

SUSTAINABILITY REPORT

ENVIRONMENTAL (Cont'd)

Climate-Related Disclosures (IFRS S2) (Cont'd)

First-time Adoption and Transition Reliefs

In this reporting cycle, Greatech has adopted IFRS for the first time in its sustainability report for the year ended 31 December 2025 utilising the additional transition reliefs ("ATRs") provided by the ISSB and endorsed under the NSRF to establish reporting foundation:

- **IFRS S2 Focus:** We have focused exclusively on climate-related financial disclosures under IFRS S2. Full IFRS S1 disclosure (for other sustainability topics) will be integrated in 2027.
- **Comparative Information Relief:** As permitted during the first year of adoption under the NSRF, we have omitted comparative sustainability information to focus on establishing a high-quality baseline for 2025.
- **Value Chain & Scope 3 Transition:** We are currently strengthening our value chain data collection processes. For 2025, we have utilised the transition relief to prioritise the accuracy of Scope 1 and Scope 2 emissions, while preparing for mandatory Scope 3 disclosures in line with the NSRF roadmap.

This climate report is prepared in accordance with the IFRS S2 Climate-related Disclosure Standard, providing information on CROs that could reasonably be expected to affect Greatech's strategy, financial planning, operations and long-term value creation as at 31 December 2025. It complements our broader sustainability report disclosures, which together provide a comprehensive view of our sustainability performance, governance and strategic response.

Governance

Board governance on climate-related risks and opportunities

The governance structure described in the Sustainability Governance section also applies to climate-related matters. The following disclosures highlight climate-specific oversight and decision-making.

Greatech maintains a strong governance framework to oversee sustainability and environmental, social and governance ("ESG") topics, including climate change. The Board holds primary responsibility for the Group's ERM program, which integrates CROs into corporate strategy and decision-making.

The Board's key responsibilities include:

- Approving climate policies, strategies and transition plans, including endorsing the Group's decarbonisation pathway.
- Reviewing long-term resilience and CROs when guiding corporate strategy and major transactions.
- Ensuring integration of climate considerations into overall business strategy and risk management processes.

To support this mandate, the Board delegates oversight of sustainability and climate-related issues to the ARMC. The ARMC evaluates findings from climate risk assessments, financial implications and provides recommendations to the Board for informed decisions on resource allocation and implementation of climate initiatives.

Accountability is reinforced through the RC, which integrates sustainability performance targets into the executive compensation framework. These targets align management incentives with the Group's emission reduction milestones.

The Board recognises that non-climate sustainability risks may involve trade-offs across ESG priorities. In discharging its oversight responsibilities, the Board, supported by relevant Board Committees and Management, adopts a structured approach to evaluating such trade-offs, taking into consideration the potential financial, operational, regulatory and reputational impacts of each risk. Where competing priorities arise, the Board assesses the short, medium and long-term implications of decisions, guided by the Group's risk management framework, corporate values and stakeholder interests. This includes balancing factors such as cost, operational efficiency, environmental impact, employee well-being and compliance obligations.

Material trade-offs are deliberated at Board and Committee meetings, with input from Management, to ensure that decisions are aligned with the Group's strategic objectives, risk appetite and commitment to sustainable value creation.

In 2025, the Board evaluated the trade-off between the immediate capital expenditure required for the 2.80 MW solar panel installation and the Group's short-term liquidity goals. While the project required significant upfront investment (Financial Trade-off), the Board determined that the long-term benefits, namely energy price resilience (Operational), carbon footprint reduction (Environmental) and alignment with international supply-chain standards (Strategic) outweighed the short-term capital impact. The decision reflects our commitment to balancing immediate fiscal discipline with long-term institutional resilience.

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Governance (Cont'd)

Board governance on climate-related risks and opportunities (Cont'd)

In 2025, the Board and its Committees convened at least four times receiving regular updates on climate-related matters. These deliberations ensure that climate considerations are systematically embedded in governance practices and aligned with Greatech's long-term objectives for sustainable value creation.

Key governance activities in 2025 for the Board and its Committees included:

- reviewing 2024 climate performance i.e. verified final 2024 GHG inventory and approving TCFD report for the 2024 Sustainability Report;
- evaluating the climate-resilience of major capital expenditures i.e. approved the RM6.5 million budget for Phase 2 solar photovoltaic ("PV") installation at Batu Kawan facility 2 ("BK 2") and facility 4 ("BK 4");
- approving and monitoring progress against sustainability-linked Key Performance Indicators ("KPI") to Scope 1 & Scope 2 reduction targets;
- received updates on the CROs assessment for the Malaysia operations; and
- received updates on Internal Audit's report on energy emission controls.

By receiving bi-annual updates from the CFO on key enterprise risks, the Board maintains a dynamic feedback loop that informs the Board's decisions on capital allocation and strategic transactions, ensuring Greatech remains agile in the face of the low-carbon transition.

ARMC

The ARMC serves as the cornerstone of Greatech's climate oversight, supporting the Board in overseeing the identification, assessment and management of CROs and ensuring that these considerations are appropriately integrated into the Group's financial planning and strategic decision-making processes. Operating under a mandate from the Board, the ARMC provides independent oversight and constructive challenge to Management on climate-related matters within the Group's ERM framework.

The effectiveness of the ARMC is strengthened by the diverse backgrounds of its members, who collectively bring legal, financial and industrial domain expertise. This multidisciplinary perspective enables climate-related strategic options to be evaluated through a balanced, enterprise-wide lens, supporting informed decision-making and long-term value creation.

The ARMC is responsible for reviewing and challenging the processes used by Management to identify, assess and prioritise both physical and transition risks, including robustness of underlying assumptions, methodologies and controls. The Committee also monitors progress on the Group's decarbonisation initiatives and, where relevant, related risk mitigation measures. In 2025, the ARMC convened four meetings, of which two (2) meetings with agendas relating to climate matters, with 100% attendance by its members.

Management's role

Executive Risk Management Committee ("ERMC")

The ERMC plays a pivotal role in integrating the ERM process within the Group's climate-related activities and initiatives. The ERMC is tasked with the comprehensive review of risk assessments associated with climate initiatives and reporting mitigation plans and procedures to both the ARMC and the Board.

The ERMC comprises representatives from key functional areas, senior management and is chaired by the Executive Director. The committee convenes bi-annually to evaluate the current risk landscape and submits a Risk Report to the ARMC, which in turn updates the Board on any material changes to the Group's risk profile. The ERMC also steers the ongoing development of the Group's decarbonisation strategy, thereby reducing the Group's exposure to transition risks while minimising its environmental impact.

Sustainability Working Group ("SWG")

Supporting the ARMC is the SWG, an executive-level body chaired by the Chief Executive Officer ("CEO"). The SWG is tasked with the seamless integration of climate-related considerations into the Group's core business strategy. Led operationally by the CFO, the SWG ensures that sustainability is not a standalone function but a cross-departmental discipline. Its key responsibilities include:

- collecting and consolidating sustainability performance data, including climate-related information, for internal reporting and external financial disclosures;
- leading the materiality assessment process to identify and prioritise CROs that impact enterprise value;
- developing and recommending sustainability strategies, policies and frameworks;
- overseeing the day-to-day implementation of the Group's decarbonisation plans and tracking progress against approved metrics and targets; and
- channeling feedback from external stakeholders and leveraging expertise from consultants and public sector groups, such as the Penang Green Council ("PGC"), to refine our climate tactics.

The CFO, appointed by the Board, manages sustainability initiatives, guiding investment planning to prioritise emissions reduction projects based on financial feasibility and environmental impact. It also develops performance measurement systems that embed climate strategies into the Group's daily operations.

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Management's role (Cont'd)

Sustainability Working Group ("SWG") (Cont'd)

To maintain transparency, the CFO provides half yearly updates to the Board and its Committees on the potential financial impacts of CROs on the Group's consolidated financial statements that would provide material information, including targets and progress against non-financial metrics.

The SWG works closely with operational teams through a structured feedback mechanism to monitor and manage CROs, and to drive consistent implementation of the Group's climate strategy across all levels of the organisation with clear accountability.

Board Skills and Competencies for Climate Oversight

Greatech ensures that our leadership remains at the forefront of the global sustainability transition. By combining mandatory compliance with specialised expertise, we maintain a governance structure that is both resilient and forward-looking.

We believe that climate-related financial competence is a prerequisite for effective leadership. Our development program is structured as follows:

- **Board Competency Development:** Since 2024, 100% of our Directors completed the mandatory sustainability training prescribed by Bursa Securities, establishing a baseline in ESG regulatory developments and climate reporting.
- **Management and Organisational Capability:** To move beyond compliance, the Board, senior management and key personnel participate in intensive workshops. These sessions, facilitated by external consultants and Bursa Securities, focus on the technical aspects of climate risk identification (physical and transition), impact assessment, opportunity evaluation and ESG reporting practices under IFRS S2.

The Board maintains an "outside-in" perspective to ensure the Group's strategy remains responsive to external development. This is supported by regular insights from internal team of subject-matter experts, company secretaries and external sustainability consultants on emerging regulatory requirements (including mechanism such as the EU Carbon Border Adjustment Mechanism ("CBAM") and shifting customer expectations in the automation sector, complement by ongoing engagement with investors, regulators and industry peers to benchmark Greatech's practices against leading international standards and reinforce sustainability as a source of long-term competitive advantage.

Climate-related Performance in incentive schemes

Non-financial KPIs form an integral part of the Group's annual bonus framework, ensuring financial performance is achieved in tandem with important non-financial considerations, particularly sustainability and climate-related objectives.

In 2025, climate-related performance objectives were incorporated into the incentive structure of the CPO. These objectives were aligned with the Group's decarbonisation strategy and transition priorities, with a focus on driving the implementation of operational initiatives related to emissions management, energy efficiency and climate resilience, reinforcing accountability at the senior management level for the execution of climate-related actions.

The CPO performance was assessed against defined environmental KPIs, including:

- **Emissions reduction:** progress toward Scope 2 GHG reduction targets;
- **Energy efficient:** improvement in energy intensity, measured as MWh per RM million of revenue; and
- **Strategic execution:** advancement of climate-related initiatives supporting operational resilience and decarbonisation.

Oversight of the incentive framework rests with the Board, supported by the RC and NC. The Board will continue to evaluate the appropriate scope and weighting of climate-related performance metrics within executive remuneration structures, considering material CROs, long-term value creation and the Group's transition objectives.

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Management's role (Cont'd)

Climate-related Performance in incentive schemes (Cont'd)

Beyond senior management, climate-related and broader ESG KPIs are cascaded throughout the organisation via Heads of Departments ("HODs"), ensuring alignment across operational levels. HODs are held accountable for climate-related performance, which is formally assessed through annual performance appraisals and directly linked to remuneration outcomes and career progression.

The details of incentive schemes are presented as follows:

Levels	Performance Evaluation Criteria
Board Level	The Directors undertake annual performance assessments to evaluate its overall effectiveness and identify challenges encountered during the year. Similar collective performance evaluations are also carried out for the Board's Committees, namely the ARMC, the Nominating Committee ("NC") and RC. The outcomes and recommendations arising from these assessments are presented to the Board and form the basis for developing actionable guidelines to strengthen the Board and its Committee effectiveness in a structured and measurable way.
Management Level	The Company conducts annual evaluations of its Chief Executives' performance against pre-determined KPIs which include financial results, delivery of long-term strategic objectives and individual performance aligned with the Group's sustainability commitments. The Chief Executive's salary adjustment and bonus has been determined by his/her key KPI scores and performance results in the reporting year (short term) and by the Company's long-term strategies, including ESG. Climate-related KPIs such as progress on emissions reduction, energy efficiency and decarbonisation initiatives are embedded within the assessment framework and aligned with the Group's growth objectives. These are monitored through measurable indicators linked to the Company's transformation target of increasing onsite renewable energy sources to 25% by 2030. Performance outcomes, together with leadership responsibilities, management development and prevailing economic conditions, directly inform remuneration decisions, reinforcing accountability for both financial and climate objectives.
Employee Level	To strengthen accountability for climate action, Greatech has integrated climate-related performance into its incentive schemes. Annual performance assessments begin with the establishment of Group-wide climate and sustainability goals, which are cascaded into KPI for Key Management Personnel and further aligned across business functions and operating units. These KPIs include GHG emissions reduction, energy efficiency and progress on sustainability initiatives. Performance is monitored throughout the year, with periodic check-ins between employees and supervisors to review progress, identify support needs and ensure alignment with corporate climate goals. Year-end evaluations directly influence remuneration outcomes, linking rewards and recognition to the achievement of both financial and climate-related objectives.

Strategy

Greatech recognises that climate change, manifested through increasingly volatile weather patterns and ecosystem degradation, poses material operational, environmental and social risks. As a key material matter, climate considerations are embedded in the Group's strategic direction to enhance business resilience, support long-term value creation and align with a 1.5°C pathway.

Building on its prior TCFD alignment, Greatech has continued evolving its climate assessment and reporting to comply with IFRS S2, focusing on climate-related disclosures and strengthening baseline data quality, particularly for Scope 1 and Scope 2 while preparing for Scope 3 readiness.

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Strategy (Cont'd)

A. Climate Strategy

The Group's climate strategy focuses on reducing energy consumption and emissions intensity, while maintaining operational continuity across a multi-site footprint.

- i) Emissions Reduction (Scope 1 and Scope 2):
 - Reducing our Scope 1 and Scope 2 GHG emissions through energy efficiency improvements and optimisation of energy-intensive processes;
 - Embedding climate-responsive features into our facility designs to minimise the need for mechanical heating and cooling;
 - Ongoing retrofit program focuses on high-impact amenities such as air-conditioning units and chillers; and
 - Initiatives are integrated into operational planning and capital allocation, aiming to reduce emissions intensity while delivering cost efficiencies.
- ii) Renewable Energy Integration
 - Expanding on-site renewable energy capacity at our facilities; and
 - Approximately 25% of future GHG reductions, in relative to our 2024's emission production, are expected to be achieved through renewable energy deployment, reducing reliance on grid electricity and lowering the Group's carbon footprint.
- iii) Low-Carbon Mobility
 - Gradually transitioning the vehicle fleet to 100% battery-powered vehicles, reducing emissions from mobile combustion sources; and
 - Fleet electrification is aligned with the Group's broader operational and sustainability objectives.

These actions are underpinned by continued investment in data quality, monitoring and reporting capabilities, enabling more informed decision-making and progressive refinement of our emissions reduction initiatives.

B. Value-Chain Focus (Scope 3) & Growth Opportunities

Managing emissions across the value chain remains a critical focus. We are intensifying our efforts to address Scope 3 emissions through:

- Supplier engagement: collaborating with key suppliers to improve emissions data quality and implement shared emissions reduction strategies.
- Customer integration: working with customers to optimise product usage and lifecycle management, ensuring that our sustainable automation solutions minimise total GHG impacts.
- Revenue opportunities: investments in energy-efficient solutions are designed to align with evolving market trends, enabling Greatech to capture new revenue streams as customers prioritise ESG-aligned technology partners.

C. Climate-related risks and opportunities

During this period, we conducted two CROs assessment across our primary reporting entities in Malaysia. To ensure the technical rigour of this assessment, Greatech collaborated with the external sustainability experts to perform a high-level qualitative analysis. We have identified potentially material CROs and the corresponding mitigation and adaptation strategies on our CROs Matrix as below. This study focuses on potential impacts to our operations, supply chain and businesses primarily in Malaysia, considering the complex factors associated with a global transition to a low-carbon economy.

While potential risks exist, the nature of our business does not expose us to material climate-related risks that could significantly impact our financial or strategic objectives. Our assessment categorised climate-related threats into two primary domains: physical risks (direct impacts on our assets and people) and transition risks (market and regulatory shifts) recognised as a key material topic. The analysis identified physical risks (acute impacts from extreme weather events and chronic impacts from long-term climate shifts), potential regulatory and transition market risks and opportunities (policy, regulatory, market and technology changes associated with the low-carbon transition).

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Strategy (Cont'd)

C. Climate-related risks and opportunities (Cont'd)

Physical risks refer to the direct impacts of climate change, which can be either acute or chronic.

- Acute physical risks are short-term, event-driven risks caused by extreme weather and climate-related disasters; whilst
- Chronic risks involve long-term, gradual changes in climate patterns that can affect businesses over time.

We recognise that transition risks and opportunities are more likely to affect our company over the short to medium term than physical risks. Among physical risks, we are more likely to experience some acute, rather than chronic, impacts related to extreme weather during this decade. Long term, all risks and opportunities are expected to grow in likelihood and impact, though in differing ways depending on various possible climate scenarios.

D. Group-wide Response

The following mitigation and adaptation measures are applied at the Group level.

- Governance and planning integration**
 - CROs are embedded into governance, decision-making processes and capital allocation planning.
 - Board oversight is exercised through annual strategy review and regular updates on ESG and climate-related topics.
- Operational resilience and asset protection**
 - Implementation of business continuity, disaster recovery and emergency response plans.
 - Preventive inspection and maintenance programmes to enhance site resilience.
 - Insurance coverage maintained to mitigate potential financial losses arising from asset and property damage.
- Monitoring and preparedness**
 - Ongoing monitoring of weather patterns and emerging risk indicators by management.
 - Engagement with relevant authorities and stakeholders, where appropriate, to support broader adaptation efforts.

- Efficiency, resource optimisation and decarbonisation**
 - Execution of energy efficiency initiatives and operational optimisation measures.
 - Investments in energy-efficient technologies and renewable energy exploration/deployment.
 - Initiatives to minimise waste, optimise water usage and strengthen energy management practices.
- Supply chain and logistics continuity**
 - Multi-sourcing strategies and diversified logistics partnerships to reduce disruption risks.
 - Transparent communication with customers and contingency manpower planning to maintain operational continuity and safeguard personnel.
- Workforce health & safety (heat-related)**
 - Provision of energy-efficient, climate-controlled workspaces and hydration measures to protect employee wellbeing during periods of extreme heat.

Key climate risks, their potential financial impact and corresponding response strategies are summarised as follows:

Physical Risks

The Group has mapped the expected timing of CROs across defined time horizons. Acute physical risks, such as extreme weather events, are assessed as short-term risks due to their immediate operational and financial impacts. Chronic physical risks, including rising temperatures and sea level rise, are expected to materialise over the medium to long term.

Transition risks, such as carbon tax and evolving regulatory requirements, are expected to impact the Group in the short to medium term, while opportunities arising from technological advancements and sustainable products are expected to generate value over the medium to long term. This mapping enables the Group to prioritise mitigation and adaptation strategies aligned with the timing and severity of each risk and opportunity.

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Climate-Related Disclosures (IFRS S2) (Cont'd)

Physical Risks (Cont'd)

Physical Risk	Potential Financial Impact	Adaptation Strategy
<p>Acute: Extreme heat, extreme rainfall flooding</p> <p>Time Horizon: Short-term</p>	<p>Own Operations</p> <ul style="list-style-type: none"> Increased operating costs arising from extreme weather, which may delay or force temporary suspension of business operations; Revenue losses due to operational disruptions, including blocked access routes for employees and logistics, and potential penalty charges for delays in project delivery; Higher capital expenditure required to repair or restore damaged physical assets and infrastructure affected by climate-related events; Reduced asset value and higher insurance costs from weather-related damages, leading to increased premiums and lower market valuations of affected facilities. <p>Upstream: Supply Chain</p> <ul style="list-style-type: none"> Project schedule delay due to shipment disruptions caused by extreme rainfall or floods affecting ports, transportation routes or supplier facilities; Increased contractual and penalty costs arising from delayed project completion linked to disrupted raw material supplies. 	<p>Apply Group-wide response a to f.</p> <p>Risk-specific adaptation measures:</p> <ul style="list-style-type: none"> The Group has 10 manufacturing facilities across Penang, Ireland, Slovakia and North America. Some production activities can be shifted between sites to ensure business continuity. The Group's BK4 facility was constructed on a raised 3-metre platform, exceeding the authority's 2.5-metre requirement, while other BK facilities were similarly elevated to reduce exposure to coastal flooding. Implementation of enhanced drainage systems, floor barriers where necessary and incorporation of flood detention ponds in the design and planning of new projects.
<p>Chronic: Rising average temperatures and rising sea level increased risk of coastal flooding</p> <p>Time Horizon: Medium to Long-term</p>	<p>Own Operations</p> <ul style="list-style-type: none"> Higher energy costs from increased cooling demand to maintain safe working conditions for personnel and equipment; Increased maintenance and potential capital expenditure for HVAC and chiller systems to cope with more frequent and extreme temperature fluctuations; Higher construction and retrofitting expenses to incorporate flood-resilient design features such as elevated foundations, reinforced structures or enhanced drainage systems; Long-term reduction in asset values or increased insurance premiums for facilities exposed to coastal flooding and sea-level rise. 	<p>Apply Group-wide response a to d.</p>

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ENVIRONMENTAL (Cont'd)

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Transition Risks and Opportunities

Transition Risk / Opportunity	Potential Financial Impact	Adaptation Strategy
<p>Policy & Legal Risk – Carbon Tax</p> <p>Time Horizon: Short to Medium-term</p>	<p>Own Operations, Upstream and Downstream</p> <ul style="list-style-type: none"> Increased operating costs from prospective carbon taxes on carbon-intensive raw materials such as iron and steel, as signalled in the government’s FY2024 budget (pending further regulatory details); Higher compliance costs associated with meeting evolving regulatory requirements under the Energy Efficiency and Conservation Act 2024, including investments in more energy-efficient production facilities and related reporting obligations; Potential increase in capital expenditure to retrofit or upgrade existing assets in order to align with stricter emissions and energy performance standards; Risk of margin compression if additional costs cannot be fully passed through to customers; Potential access to government incentives, subsidies or preferential financing schemes for investments in energy efficiency, renewable energy or low-carbon technologies; Competitive advantage through early compliance and adoption of advanced energy-efficient production processes, strengthening market positioning and customer confidence; Long-term cost savings from improved energy efficiency, lower emissions intensity and reduced exposure to future carbon pricing mechanisms. 	<p>Apply Group-wide response a, d and e.</p> <p>Risk-specific adaptation measures:</p> <ul style="list-style-type: none"> Continuous monitoring of regulatory developments to ensure timely compliance with emerging carbon tax frameworks and energy efficiency standards. Integration of regulatory compliance considerations into long-term planning and investment decisions to enhance resilience against policy-driven risks.
<p>Technological Advancements – Sustainable Products</p> <p>Time Horizon: Medium to Long-term</p>	<p>Own Operations, Upstream and Downstream</p> <ul style="list-style-type: none"> Enhanced revenue potential by leveraging clean technologies to strengthen competitiveness, appeal to sustainability-conscious customers and meet evolving market and regulatory expectations; Adoption of green technologies such as electric vehicles (“EVs”), solar panels and other renewable energy solutions can generate long-term cost savings and operational efficiencies; Reduction in Scope 2 emissions through increased use of self-generated renewable energy, lowering exposure to future carbon pricing mechanisms. 	<p>Apply Group-wide response a and d.</p> <p>Opportunity-specific adaptation measures:</p> <ul style="list-style-type: none"> The Group applies Product Stewardship across key areas such as sustainable raw materials, energy management, restriction of chemicals (REACH), and hazardous substances (RoHS) to develop resource efficient products that meet customer demands and reduce long-term production costs. Operational initiatives include improving water efficiency through Aqua Save Certification program and achieving Green Office standards (Penang Green Council), alongside adopting energy-efficient technologies. These actions position Greatech to capture low-carbon market opportunities, enhance compliance with ESG standards and support long-term business growth.

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Transition Risks and Opportunities (Cont'd)

The Group continues to capture climate-related opportunities through the provision of sustainable automation solutions supporting customers in the solar and EV sectors. These sectors represent key growth drivers aligned with the global transition to a low-carbon economy.

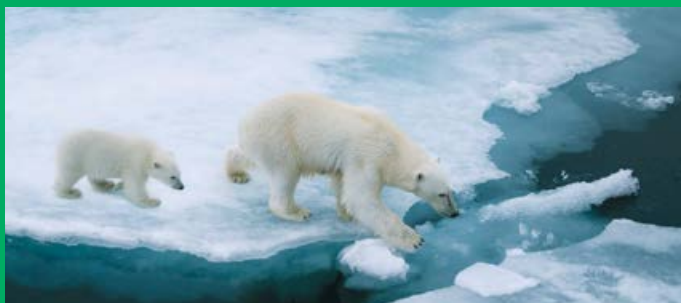
During the reporting year, revenue derived from solar and EV-related projects accounted for approximately 71% of the Group's total revenue, based on the internal classification of project segments. In the absence of asset-level tracking, the Group has applied a revenue-based proxy and estimates that approximately 71% of its assets are deployed to support these climate-aligned activities, on the basis that asset utilisation broadly corresponds with revenue contribution.

These estimates are derived using internally developed methodologies and reasonable assumptions and will be further refined as the Group enhances its data tracking and reporting capabilities. The Group expects the contribution from climate-related opportunities to increase over time, supported by continued demand in renewable energy, e-mobility and data centres that enable digital efficiency and emissions reduction as part of the broader transition to a lower-carbon economy.

Climate resilience and scenario analysis

In 2024, Greatech piloted its first climate scenario analysis using third-party data and recognised international literature to assess physical climate risks, given our reliance on physical manufacturing sites and skilled workforce availability. This exercise provided valuable insights into potential climate impacts and informed our adaptation planning.

In 2025, we reviewed climate risk patterns and confirmed that the underlying assumptions remain unchanged. Therefore, the same physical climate scenario and time horizons continue to apply. We will continue to refine our scenario analysis as data quality improves and as regulatory, scientific and policy developments evolve.



Approach

Our scenario analysis draws on authoritative sources such as Intergovernmental Panel on Climate Change ("IPCC"), World Economic Forum's ("WEF") Global Risk Report and regional insights from the Penang Government's Green Council. Key considerations include:

- Global surface temperature increases of 1.1 Celsius above pre-industrial levels (2011-2020 baseline)
- WEF Global Risk 2024 Report highlighting potential 3 Celsius scenario by 2034
- Time horizons:
 - Short-term: 1-2 years (aligned with annual budgeting);
 - Medium-term: 2-8 years (aligned with strategic and capital planning); and
 - Long-term: Up to 10 years (extending to 2034), providing high visibility for business resilience assessment and strategic adaptation.

While we considered a 1.5 Celsius scenario, our focus remains on worst-case pathways (2 Celsius and 3 Celsius worlds) given IPCC projections that the 1.5 Celsius threshold will likely be crossed in the early 2030s.

Under a 3 Celsius scenario, the Group expects increased exposure to acute and chronic physical risks, which may result in the following indicative financial implications:

- Capital Expenditure ("CAPEX")
 - Additional investments may be required for flood mitigation measures i.e. elevated infrastructure, drainage systems, flood barriers and facility upgrades could result in a moderate uplift in CAPEX over the medium term, primarily aligned with planned expansion and upgrading cycles.
- Operating Costs:
 - Increased energy consumption for cooling and ventilation may raise electricity costs by approximately 2%-5% annually, particularly in high-temperature regions
- Insurance Costs
 - The Group may experience progressive increases in insurance premiums in line with higher climate risk exposure and evolving underwriting practices over the medium to long term.
- Revenue Disruption
 - Short-term operational disruptions from extreme weather events could result in temporary revenue impacts due to operational downtime and supply chain interruptions.

These estimates are based on internal assessments, historical trends and external climate projections, and are subject to ongoing refinement as data availability improves.

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Outcomes of Scenario Analysis on Physical Climate Risks

Our analysis indicates heightened exposure to physical climate risks specifically related to extreme heat, extreme rainfall and coastal flooding. To mitigate these, we have formalised the following resilience measures:

- Operational hardening: Enhanced monitoring of weather patterns to ensure the immediate safety of our workforce and the security of our manufacturing sites.
- Geographical diversification: Identifying and evaluating alternative production sites to supplement our main Penang facilities, reducing geographic concentration risk.
- Financial safeguards: Continuous review of our insurance portfolios to ensure comprehensive coverage against climate-driven asset damage.
- Resilient governance: Ongoing enhancement of our Business Continuity Management ("BCM") framework to minimise downtime during climate-related disruptions.
- Policy advocacy: Engaging with state and federal government bodies to support broader climate adaptation infrastructure i.e. flood mitigation upon which our operations rely.

Acknowledging Challenges and Continuous Improvement

Greatech remains committed to refining our climate modelling. We recognise current industry-wide challenges, including:

- Difficulty in defining climate tipping points and assessing their probability and timing;
- Limited availability of detailed, localised government-led climate scenarios and adaptation plans, which are critical inputs for corporate planning; and
- Constraints in existing climate models, which may not fully capture non-linear impacts and complex system interdependencies.

Risk management

The Group's ERM function is responsible for identifying, assessing and documenting material impacts, risks and opportunities including climate-related risks, together with their associated controls and mitigation measures.

In 2025, the identification and assessment of CROs remained a key focus of the Group's ERM activities. Functional heads worked collaboratively with external risk consultants to systematically map the Group's enterprise risk universe, ensuring that climate-related risks are comprehensively identified, evaluated and integrated into the overall risk management framework.

The Group has identified a range of climate-related physical and transition risks and assessed them using a structured likelihood-impact matrix. The climate-related risks include chronic heat stress on operations, supply chain disruptions arising from climate impacts in key sourcing regions, and energy price volatility linked to the global low-carbon transition.

Acute physical risks, such as floods and extreme weather events, are assessed as closely associated with operational/finance risks, particularly for facilities located in climate-vulnerable regions. Transition risks, including carbon pricing mechanisms and evolving regulatory requirements, are also actively monitored due to their potential financial and operational implications.

From the enterprise risks identified, climate-related risks are classified as a Tier One (most critical) risk, reflecting its potential material impact on the Group's long-term business model, operational resilience and financial performance. This prioritisation places climate risk alongside other principal enterprise risks, including:

- Cybersecurity risks, where potential breaches could disrupt operations or erode stakeholder trust.
- Supply chain risks, arising from component shortages, equipment failures or logistical disruptions.
- Regulatory and compliance risks, particularly in markets with evolving environmental and industrial regulations.

To ensure continued relevance and responsiveness, the climate-related and other material risks and opportunities are reviewed and refreshed on a semi-annual basis. This enables the Group's risk appetite, assumptions and mitigation strategies to evolve in line with changing climate conditions, market dynamics and regulatory developments. The ARMC continuously monitors all Tier One risks for changes in risk ratings, the status of control activities and the adequacy of assurance over these risks.

In addition to the formal enterprise risk assessment process, the Group applies ongoing mechanisms to identify emerging CROs. The SWG conduct continuous benchmarking against industry peers and international best-practices, drawing on guidance from the PGC and specialist external advisors. The CFO, together with the Risk Manager, also undertakes periodic materiality assessments through engagement with internal stakeholders to identify emerging climate-related financial risks and opportunities.

Insights from these processes are communicated regularly to the executive management and functional heads to support timely risk response planning and integration into business and operational strategies. External consultants engage with functional heads on a semi-annual basis to review the enterprise risk register, validate risk assessments and ensure clear ownership, accountability and progress against mitigation actions.

By embedding climate risk identification and assessment in both ERM and strategic planning processes, Greatech ensures that climate resilience is systematically integrated into decision-making and day-to-day operations.

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Metrics and targets

Greenhouse gas (GHG) emissions

In FY2025, the Group's total absolute gross GHG emissions were 12,195 metric tonnes of carbon dioxide equivalent (tCO₂e). This included 233 tCO₂e Scope 1 and 11,962 tCO₂e Scope 2 (location-based).

For all its GHG emissions, the Group applies an operational control approach to define its organisational boundary for the purposes of calculating its GHG emissions.

Approximately 98% of the Group's Scope 1 and 2 emissions are in Malaysia and are measured using conversion factor from the Malaysian Green Technology Corporation. The remaining 2%, relating to operations in other regions, are measured in accordance with the GHG Protocol.

The Group's total and disaggregated GHG emissions for the year are as follows:

Metric tonnes of CO ₂ equivalent (tCO ₂ e)	FY2025
Scope 1 GHG emissions	
• The consolidated accounting group	233
• Other investees within the organisational boundary	Nil
Total Scope 1 GHG emissions	233
Scope 2 (location-based and market based) GHG emissions	
• The consolidated accounting group	11,962
• Other investees within the organisational boundary	Nil
Total Scope 2 GHG emissions	11,962
Total Scope 1 and 2 GHG emissions (operational control basis)	12,195

Scope 1 GHG emissions refer to the direct GHG emissions that occur mainly from the consumption of diesel for vehicles i.e., lorries, forklifts and back-up generators owned by the Group.

Scope 2 GHG emissions refer to indirect GHG emissions from the generation of electricity acquired and consumed by the Group. It is primarily used for manufacturing of our system, machinery and equipment from assembly to testing, lighting, office equipment, HVAC systems and production machine, are derived from reported energy quantities. The Group's Scope 2 emissions are measured using the location-based method.

Measurement methodology and key assumptions

Calculation of Scope 1, Scope 2 and Scope 3 emissions

The Group follows the guidelines and methodologies contained in the GHG Protocol: Corporate Standard Reporting Standard (2004) to calculate the Scope 1 and 2 emissions. The Group has used the operational control approach to set its organisational boundary. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We have consistently used the same measurement approach since we started measuring GHG emissions in 2020. The Group included 100% of GHG emissions from Greatch Mechatronics (Slovakia) s.r.o from the date of acquisition i.e. 1 April 2025, as this is when the Group operationally controls the entity.

SUSTAINABILITY REPORT

ENVIRONMENTAL (Cont'd)

Climate-Related Disclosures (IFRS S2) (Cont'd)

Measurement methodology and key assumptions (Cont'd)

Calculation of Scope 1, Scope 2 and Scope 3 emissions (Cont'd)

The Group measures its Scope 1 and Scope 2 emissions using both internal and external data sources, factoring in uncertainty in measurement and data quality.

Scope 3 emission combine direct measurement and estimates where necessary.

Key assumptions used to measure Scope 1, Scope 2 and Scope 3 emissions are as follows:

Emissions	Activity data	Emission factors	Notes
Scope 1 Emissions			
Fuel consumption	Actual litres purchased based on supplier's invoices x emission factors	UK GHG Conversion Factors 2024	High data quality, low uncertainty due to complete and verifiable invoice records
Scope 2 Emissions			
Purchased electricity (location-based)	Actual electricity meter readings from supplier invoices x emission factors supplied by national grid electricity providers in each jurisdiction	Location-based: Grid emission factors published by national grid electricity. Market-based: Renewable Energy Certificates emission factors published by the electricity supplier.	High data quality, low uncertainty due to complete and verifiable invoice records
Scope 3 Emissions			
Category 6 – Business travel (Emissions arising from air travel for business purposes)	Distance-based method for air travel for each business trip. Invoices, supplier provided data.	GHG Emissions Reporting: Conversion Factors 2024 (freight of goods), supplemented by the International Air Transport Association (IATA) simplified CO ₂ Connect carbon methodology.	High data quality, low uncertainty due to complete and verifiable invoice records
Category 7 – Employee commuting (Emissions arising from employees commuting to and from work at their own expense)	Estimation of fuel consumption based upon the distance travelled from home, and mode of transport collected using employee survey responses	Distance based (survey) and emission conversion using UK GHG Conversion factors 2024	Data quality assessed as reasonable and aligned with the GHG Protocol Corporate Value Chain (Scope 3) Standard

While we face challenges in developing Scope 3 inventory, we continue to strive to develop our Scope 3 emissions. Our intention is to be able to disclose emissions that are not produced by the Group itself, do not result from activities of assets owned or controlled by the Group, but by those that the Group is indirectly responsible for in its value chain.

SUSTAINABILITY REPORT

ENVIRONMENTAL (Cont'd)

Climate-Related Disclosures (IFRS S2) (Cont'd)

Climate-related targets and progress

GHG Emissions and Net Zero

The Group has set an internal specific target for its Scope 2 emissions and renewable energy share. They were set with the objective to mitigate climate change by reducing energy consumption of all our plants, year-on-year. The Group is not bound to a target required by law or regulation however the Board has decided to set this target to conform with science-based initiatives, including international commitments set out in the Paris Agreement.

Information	Target 1 – reduction in gross Scope 2 GHG emissions	Target 2 – to have 25% of total electricity used from self-generated renewable energy by 2030
Metric used to set the target	Total Scope 2 GHG emissions	Percentage of total electricity consumed that is supplied from own solar PV installations
Objective of the target	To conform with science-based initiatives, including international commitments to reduce emissions, such as the Paris Agreement	
Part of the entity to which the target applies	the Malaysia operation	
Period over which the target applies	year-on-year	year-on-year
Third party validation of the target	No	
Metric used to monitor progress towards the target	Total Scope 2 GHG emissions	Self-generated electricity through solar panels versus total electricity usage (%)

Gross GHG emissions reflect the total GHG emissions. Net GHG emissions are the gross GHG emissions minus any offsetting efforts.

We regularly monitor our progress towards achieving the internal climate targets that we have set for ourselves. The targets are reviewed annually by the Board as part of its approval of the sustainability report. Progress towards internal climate targets is monitored using a set of KPIs including GHG emissions intensity, renewable energy usage and energy efficiency improvements. The targets have yet to be validated by a third party. Targets are recalculated when significant changes occur that could compromise existing target. The Group does not plan to use carbon credits in reaching its goal as the targets are based on gross GHG emissions.

The Group has developed its transition plan in conjunction with its climate strategy to reduce its carbon footprint. Compared to 2024, the Group has achieved a 6% reduction in Scope 2 GHG emissions intensity, surpassing its annual internal target of 2%. The analysis indicates a positive trend in the Group's climate performance, driven by increased investment in renewable energy projects and the implementation of energy-efficient technologies across its operations.

SUSTAINABILITY REPORT

ENVIRONMENTAL (Cont'd)

Climate-Related Disclosures (IFRS S2) (Cont'd)

Other climate-related impacts (non-emissions)

Beyond emissions, climate change may also have broader implications on our workforce, cost structure, and business opportunities. The following table outlines selected non-emissions-related climate impacts, the metrics used to monitor them, and our performance and targets for the reporting year.

Area	Metrics	Performance and Target
<p>Health and Safety</p> <ul style="list-style-type: none"> • Extreme weather events and the increase in mean temperature represent a threat to the health and safety of our people. 	<ul style="list-style-type: none"> • Loss Time Injury Rate • Number of Fatalities 	<p>Our target is to achieve zero lost time injuries and zero fatalities attributable to climate-related factors.</p> <p>For the reporting year, we are pleased to report that no lost time injuries or fatalities were recorded that were attributable to climate-related impacts, and the Group has therefore achieved its stated target for the year.</p>
<p>Revenue from our green technology.</p> <ul style="list-style-type: none"> • We continue to support the global transition to a low carbon economy – especially manufacturers of solar panels and EVs. • Detailed discussion on this is available in our Management Discussion and Analysis (“MD&A”). 	<ul style="list-style-type: none"> • Revenue generated from our solar and e-mobility customers • Investment into production capability in meeting growing demand as a result of our green technological solutions 	<p>Our target is to ensure we continue to support the green technology industry through our innovative solutions and services.</p> <p>This is demonstrated through the revenue, profit and our continued capital investment in meeting these needs.</p> <p>Our annual financial performance lends credence to our role and capability in supporting the global transition to a low-carbon economy. Please refer to our MD&A and our financial results in the financial statement section of this Annual Report.</p>
<p>Operating costs, which are significant and directly attributable to climate-related risks. This includes, but is not limited to the following:</p> <ul style="list-style-type: none"> • Insurance costs due to an increase in premium; • Medical claims from employees; • Increase in raw material and logistic costs due to an increase in energy cost or business disruption. 	<ul style="list-style-type: none"> • Climate-related business cost 	<p>For the reporting year, nothing has come to our attention on any material and adverse financial impact on our operating costs and profitability, which can be directly attributable to climate-related risks.</p> <p>We will continue to monitor our climate-related risks through our ERM Framework and engage relevant stakeholders (e.g. suppliers and employees) to avoid or mitigate any adverse financial impact.</p>

The climate-related disclosures above describe the governance, strategy, risk management approach and targets that guide our response to climate-related matters. The following Environmental section provides the underlying operational performance data and key environmental programmes implemented across our operations during the reporting period.