SUSTAINABILITY STATEMENT (Cont'd)

Waste Impacts Across the Value Chain

Waste-related impacts are assessed across the value chain to manage the Group's environmental footprint.

Upstream	Upstream impacts may arise from supplier activities, packaging, and logistics, and are addressed through supplier engagement, packaging optimisation, and responsible procurement practices where feasible.
Own Operations	Waste is primarily generated from manufacturing activities and managed under strict compliance controls through licensed contractors.
Downstream	Downstream impacts are limited, as products are supplied to industrial customers who manage end-of-life treatment in accordance with local regulations.

Responsible Waste and Materials Management

The Group's waste strategy is structured around four key pillars, supported by employee training, behavioural programmes, and community engagement:

Waste Minimisation	Responsible Waste Management	Circular Economy and Resource Efficiency	Environmental Culture & Awareness
Enhancing segregation and source reduction through frontline system upgrades and process redesign.	Maintaining strict compliance in the handling of hazardous and scheduled waste with full traceability of transport and disposal.	Promoting recycling and resource efficiency in collaboration with certified recovery partners.	Cultivating a strong internal culture of environmental accountability through training and behavioural change programmes.

Regulatory Compliance and Operational Controls

The Group complies with applicable environmental regulations, including Malaysia's Environmental Quality Act 1974 and relevant legislation in Singapore and Thailand covering industrial effluent, waste management, and pollution control. Environmental impacts are managed through routine site inspections, monitoring, and operational controls supported by infrastructure investments. All scheduled and hazardous waste is handled by licensed contractors under approved containment and documentation systems. Air and noise impacts are controlled through preventive maintenance and process controls in line with regulatory requirements. These measures have supported consistent regulatory compliance, with no material non-compliance incidents, fines, or penalties recorded during the reporting period.

Community Initiatives

During the reporting period, the Group participated in beach clean-ups, plogging activities, and food waste composting programmes. We also supported local initiatives, including the Komuniti Mampan programme with the Seberang Perai City Council ("MBSP") and used cooking oil recycling campaigns in collaboration with MBSP and Junior Chamber International ("JCI").

Circularity Measures to Prevent Waste Generation

Waste Repurposing and Prevention - Pallet and metal waste repurposed into benches for staff - Cooking oil recycling - Waste prevention through coreless wrapping	**Reuse and Recycling** - Segregation of waste streams to enable recycling where infrastructure exists - Internal reuse of packaging materials where safe and appropriate - Engagement with licensed recyclers and waste contractors
Process Optimisation - Process optimisation to reduce scrap and rework - Improved material handling and inventory management - Preventive maintenance to minimise off-spec production	**Hazardous Waste Control** - Substitution of materials where feasible - Proper storage, labelling, and disposal of scheduled waste - Training and procedures to prevent spills and contamination

SUSTAINABILITY STATEMENT (Cont'd)

Management of Scheduled Waste

SAMEE Group manages hazardous and scheduled waste with strict operational discipline and compliance controls across all manufacturing sites. All scheduled waste is handled through licensed contractors, ensuring full traceability from storage to transport and final disposal. Hazardous materials are securely stored in designated compliant facilities and transported using approved containment systems, supported by comprehensive documentation to ensure adherence to applicable environmental regulations. This approach safeguards environmental integrity and minimises risks to ecosystems and human health.

Key measures and best practices for scheduled waste management across the Group are summarised in the figure below.

Licensed waste contractors	Only licensed waste contractors are engaged in the collection and disposal of hazardous waste, as authorised by local regulators.
Appropriate waste storage on-site	All hazardous waste is stored and appropriately labelled on-site to prevent waste contamination and leakage.
Trained and experienced personnel	Our facility team is experienced and appropriately skilled. Our facility officer for Scheduled Waste Management attended the following course: Certified Environmental Professional in Scheduled Waste Management ("CePSWaM").
On-site inspections	Regular inspections are performed by facility personnel on waste storage and other facilities to ensure the appropriate handling of scheduled waste.
Waste Reduction	Wastewater generated from our chemical line is fully treated through our wastewater treatment plant and minimum waste is generated.
Lowering consumption of coolant used	We lower the consumption of coolant through machinery and process optimisation, coolant is recycled on time, thus lowering the volume of spent coolant.

Materials and Resource Impacts Management

Negative and Positive Impacts

SAMEE Group's material and resource use is closely linked to production activity, resulting in both environmental and operational impacts. Higher production increases raw material consumption and scheduled waste generation, which in turn raises handling and disposal costs. While this creates inherent regulatory and environmental risks, no material non-compliance incidents were recorded during the reporting period.

Hazardous and scheduled waste, including sludge, used coolant, and contaminated materials, may pose pollution risks if not properly managed. In addition, material throughput contributes indirectly to resource depletion and upstream climate impacts associated with raw material extraction and processing.

At the same time, the Group continues to realise positive outcomes through improved material efficiency, recycling, and process optimisation. Initiatives such as replacing phosphating with zirconium-based processes have reduced hazardous material use, while enhanced segregation and recovery practices have reduced landfill disposal and improved operational efficiency.

Impacts Management Approach and Effectiveness

The Group adopts a structured approach to managing material and resource impacts, focusing on prevention, optimisation, and continuous improvement. Key initiatives include recycling and resource efficiency measures such as recycled packaging and paperless operations, as well as process optimisation to reduce hazardous inputs.

Operational controls are supported through centralised monitoring of scheduled waste via the eSWIS system, complemented by routine site inspections and internal reviews. Periodic reporting on waste trends is also submitted to RSC to support governance oversight.

Operational experience has highlighted the importance of early planning for waste treatment capacity and licensing, particularly for new or expanded processes. Insights from waste trend analysis have informed process redesign, improved operational procedures, enhanced employee training, and more informed material selection decisions.

SUSTAINABILITY STATEMENT (Cont'd)

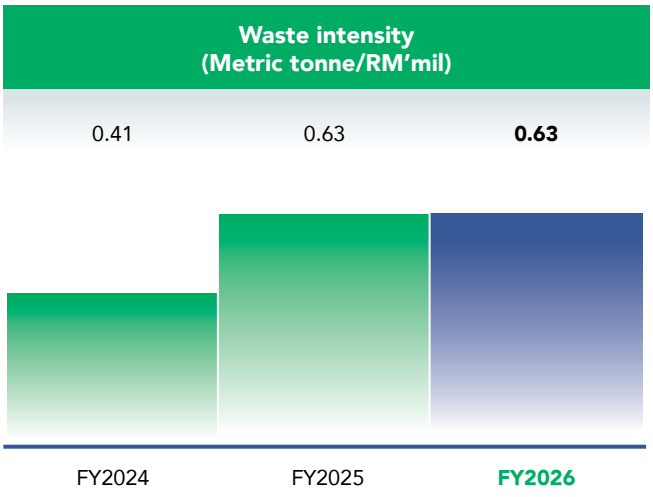
Effluent Monitoring and Environmental Compliance

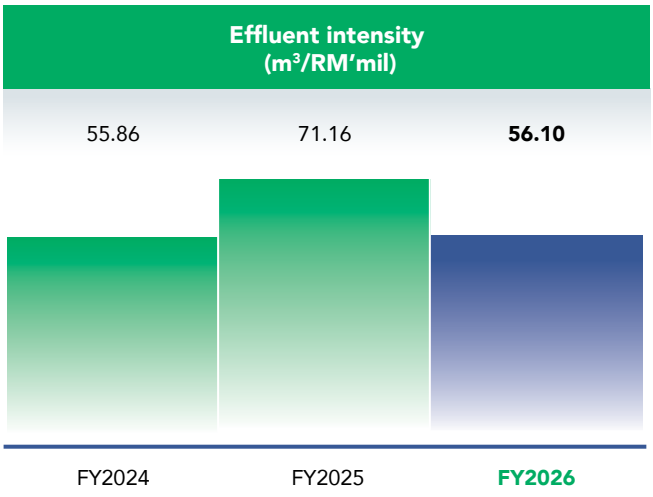
The Group manages effluent and pollution through robust infrastructure and continuous monitoring. All industrial effluent and wastewater are treated at on-site facilities prior to discharge, with recent upgrades enhancing treatment reliability and capacity to meet regulatory requirements. System effectiveness is verified through routine testing, site inspections, and compliance checks, with no material environmental fines or penalties recorded during the reporting period.

Waste/Effluent Data	FY2024	FY2025	FY2026
Scheduled waste (Metric tonnes)	609	934	**910**
Number and aggregate quantity of reportable spills	0	0	**0**
Quantity recovered of reportable spills	0	0	**0**
Waste intensity (Metric tonne/RM'mil)	0.41	0.63	**0.63**
Total volume of effluents/discharge (m^3)	82,896	105,359	**80,827**
Effluent intensity (m^3/RM'mil)	55.86	71.16	**56.10**

Note:

1. Waste data is collected through site-level records, third-party contractor documentation, and internal reporting systems, and consolidated centrally for sustainability disclosure. Data validation is performed through internal review and consistency checks.





Environmental performance indicators, including waste generation and effluent discharge, vary in line with operational activity and process changes. The Group continues to focus on operational improvements and targeted initiatives to enhance efficiency and support regulatory compliance.