authority of Ireland
 Singapore – Energy Market Authority
 Slovakia – Slovenské elektrárne, the electricity supplier to the Group's Slovakia entity (Market Based - 100% purchased of RECs).

⁽³⁾ Scope 3 emissions from business air travel are limited to emissions arising from employee business-related air travel. The Group initiated the collection of Scope 3 business air travel data in FY2023, covering Malaysia and progressively expanding to Slovakia, Ireland, the United States and Singapore in FY2025. Emissions are calculated using the International Air Transport Association (IATA) simplified version of the IATA CO₂ Connect carbon footprint calculator, based on flight distance and class of travel.

⁽⁴⁾ Scope 3 emissions from employee commuting were first collected in FY2024. Emissions data were gathered through an employee survey, in which employees estimated their fuel consumption for commuting between their homes and primary workplaces, based on a five-day working week. For Slovakia, they had done a survey at the beginning of FY2025. The survey achieved an approximate 46% (Malaysia) and 40% (Slovakia) response rate. In FY2025, employee commuting emissions primarily relate to operations in Malaysia and Slovakia, based on available survey data. Emissions for FY2025 were calculated using the same methodology, assumptions, and emission factors applied in FY2024, with adjustments made solely to reflect changes in total employee headcount.

⁽⁵⁾ Our GHG intensity ratio is calculated by dividing total GHG emissions (in metric tonnes of CO₂ equivalent) by revenue (in RM million), providing an indicator of emissions efficiency relative to the Group's financial performance.

⁽⁶⁾ We have refined our Scope 2 calculation methodology to accurately capture the full benefit of our RE initiatives. Consequently, our emissions data has been restated to exclude zero-emission solar electricity, revealing that our actual carbon footprint is lower than previously reported.

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Scope 1 emissions rose from 59 tCO₂ to 233 tCO₂, a nearly four-fold increase. This is primarily attributed to:

- the inclusion of natural gas for heating and facility operations in Slovakia, Ireland, and the US.
- an increase in mobile combustion (diesel/petrol) to support heightened logistical activities across the Group's expanded global footprint.

Despite the addition of international subsidiaries, Scope 2 emissions decreased by 3.9% from 12,445 tCO₂ to 11,962 tCO₂. This suggests a successful implementation of energy-saving initiatives in our primary manufacturing hubs and a potential shift toward a lower-carbon energy mix in our overseas grids. This decrease was the primary driver in reducing our combined Scope 1 & Scope 2 total from 12,504 tCO₂ to 12,195 tCO₂.

Scope 3 emissions remained relatively stable with a marginal increase of 3.7%, rising to 4,985 tCO₂ given the rapid expansion of our international presence. This reflects our successful "managed growth" strategy which prioritises regionalised project management to minimise unnecessary long-haul travel.

Scope 1 & 2 Mitigation Strategies

We prioritise the transition to low-carbon technologies and energy efficiency:

- **On-Site RE Generation**

Greatch continues to advance its RE strategy to reduce carbon emissions and support operational sustainability. In 2025, the Group utilised approximately 1.34 million kWh of RE, delivering an estimated 1,043 tCO₂ savings. This was supported by 1.61 million kWh generated from on-site solar installations of one of our Malaysia facilities, demonstrating the tangible impact of our energy transition efforts.

As part of the Group's climate transition strategy, we integrate solar PV feasibility into all facility expansion projects to preserve optionality for RE adoption and maintain strategic flexibility to accelerate emissions reductions as regulatory and commercial conditions evolve.



- **Fleet Electrification**

The Group is phasing out internal combustion engine ("ICE") forklift in favour of battery-operated models progressively. In 2025, 77% of the Group's material handling fleet was electric, supporting the decarbonisation of our logistics operations and aligning with the Group's broader RE transition strategy.

- **Vehicle Efficiency**

Our corporate vehicle policy prioritises hybrid and electric vehicles ("EVs"). For remaining ICE assets, we enforce strict maintenance schedules and efficient driving protocols to minimise fuel consumption.

- **Scope 2 Reduction**

As Scope 2 emissions are the Group's primary emissions source, we focus on reducing electricity consumption through aggressive energy efficiency programmes and the continued scaling of RE sourcing across our manufacturing facilities.

Following our 100% LED conversion in 2024, we are optimising high-impact systems and behavioural decarbonisation to drive sustained reductions in energy intensity.

Ventilation Air Conditioning ("VAC") Set Point Management: Standardised thermal settings across all facilities in Malaysia to optimise cooling efficiency, our largest energy contributor.

Compressed Air Governance: Deployed inverter-driven compressors with leak-prevention maintenance and mandatory shutdown protocols during non-operational hours.

Smart Automation: Integrated building-design features (e.g. double-glazed insulation) combined with automated controls such as motion sensors and programmable timers to eliminate energy loss.

Knowledge Sharing: Regular awareness sessions to disseminate energy-saving best practices.

- **Scope 3 Progress**

In 2025, the Group maintained its established approach to identifying and calculating Scope 3 GHG, with continued focus on business travel and employee commuting at its Malaysia operations (GHG Protocol Categories 6 and 7).

Category 6 (Business Travel) emissions were assessed across all Group subsidiaries, reflecting the Group's global travel activities.

Category 7 (Employee Commuting) emissions were quantified for Malaysia and Slovakia, where relevant data was available during the reporting period.

The Group will continue to monitor Scope 3 emissions from these subsidiaries and will incorporate them into future Scope 3 disclosures should such emissions are assessed to be material.