SUSTAINABILITY STATEMENT (Cont'd)

Regulatory Compliance

Regulatory compliance is embedded within operational and functional processes through established internal controls and recognised management systems:

Environmental and safety compliance is prioritised through adherence to recognised frameworks, regulatory requirements and international environmental directives such as the Restriction of Hazardous Substances ("RoHS") and Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), which support responsible material management and environmental stewardship across operations.
Quality and operational compliance are supported through internationally recognised management systems, including Quality Management Systems ("QMS") aligned with ISO standards, ensuring consistent process control and regulatory conformity throughout the manufacturing value chain.
Financial and internal controls are overseen by the Audit Committee to ensure compliance with applicable accounting standards and regulatory requirements.
Data protection and cybersecurity compliance are maintained through structured governance processes designed to safeguard information assets and ensure adherence to applicable data protection laws.

The Group maintains regular engagement with regulators and business partners through inspections, reporting, and regulatory reviews. Compliance expectations are extended across the value chain through supplier governance mechanisms, including Approved Vendor List ("AVL") requirements and supplier sustainability expectations.

Anti-Corruption

SAMEE Group maintains a zero-tolerance approach to bribery and corruption, aligned with applicable regulatory requirements, including Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy and Code of Business Conduct establish clear requirements prohibiting bribery and corruption in all forms, including facilitation payments, conflicts of interest, misuse of political influence, and other improper inducements. The Group's anti-corruption framework also encompasses anti-money laundering measures and cooperation with fraud investigations. Oversight is provided by the Board Audit Committee, which monitors implementation of the ABAC Policy and the effectiveness of whistleblowing mechanisms and internal controls.

Anti-corruption risks are systematically identified, assessed, and managed across operations and business relationships. Safeguards supporting anti-corruption risk management include:

- Segregation of duties
- Defined approval hierarchies
- Conflict-of-interest declarations
- Oversight by Internal Audit and Board Committees
- Competitive procurement and vendor evaluation processes

The Group communicates its anti-corruption policies and expectations through structured internal communication channels and annual refresher training programmes. The ABAC Policy and Code of Business Conduct are disseminated across all operations, with training covering bribery prevention, conflicts of interest, ethical conduct, and reporting obligations.

Recognising that corruption risks may arise through business relationships, SAMEE Group implements due diligence controls for new business partners, vendors, and intermediaries, with anti-corruption expectations communicated to external parties and embedded through procurement agreements and supplier documentation. This is supported by a mandatory onboarding process requiring all new suppliers to execute contractual compliance declarations. The process includes structured approval procedures and compliance checks that provide the Group with explicit rights to terminate engagements upon discovery of unethical conduct, while higher-risk intermediaries are subject to enhanced scrutiny prior to engagement.

SUSTAINABILITY STATEMENT (Cont'd)

The Group's corruption risk assessment process evaluates exposure to bribery, conflicts of interest, fraud, and other unethical conduct across operational activities, covering anti-corruption comprehensively. Areas with relatively higher exposure include procurement, contracting activities, interactions with third-party vendors and contractors, and financial approval processes. Enhanced controls are applied to higher-risk operational areas, including strengthened approval thresholds, monitoring procedures, and management oversight.

SAMEE Group maintains a confidential and anonymous whistleblowing mechanism that enables employees and external stakeholders to report suspected misconduct without fear of retaliation. All reports are assessed and investigated by authorised personnel from Legal, Internal Audit, or designated functions. Substantiated cases result in corrective or disciplinary action and escalation to senior management or Board-level committees where appropriate.

Anti-corruption controls are subject to periodic internal audit review. No material corruption-related incidents, enforcement actions, or regulatory penalties were recorded during the reporting period.

ABAC Performance	FY2024	FY2025	FY2026
Corruption Risk Assessment			
Operations assessed for bribery-related risks (%)	100	100	**100**
Corruption/Bribery Incidents			
Total number of confirmed incidents of corruption	0	0	**0**
Training and Communication			
Employees (%)	100	100	**100**

SUPPLY CHAIN MANAGEMENT

Supply chain management is integral to SAMEE Group's operational resilience and long-term sustainability performance. As a precision engineering and contract manufacturing group serving global customers in highly specialised industries, our operations rely on a multi-tier supply chain that includes customer-designated suppliers, specialised subcontractors, and single-source component providers. Effective oversight of this network supports production continuity, product quality, and regulatory compliance, while reducing exposure to operational and reputational risks.

Our supply chain governance framework adopts a structured, risk-informed approach that balances commercial prudence with responsible sourcing practices. Supplier-related risks, including delivery performance, capacity constraints, quality issues, and reliance on single-source suppliers, are formally managed under the Group's ERM framework. Key Risk Indicators ("KRIs"), including Supplier On-Time Delivery performance and supplier dependency risks, are monitored periodically and escalated where thresholds are breached.

All suppliers are required to comply with SAMEE Group's Supplier Sustainability Policy, which establishes expectations across environmental, social, health and safety, and ethical standards. The Policy aligns with recognised international frameworks, including RBA Code of Conduct, and incorporates applicable regulatory requirements such as RoHS compliance. Supplier obligations are reinforced through onboarding processes, contractual requirements, and periodic performance reviews.

Supplier selection and engagement follow a policy-driven, risk-based due diligence process. Screening prioritises suppliers that are critical, customer-designated, single-source, or otherwise assessed as higher risk. Environmental and social expectations are embedded within supplier requirements, including compliance with labour laws, occupational health and safety standards, and responsible environmental management practices. Where gaps are identified, suppliers are required to implement corrective action plans, supported by ongoing engagement and monitoring.

To strengthen supply chain resilience, SAMEE Group conducts regular supplier performance reviews and, where feasible, promotes the development of second-source suppliers to reduce dependency risks. Critical suppliers may also undergo quality and product audits, while supplier engagement channels support continuous communication, issue resolution, and performance improvement.

Traceability efforts are applied on a risk-based basis, focusing on critical or customer-designated suppliers. Suppliers are required to provide timely and accurate information on sourcing and production conditions and may be subject to audits or third-party evaluations where necessary. This targeted approach supports compliance and risk mitigation while reflecting the operational realities of specialised manufacturing supply chains.