

# Sustainability Report

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## Sustainability Report (Cont'd)

### Embedding Sustainability Across the Value Chain

Zantat Holdings Berhad (“Zantat” or “the Group”) is pleased to present its Sustainability Statement (“Statement”), reflecting its commitment to integrating sustainable practices across its operations as a manufacturer of calcium carbonate solutions serving a broad range of downstream applications. The Group recognises that its role extends beyond production, as its solutions contribute to improved performance, enhanced product durability and greater resource efficiency across customers’ manufacturing ecosystems. Accordingly, sustainability remains an operational priority embedded across product stewardship, process optimisation and business resilience, in support of responsible growth and long-term value creation.

This Statement outlines the Group’s performance in key sustainability-related and climate-related (“S&C”) topics, risks and opportunities (“SRROs” and “CRROs” respectively) for financial year ended 31 December 2023 (“FYE2023”), FYE2024, and FYE2025. The reporting scope covers the Group and its subsidiaries, including Zantat Sdn Bhd’s Perak plants (“Zantat Perak”), Zantat Sdn Bhd’s Kuala Lumpur plant (“Zantat KL”), Calrock Sdn Bhd (“Calrock”), Zantat Light C.C. Sdn Bhd (“ZLCC”), Zaneco Sdn Bhd (“Zaneco”) and Zantat Trading Sdn Bhd. Zantat and Zantat Trading Sdn Bhd do not have direct operational activities and are therefore not considered to materially influence the Group’s overall sustainability performance, and accordingly are not separately reflected in this Statement.

During the year, the Group further enhanced its disclosures by presenting subsidiary-level Environment, Social, and Governance (“ESG”) metrics where feasible. There were no significant changes to the Group’s structure, ownership or supply chain during the reporting period. Looking ahead, the Group remains committed to strengthening its positioning as a leading manufacturer of calcium carbonate products while generating long-term value for stakeholders through responsible operations, innovation and sustainable growth.

### Zantat’s Sustainability Journey

While responsible operational practices have long been embedded in the Group’s business, the Group formalised and enhanced its sustainability governance and reporting framework in FYE2022. Since then, Zantat continued to strengthen its S&C framework and practices, in line with industry peers and best practices while meeting stakeholder expectations to drive positive impact and create meaningful value.

Table 0.2: Zantat’s sustainability journey and achievements since FYE2023.

FYE 2023	<ul style="list-style-type: none"> <li>Transitioned into a public listed company</li> <li>Established a three-tiered Sustainability Governance structure</li> <li>Conducted the Group’s first materiality assessment, identifying sustainability issues and prioritising 13 ESG topics</li> <li>Developed a Sustainability Framework for Zantat</li> <li>Adopted the United Nation Sustainable Development Goals (“UN SDGs”), supporting Goals 8, 12, 13 and 16</li> <li>Initiated the calculation and disclosure of greenhouse gas (“GHG”) emissions, including Scope 1, Scope 2 and selected Scope 3 categories that are material to Zantat’s operations</li> <li>Published the inaugural Integrated Annual Report and Sustainability Statement in line with frameworks and guidelines, including the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad, Bursa Malaysia Sustainability Reporting Guide-Third Edition, Global Reporting Initiative (“GRI”) Standards and the International Integrated Reporting Framework issued by the International Integrated Reporting Council (“IIRC”)</li> <li>Renewed and maintained ISO 9001:2015 (Quality Management System (“QMS”)), ISO 14001:2015 (Environmental Management System (“EMS”)) certifications, Halal certification, Hazard Analysis and Critical Control Points (“HACCP”) certification and Good Manufacturing Practice (“GMP”) certification</li> </ul>
FYE 2024	<ul style="list-style-type: none"> <li>Achieved ISO 45001:2018 (Occupational Health and Safety Management Systems (“OHSMS”))</li> <li>Established and implemented key policies, including the Sustainability Policy, Anti-Bribery and Corruption (“ABC”) Policy, Whistleblowing Policy and Code of Conduct and Ethics (“CoCE”), and updated internal occupational safety and health documentation in line with ISO requirements</li> <li>Revised and enhanced the materiality assessment, identifying 15 ESG topics significant to Zantat’s operations and stakeholders</li> <li>Conducted the Group’s first biodiversity assessment in alignment with the International Union for Conservation of Nature (“IUCN”) Red List (mammals)</li> <li>Launched Earthya™, a 100% compostable food waste bag that provides a sustainable alternative to conventional plastics and leaves no microplastic residue. The product is certified by TÜV Austria OK Compost, Biodegradable Products Institute (“BPI”), the Australasian Bioplastics Association (“ABA”) and carries the MyHIJAU Mark</li> <li>Enhanced the Group’s commitment to climate change and emission accounting by disclosing an additional Scope 3 category: Category 4 - Upstream Transportation and Distribution</li> <li>Renewed and maintained ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) certifications, Halal certification, HACCP certification and GMP certification</li> </ul>

## Sustainability Report (Cont'd)

### Zantat's Sustainability Journey (Cont'd)

FYE  
2025

- Formed the Enterprise Risk Management ("ERM") Policy and reviewed the Sustainability Policy, ABC Policies, Whistleblowing Policy and CoCE
- Transitioned from ESG topics to S&C material topics ("material topics"), marking an initial step towards alignment with the National Sustainability Reporting Framework ("NSRF")
- Revised and refined the data collection system and consolidation approach for emission accounting and management
- Continued its initiative in biodiversity identification through a citizen science software and identified 17 species, supported by the IUCN Red List of mammals identified at ZLCC
- Initiated alignment with International Financial Reporting Standards ("IFRS") S2 Climate-related disclosures by conducting the Group's first CRROs scenario analysis, covering the shared socio-economic pathway ("SSP") 2 – Middle of the Road
- Renewed and maintained ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) certifications, Halal certification, HACCP certification and GMP certification

### Approach to Sustainability


Zantat's approach to sustainability is centred on integrating responsible practices into its business strategy, operations and stakeholder engagements. As a manufacturer of calcium carbonate and industrial mineral solutions, the Group recognises that effective environmental stewardship, workforce well-being and strong governance generates value across its operations and supply chain.

In FYE2025, guided by its vision and mission, Zantat established a sustainability framework that translates strategic priorities into goals encompassing resource efficiency, climate action and biodiversity, among others. This alignment enables the Group to prioritise resources, strengthen risk management and integrate S&C considerations into business strategies and decision-making.

This Statement has been prepared in accordance with the AMLR. Following Malaysia's introduction of the NSRF, and in line with its recommended adoption pathway, the Group plans to adopt IFRS S2 Climate-related Disclosures ("IFRS S2") first, followed by IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") in future reporting cycles. This year marks Zantat's initial exploration of these standards as part of its transition towards more decision-useful, investor-focused sustainability reporting in preparation for future mandatory requirements.







As part of this transition, the Group continues to reference the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations, which are now incorporated within IFRS S2, to guide its climate-related governance, risk management, metrics and targets. To further strengthen ESG disclosures, FTSE Russell's ESG metrics have been included into the reporting approach, while the Global Reporting Initiative ("GRI") Standards remain a reference point for topic-specific disclosures and additional indicators. Zantat will continue to advance its sustainability journey through progressive enhancements in governance, data quality and disclosure maturity.

*Table 0.3 S&C frameworks adopted by Zantat. Key: Active means the framework is currently in effect in this report; In-progress means Zantat is in the process of adopting the framework.*

Framework	Definition	Why it Matters	Status
 <p><b>BURSA MALAYSIA</b> Bursa Malaysia Sustainability Reporting Guide (3rd Edition)</p>	<p>Bursa Malaysia's guide for listed issuers to prepare sustainability disclosures that meet Listing Requirements, using a consistent set of Common Sustainability Matters and indicators.</p>	<p>Supports Zantat's regulatory compliance and supports consistent, comparable disclosures expected by Bursa Malaysia and investors.</p>	<p>Active</p>

## Sustainability Report (Cont'd)

### Approach to Sustainability (Cont'd)

Framework	Definition	Why it Matters	Status
 <p><b>IFRS S2 Climate-related Disclosures</b></p>	<p>A climate disclosure standard that requires decision-useful information on CRROs that could reasonably affect enterprise value, covering governance, strategy, risk management, and metrics and targets.</p>	<p>Enhances the Group's climate risk oversight and resilience planning, strengthens investor confidence, and prepares the Group for future mandatory climate disclosure requirements in Malaysia.</p>	In-progress
 <p><b>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</b></p>	<p>A general sustainability disclosure standard that requires decision-useful information on SRROs that could reasonably affect enterprise value, linking sustainability information with financial reporting.</p>	<p>Strengthens Zantat's consistency and comparability across sustainability disclosures, improves how sustainability factors are connected to strategy and financial outcomes, and prepares the Group for future mandatory reporting requirements in Malaysia.</p>	In-progress
 <p><b>Greenhouse Gas ("GHG") Protocol</b></p>	<p>The most prevalent methodology for measuring and managing GHG emissions, covering direct emissions from operations (Scope 1), indirect emissions from purchased energy (Scope 2), and other value chain emissions (Scope 3).</p>	<p>Strengthens the Group's credibility and consistency of emissions reporting, emissions reduction planning and target setting, and improves readiness for assurance, customer requirements, and investor scrutiny.</p>	Active
 <p><b>Global Reporting Initiative ("GRI") Standards</b></p>	<p>Global standards for reporting an organisation's significant economic, environmental, and social impacts, with topic-specific disclosures and indicators.</p>	<p>Enhances Zantat's transparency and stakeholder trust through structured reporting on material impacts and performance trends.</p>	Active
 <p><b>United Nation Sustainable Development Goals ("UN SDGs")</b></p>	<p>A set of 17 global goals established by the United Nations in 2015 to address urgent social, economic, and environmental challenges. The goals aim to end poverty, protect the planet, and ensure prosperity for all by 2030. Each goal has specific targets and indicators.</p>	<p>Aligns the Group's S&amp;C initiatives with global priorities and supports clearer articulation of societal value creation created by Zantat.</p>	Active
 <p><b>Taskforce on Climate-related Financial Disclosure ("TCFD")</b></p>	<p>A climate disclosure framework built around governance, strategy, risk management, and metrics and targets, now incorporated within IFRS S2.</p>	<p>Supports structured climate-related governance and risk management, at Zantat and strengthens disclosure readiness through an established climate reporting lens aligned with IFRS S2.</p>	In-progress and being incorporated into IFRS S2

## Sustainability Report (Cont'd)

### Sustainability Governance

At Zantat, the Board of Directors (“Board”) holds ultimate responsibility for overseeing S&C matters. Supported by the Sustainability Steering Committee (“SSC”) and Sustainability Working Groups (“SWGs”), each tier has defined roles and responsibilities to ensure effective oversight, coordination and implementation across the Group.

The Board provides overall direction on sustainability, including reviewing and approving priorities, key policies and targets, as well as monitoring progress against established commitments. It also ensures that S&C considerations, SRROs and CRROs emerging are progressively incorporated into the Group’s risk management process. The Board receives biannual updates on risk management and internal control matters, including both S&C risks.

Supporting the Board is the SSC, led by the Chief Strategy Officer, which drives the implementation of S&C initiatives across the Group and oversees the management of SRROs and CRROs at Zantat. The SSC formulates S&C strategies, policies and targets, and oversees the execution of ESG initiatives and provides regular updates to the Board.

At the operational level, the SWGs comprise representatives from key departments across all subsidiaries at Zantat. They implement initiatives, collect and validate performance data, support monitoring and reporting processes and identify improvement opportunities. Key SRROs and CRROs are escalated to facilitate the adoption of sustainability practices across all sites.

Through this governance approach, Zantat embeds strategic oversight to operational execution, enabling consistent performance management and supporting the Group’s long-term resilience. For more information on governance, please refer to the Corporate Governance Overview Statement on pages 127 to 133 and Key Messages on pages 16 to 39 of this Integrated Annual Report.

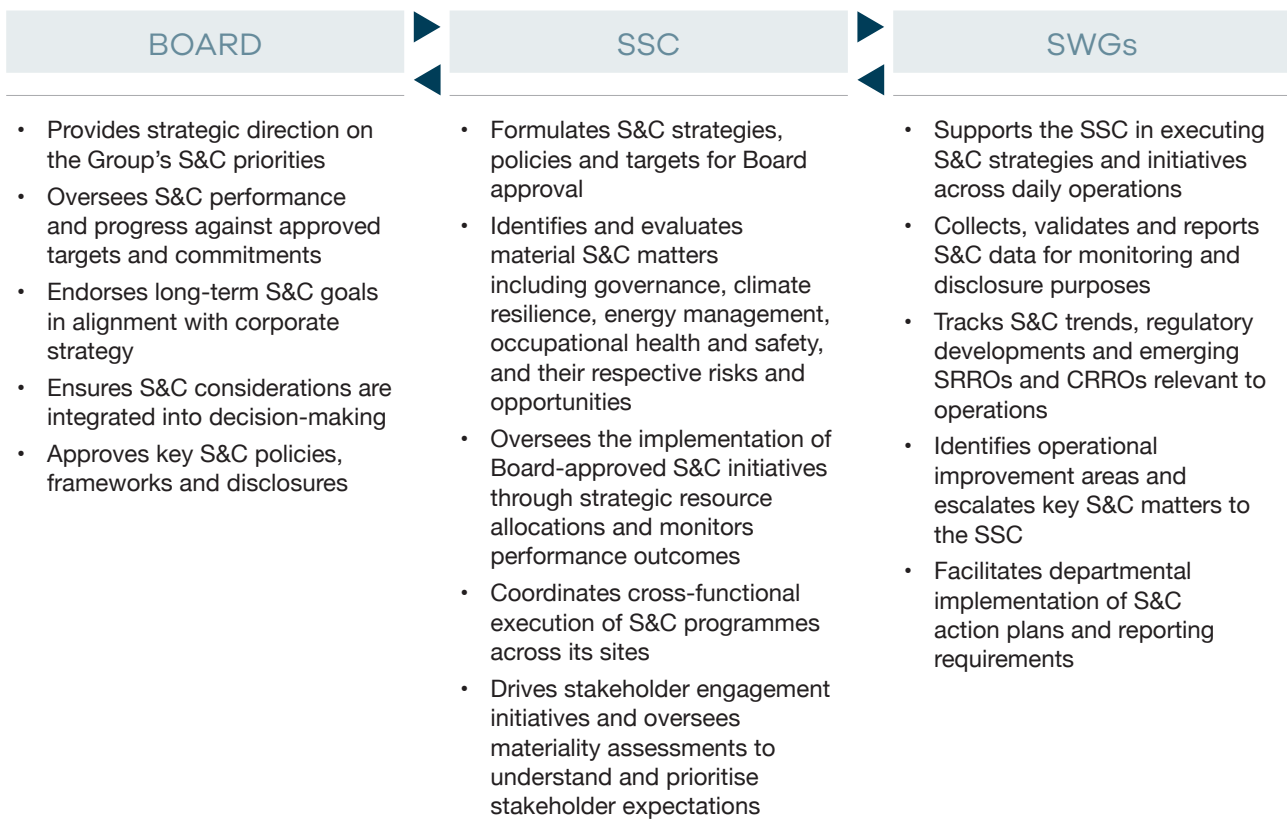




Fig 0.4 Sustainability governance structure at Zantat, incorporating a top-down and bottom-up approach to S&C integration and management across the entire operation.

# Sustainability Report (Cont'd)

## Aligning Focus Areas to Global Goals

The table below outlines Zantat's key material topics aligned with UN SDGs targets and performance achievements during FYE2025. These disclosures demonstrate how the Group integrates sustainability into its business operations to create long-term value for People, Planet and Profits.

Material Topics	Definition and FYE2025 Contributions
<p><b>Community Contribution</b></p>	<p>Building strong relationships with local communities through initiatives and programmes that support social development and address community needs.</p>
<p><b>1 NO POVERTY</b></p> 	<p><b>Target 1.2</b> Reduce at least by half the proportion of men, women, and children living in poverty.</p>
<p><b>4 QUALITY EDUCATION</b></p> 	<p><b>Target 4.1</b> Ensure that everyone complete free, equitable and quality primary and secondary education.</p>
<p>Zantat supported access to education by providing essential school supplies to selected underprivileged students. The Group contributed RM5,458 through its Back-to-School Programme and collaborated with Abaro Company to support 35 students at Sekolah Kebangsaan 1, Taman Selayang. The Group also organised a batik painting programme for orphanage children to create a meaningful developmental and learning experience.</p>	



## Sustainability Report (Cont'd)

### Aligning Focus Areas to Global Goals (Cont'd)

#### Material Topics Definition and FYE2025 Contributions

##### Community Contribution (Cont'd)

**17** PARTNERSHIP FOR THE GOALS



**Target 17.17**

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Zantat strengthened its community engagement approach in FYE2025 by establishing a structured Corporate Social Responsibility (“CSR”) volunteering hour programme as part of its Key Performance Indicator (“KPI”) framework, supported by a CSR actual contribution of RM34,808. Through this initiative, 77.7% of local staff achieved the KPI target, contributing a total of 818 volunteering hours during the year. This also supported the Group’s collaborations with Hospital Raja Permaisuri Bainun, AEON Mall Kinta City, Abaro Company and other local partners to deliver blood donation drives, education support and welfare programmes for orphaned children.

##### Supply Chain Management (Environment)

Evaluating suppliers based on their environmental practices and ensuring alignment with S&C goals to promote responsible sourcing.

##### Supply Chain Management (Social)

Reviewing and collaborating with suppliers to ensure their operations positively contribute to societal well-being and adhere to ethical practices.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**Target 12.6**

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Zantat strengthened responsible procurement by requiring all suppliers to comply with its External Party CoCE, conducting periodic supplier and contractor assessments, and embedding a 38-question ESG assessment into supplier onboarding and evaluation in FYE2025. The Group also prioritised local sourcing and directed 92.7% of its procurement spending to local suppliers, while continuing to engage suppliers to improve ESG performance and address non-compliance.

##### Occupational Health and Safety

Ensuring the safety and well-being of employees by adhering to stringent health and safety protocols and fostering a culture of care and prevention.

**3** GOOD HEALTH AND WELL-BEING



**Target 3.9**

Reduce illnesses and deaths caused by hazardous chemicals and air, water, and soil pollution.

Zantat continued to reinforce workplace safety through practices aligned with ISO 45001:2018, quarterly meetings conducted by the Environment, Safety and Health (“ESH”) Committee, cross-site safety audits, Gemba Walks, refresher training on chemical handling and mandatory online safety and health awareness training, which achieved a 100% completion rate for staff and Board members. The Group also maintained occupational health services including Foreign Workers Medical Examination Monitoring Agency (“FOMEMA”) health screenings, audiometric testing, noise risk assessments and panel clinic access.

**8** DECENT WORK AND ECONOMIC GROWTH



**Target 8.8**

Protect labour rights and promote safe working environments.

# Sustainability Report (Cont'd)

## Aligning Focus Areas to Global Goals (Cont'd)

Material Topics	Definition and FYE2025 Contributions
<p><b>Talent Management</b></p> <p>Providing fair and equal opportunities for professional growth through structured training and development programmes to enhance skills and career progression.</p>	<p><b>4 QUALITY EDUCATION</b></p> <p><b>Target 4.4</b> Increase the number of youth and adults with relevant skills for employment and entrepreneurship.</p> <p>Zantat strengthened workforce capability through orientation programmes for new hires, internship placements for students and fresh graduates, continuous technical and functional training, career development plans, internal promotion opportunities, and formal performance appraisals for all employees.</p>
<p><b>Diversity and Inclusion</b></p> <p>Encouraging and fostering a workplace environment that values varied backgrounds, perspectives, and skills to build a more inclusive environment at the Group.</p>	<p><b>10 REDUCED INEQUALITIES</b></p> <p><b>Target 10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>Zantat strengthened inclusion by establishing formal mechanisms to prevent discrimination, enabling employees to raise concerns anonymously or directly to Human Resources. Additionally, Zantat also applied merit-based hiring and promotion practices, reviewing employee feedback to improve workplace practices, and reinforcing awareness through training and internal communications. The Group also recorded no discrimination incidents or corrective actions during the year.</p>
<p><b>Water Management</b></p> <p>The efficient and sustainable use of water resources, focusing on conservation, reuse, and reducing water wastage across processes.</p>	<p><b>6 CLEAN WATER AND SANITATION</b></p> <p><b>Target 6.4</b> Increase water-use efficiency to ensure sustainable withdrawals.</p> <p>Zantat improved water-use efficiency through regular inspections and preventive maintenance on pipelines, valves, hoses, and storage tanks. Additionally, the Group continued to install water meters to monitor and control usage. These efforts supported lower total water consumption and improved water intensity per Malaysian Ringgit ("ringgit") of revenue and per operating hour in FYE2025.</p>
<p><b>Energy Management</b></p> <p>The strategic approach to optimising energy consumption, improving efficiency, and exploring renewable energy sources to reduce reliance on conventional energy.</p>	<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p><b>Target: 7.3</b> Double the global rate of improvement in energy efficiency.</p> <p>In FYE2025, Zantat advanced energy efficiency by installing an additional 849 kWp solar PV system at Perak Plant 2, evaluating a battery energy storage system, piloting an electric forklift, and continuing the use of its high-efficiency electric motors. These measures supported lower total energy consumption, higher solar generation, and improved energy intensity per ringgit of revenue and per operating hour.</p>

## Sustainability Report (Cont'd)

### Aligning Focus Areas to Global Goals (Cont'd)

Material Topics	Definition and FYE2025 Contributions
<p><b>Waste and Effluent Management</b></p>	<p>The responsible handling, reduction, and treatment of solid and liquid waste generated from operations to ensure environmental safety and compliance.</p>
<p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> 	<p><b>Target 11.6</b> Reduce the adverse per capita environmental impact of cities, including air quality and waste management.</p> <p>Zantat contributed to local environmental stewardship through a <i>gotong royong</i> programme around its plants, a tree planting and gardening programme, and the promotion of environmental awareness during community events such as Pantai Marathon 2025 and the PPBA Badminton Tournament 2025. These initiatives supported environmental cleanliness, waste awareness and broader sustainability engagement within the surrounding community.</p>
<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> 	<p><b>Target 12.5:</b> Substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p> <p>Zantat maintained designated scheduled waste storage areas, continued waste segregation, reuse and recycling practices, and managed scheduled waste through licensed contractors and Department of Environment (“DOE”) approved facilities. The Group also reduced total scheduled and non-scheduled waste generation, achieved a waste diversion rate of 16.0%, and fully treated effluent from Zantat KL prior to discharge.</p>
<p><b>Human Rights and Labour Practices</b></p>	<p>Encompass dignity, equality, fair treatment, safe working conditions, fair wages, and prevention of exploitation, promoting ethical and inclusive standards.</p>
<p><b>10 REDUCED INEQUALITIES</b></p> 	<p><b>Target 10.2</b> Empower and promote social, economic, and political inclusion.</p> <p>Zantat supported inclusive labour practices by maintaining anonymous suggestion boxes, dedicated reporting emails, and direct communication to supervisors or Human Resources Department for grievances, while also providing certified hostel accommodation for foreign employees with basic amenities, safety measures, and ongoing certificate monitoring. The Group recorded no substantiated human rights violations during the year.</p>
<p><b>Air and Greenhouse Gas Emissions</b></p>	<p>The management of emissions resulting from operations, including air pollutants and GHGs, to minimise environmental impact and comply with regulatory standards.</p>
<p><b>13 CLIMATE ACTION</b></p> 	<p><b>Target 13.2:</b> Integrate climate change measures into policies, strategies, and planning.</p> <p>Zantat strengthened climate and emissions management by applying the GHG Protocol under a financial control boundary, conducting its first CRROs scenario analysis under Shared Socioeconomic Pathway 2, commissioning an 849 kWp solar photovoltaic (“PV”) system. Additionally, Zantat has strengthened its environmental management approach by incorporating more air pollution-related matters into its ISO 14001:2015 (EMS) documentation. The Group also maintained all monitored air pollutants within applicable Malaysian ambient air quality limits while reducing Scope 1 and Scope 2 emissions.</p>

# Sustainability Report (Cont'd)



## Aligning Focus Areas to Global Goals (Cont'd)

Material Topics	Definition and FYE2025 Contributions
<b>Biodiversity and Land Remediation</b>	Efforts to protect and enhance ecosystems, focusing on preserving biodiversity and mitigating negative impacts on flora and fauna.
	<p><b>Target 15.5</b> Take urgent action to reduce the degradation of natural habitats and biodiversity loss.</p> <p>Zantat elevated biodiversity and land remediation to a standalone sustainability goal. Zantat continued using the IUCN Red List to understand biodiversity sensitivities, continued to implement slope stabilisation, soil reinstatement and revegetation, conducted a six-hour biodiversity awareness training, and used iNaturalist to record 17 species at ZLCC. The Group also participated in tree planting initiatives to support local greening efforts.</p>
<b>Anti-Bribery and Corruption and Whistleblowing</b>	Implementing policies to prevent corruption and fraud, with mechanisms for secure and anonymous reporting of unethical behaviour.
	<p><b>Target 16.5</b> Substantially reduce corruption and bribery in all forms.</p> <p>Zantat maintained its zero-tolerance approach to corruption through its ABC Policy, CoCE, employee awareness and training programmes and accessible whistleblowing channels managed by Human Resources Department and dedicated email reporting. For the third consecutive year, all employees completed ABC training, and no corruption incidents were reported or substantiated.</p>
<b>Data Privacy and Protection</b>	Safeguarding sensitive data through robust systems and practices that ensure confidentiality and compliance with privacy regulations.
	<p><b>Target 16.10</b> Ensure public access to information and protect fundamental freedoms.</p> <p>Zantat reinforced data protection by enforcing non-disclosure agreements for employees handling sensitive information and invested RM103,260 in SOPHOS firewall and cloud security solutions over three years, including endpoint protection, email security, and network perimeter security across its IT environment. The Group also maintained zero substantiated complaints concerning breaches of customer privacy or incidents of data loss.</p>
<b>Corporate Governance</b>	Adhering to frameworks that ensure transparency, accountability and ethical practices in all business operations and decision-making processes.
	<p><b>Target 16.6</b> Develop effective, accountable and transparent institutions at all levels.</p> <p>Zantat strengthened governance through Board oversight, the SSC and SWGs, the adoption of the ERM Policy, periodic review of key governance policies, and continued Board participation in governance and S&amp;C training. The Group also improved Board gender diversity, with female representation increasing to 30.0% during the year.</p>

## Sustainability Report (Cont'd)



### Engaging with Stakeholders

Zantat engages with stakeholders to understand their perspectives and concerns relevant to its operations. These insights inform the consideration of S&C matters in strategic planning and decision-making.

Stakeholder Group	Importance to Zantat
<b>EMPLOYEES</b> 	Employees contribute the expertise and commitment that underpin innovation, operational excellence and sustainable growth. Their efforts support the Group in maintaining industry standards, strengthening stakeholder relationships, and delivering long-term value to customers, shareholders and communities.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>Employee welfare and benefits</li> <li>Training and career development</li> <li>Occupational health and safety</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>Employee engagement activities</li> <li>Internal communications</li> <li>Promoting workplace safety</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>Ongoing</li> <li>As required</li> <li>Ongoing</li> </ul>
<b>Goals</b>	
<ul style="list-style-type: none"> <li>Enhance workplace safety and promote a culture of health and well-being</li> <li>Provide continuous training and career development opportunities</li> <li>Foster an inclusive workplace with equal opportunities for all employees</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>Increasing channels and frequency of employee engagement and feedback (e.g. employee feedback survey, employee satisfaction survey)</li> <li>Expanding recognition programmes to celebrate milestones and contributions of long-serving employees</li> </ul>	
Stakeholder Group	Importance to Zantat
<b>SHAREHOLDERS AND INVESTORS</b> 	Play a vital role in Zantat's growth, providing the capital that supports innovation and market expansion. Their trust underscores the Group's commitment to strong governance, transparency and responsible business practices, enabling long-term value creation and sustainable returns.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Group financial performance</li> <li>Ethics, integrity and governance</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>Quarterly and annual reports</li> <li>Annual General Meeting/ Extraordinary General Meeting</li> <li>Updated policies and compliance training sessions</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>Quarterly or annually</li> <li>Annually or as required</li> <li>As required</li> </ul>
<b>Goals</b>	
<ul style="list-style-type: none"> <li>Maintain strong financial performance and sustainable long-term growth</li> <li>Ensure transparency and accountability in ESG and governance practices</li> <li>Strengthen investor confidence through responsible business strategies and risk management</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>Evaluating and incorporating shareholder inputs into strategic decision-making where viable</li> <li>Strengthening the Group's Investor Relations function to improve accessibility to the Group's overall strategy and key financial data</li> </ul>	



# Sustainability Report (Cont'd)

## Engaging with Stakeholders (Cont'd)

Stakeholder Group	Importance to Zantat
<b>CUSTOMERS</b> 	Customers are important to Zantat’s business and a key driver of sustainable growth. The Group prioritises their evolving needs and market expectations, delivering high-quality products and solutions that create value and build long-term relationships.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>• Quality products and services</li> <li>• Customer satisfaction</li> <li>• Timely delivery</li> <li>• Pricing and supplies</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>• Customer feedback and meetings</li> <li>• Ad hoc participation in industry networking events</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>• As required</li> <li>• As required</li> </ul>
<b>Goals</b>	
<ul style="list-style-type: none"> <li>• Deliver high-quality, sustainable, and innovative products</li> <li>• Ensure reliable supply chains and prompt delivery</li> <li>• Continuously improve customer service and engagement</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>• Continuously investing in research and development (i.e. testing lab expansion and new equipment) to enhance in-house testing of customer products, optimise performance and deliver customised solutions</li> <li>• Committing to responsible sourcing, sustainable manufacturing and ensuring compliance with environmental and safety standards to align with customer values</li> </ul>	
Stakeholder Group	Importance to Zantat
<b>GOVERNMENT AND REGULATORY AUTHORITIES</b> 	This stakeholder group helps maintain a structured and compliant operating environment. Their oversight upholds legal and industry standards, fostering transparency, fair competition and responsible business conduct.
<b>Key Interests</b> <ul style="list-style-type: none"> <li>• Compliance to regulations</li> <li>• Workplace safety</li> <li>• Environmental impact</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>• Meetings and discussions</li> <li>• Onsite inspections</li> <li>• Workshops and training</li> </ul>
	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• Ongoing</li> </ul>
<b>Goals</b>	
<ul style="list-style-type: none"> <li>• Ensure full compliance with all regulatory and environmental standards</li> <li>• Maintain transparent communication and proactive engagement with authorities</li> <li>• Support national sustainability and economic development initiatives</li> </ul>	
<b>Actions</b>	
<ul style="list-style-type: none"> <li>• Regularly monitoring and adapting to legal and regulatory changes through dedicated internal teams (e.g. safety and health committees, ISO officers, SSC and SWGs) and collaborating with external consultants to ensure full compliance with regulatory standards</li> </ul>	



## Sustainability Report (Cont'd)

### Engaging with Stakeholders (Cont'd)

Stakeholder Group	Importance to Zantat	
<b>LOCAL COMMUNITY</b> 	The local community forms the social and economic environment in which Zantat operates, providing essential workforce, infrastructure and market support. Their well-being and development underpin a stable operating landscape, strengthening business resilience and stakeholder relationships.	
<b>Key Interests</b> <ul style="list-style-type: none"> <li>• Employment opportunities</li> <li>• Supporting community development and enrichment</li> <li>• Environmental impact and compliance with regulations</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>• Talent recruitment</li> <li>• Community initiatives</li> </ul>	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>• Ongoing</li> <li>• As required</li> </ul>
<b>Goals</b>		
<ul style="list-style-type: none"> <li>• Create job opportunities and support local economic growth</li> <li>• Engage in community development programmes and social initiatives</li> <li>• Minimise environmental impact and promote sustainable practices</li> </ul>		
<b>Actions</b>		
<ul style="list-style-type: none"> <li>• Prioritising local hiring and collaborating with local suppliers and businesses to drive economic growth</li> <li>• Strengthening CSR efforts through in philanthropic donations, community health and well-being initiatives and environmental and community engagement initiatives</li> </ul>		
Stakeholder Group	Importance to Zantat	
<b>SUPPLIERS</b> 	Suppliers are integral to Zantat's supply chain, providing the raw materials, equipment and services that support operational efficiency. Their reliability and quality directly impact production performance, cost management and customer satisfaction.	
<b>Key Interests</b> <ul style="list-style-type: none"> <li>• Timely payment</li> <li>• Business continuity</li> <li>• Procurement ethics</li> <li>• Ensuring product and service quality</li> </ul>	<b>Engagement Platforms</b> <ul style="list-style-type: none"> <li>• Negotiations with suppliers/ partners</li> <li>• Meetings/discussions</li> </ul>	<b>Engagement Frequency</b> <ul style="list-style-type: none"> <li>• As required</li> <li>• As required</li> </ul>
<b>Goals</b>		
<ul style="list-style-type: none"> <li>• Build long-term, transparent and ethical partnerships</li> <li>• Promote sustainability and responsible sourcing in the supply chain</li> <li>• Ensure fair and timely payments for goods and services</li> </ul>		
<b>Actions</b>		
<ul style="list-style-type: none"> <li>• Identifying and developing alternative suppliers for key raw materials (e.g. limestone) to reduce disruption risks</li> <li>• Conducting annual supplier performance surveys to assess product and/or service quality and ensure ESG compliance</li> </ul>		

## Sustainability Report (Cont'd)

### Engaging with Stakeholders (Cont'd)

Stakeholder Group	Importance to Zantat	
<b>FINANCIAL INSTITUTIONS</b> 	They support Zantat's growth by providing capital, banking services and financial solutions. Their role facilitates funding, manages financial risks and maintains liquidity, enabling the Group to pursue investments, enhance operational efficiency and navigate market volatility with confidence.	
<b>Key Interests</b>	<b>Engagement Platforms</b>	<b>Engagement Frequency</b>
<ul style="list-style-type: none"> <li>Financial risk management</li> </ul>	<ul style="list-style-type: none"> <li>Business and operational updates</li> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Annually</li> </ul>
<b>Goals</b>		
<ul style="list-style-type: none"> <li>Maintain strong financial stability and responsible risk management</li> <li>Ensure transparency and compliance in financial reporting</li> <li>Strengthen relationships to facilitate sustainable financing and investment opportunities</li> </ul>		
<b>Actions</b>		
<ul style="list-style-type: none"> <li>Ensuring sound financial management, responsible risk mitigation and compliance with banking and regulatory requirements</li> <li>Utilising ESG-linked financing (e.g. green loans) and government incentives (e.g. Human Resources Development Fund training grants)</li> </ul>		
Stakeholder Group	Importance to Zantat	
<b>MEDIA</b> 	The media serves as an important channel for communicating Zantat's business developments, S&C initiatives and corporate values to stakeholders. This supports brand visibility, transparency and corporate reputation, strengthening trust and engagement with stakeholders.	
<b>Key Interests</b>	<b>Engagement Platforms</b>	<b>Engagement Frequency</b>
<ul style="list-style-type: none"> <li>Transparent communication on business performance, S&amp;C initiatives and community development programmes</li> </ul>	<ul style="list-style-type: none"> <li>Media events such as press conferences and product launches</li> <li>Press releases</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> <li>As required</li> </ul>
<b>Goals</b>		
<ul style="list-style-type: none"> <li>Increase brand visibility and credibility through strategic media engagement</li> <li>Strengthen stakeholder trust by communicating S&amp;C initiatives transparently</li> <li>Position Zantat as an industry leader in responsible manufacturing and innovation</li> </ul>		
<b>Actions</b>		
<ul style="list-style-type: none"> <li>Leveraging social media platforms (i.e. Zantat's Facebook and Instagram accounts) to provide consistent updates on the Group's developments, S&amp;C initiatives and corporate achievements</li> </ul>		

## Sustainability Report (Cont'd)

### Prioritising Material Issues

The Group prioritises S&C initiatives by strategically allocating resources to areas most relevant to its business and stakeholders. In FYE2023, Zantat conducted its first materiality assessment, identifying 13 material topics. In FYE2024, these topics were refined and expanded to 15 material topics, reflecting evolving stakeholder concerns and business priorities.

During the reporting year, material topics identified from the prior materiality assessment were retained as they remained relevant to the Group's stakeholders and business operations. Material topics positioned in the top right region of the materiality matrix were considered critically important to the Group, and topics in the bottom left region were regarded as important to the Group. Zantat's top five material topics remained at 1) Occupational health and safety, 2) Anti-bribery and corruption and whistleblowing, 3) Human rights and labour practices, 4) Waste and effluent management and 5) Community contribution. The Group plans to conduct and renew its materiality assessment every three years to ensure S&C priorities remain aligned with evolving business needs and stakeholders' expectations.

Biodiversity and land remediation remain a strategic priority for the Group, despite its relative positioning in the materiality matrix. As a company operating within the calcium carbonate industry, Zantat recognises that its activities are closely linked to land use and natural ecosystems. The Group therefore considers biodiversity protection and responsible land management to be fundamental to maintaining sustainable operations and securing long-term licence to operate. Hence, in FYE2025, Zantat elevated biodiversity and land remediation to a standalone sustainability goal to strengthen oversight and explore more structured initiatives in this area in future reporting cycles.

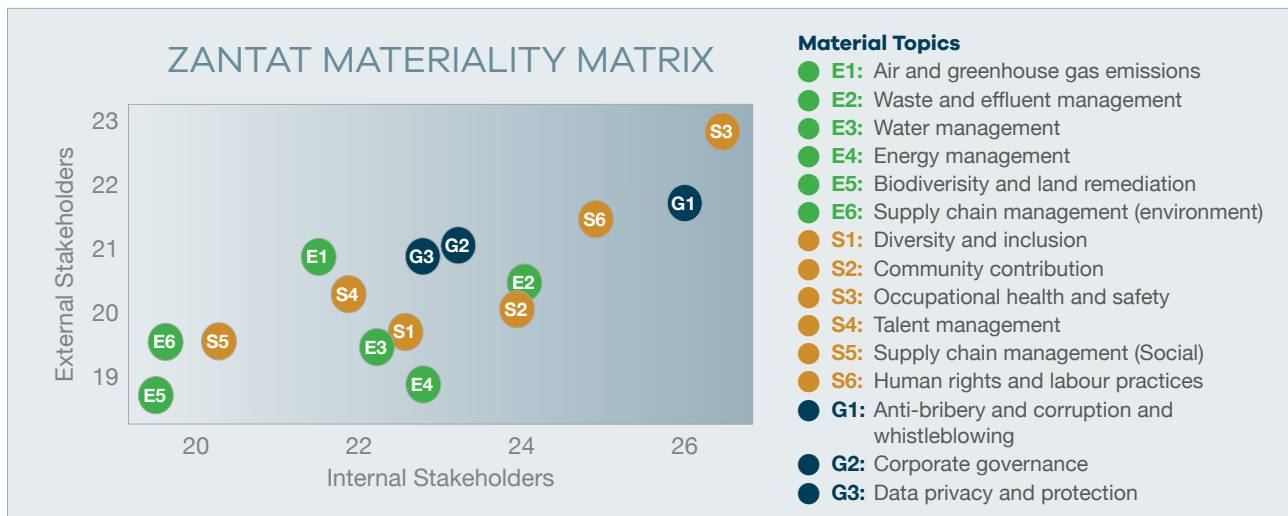











Fig 0.7 The 15 material topics identified from Zantat's materiality survey are presented in the materiality matrix.

Further to that, Zantat strengthened its materiality approach by establishing five S&C goals (shown below) and aligning these material topics to the relevant goals, ensuring a more structured, focused and result-driven S&C strategy.

# Sustainability Report (Cont'd)

## Prioritising Material Issues (Cont'd)

UN SDG	Goals	Material Topics
	<p>Goal 1: Optimising Resource Efficiency and Circular Practices</p> 	<ul style="list-style-type: none"> <li>• Energy management</li> <li>• Water management</li> <li>• Waste and effluent management</li> </ul>
	<p>Goal 2: Advancing Climate Action and Air Emission Reduction</p> 	<ul style="list-style-type: none"> <li>• Air and greenhouse gas emissions</li> </ul>
	<p>Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship</p> 	<ul style="list-style-type: none"> <li>• Biodiversity and land remediation</li> </ul>
	<p>Goal 4: Empowering Workforce and Community Connections and Shared Values</p> 	<ul style="list-style-type: none"> <li>• Diversity and inclusion</li> <li>• Occupational health and safety</li> <li>• Talent management</li> <li>• Community contribution</li> <li>• Human rights and labour practices</li> </ul>
	<p>Goal 5: Upholding Ethical Conduct and Supply Chain Integrity</p> 	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Anti-bribery and corruption and whistleblowing</li> <li>• Data privacy and protection</li> <li>• Supply chain management</li> </ul>
<p><b>Stakeholders</b></p>	<div style="display: flex; justify-content: space-around; text-align: center;"> <div style="border: 1px solid #ccc; padding: 5px;">Shareholders and Investors</div> <div style="border: 1px solid #ccc; padding: 5px;">Employees</div> <div style="border: 1px solid #ccc; padding: 5px;">Customers</div> <div style="border: 1px solid #ccc; padding: 5px;">Government and Regulatory Authorities</div> <div style="border: 1px solid #ccc; padding: 5px;">Suppliers</div> <div style="border: 1px solid #ccc; padding: 5px;">Financial Institutions</div> <div style="border: 1px solid #ccc; padding: 5px;">Media</div> </div>	

For more information on how the Group’s approach aligns with value creation, refer to the Value Creation Model on pages 36 to 37 of this Integrated Annual Report.

## Sustainability Report (Cont'd)

### Integration of Material Topics into Risk Management

In FYE2025, the Group formalised its risk governance through the implementation of its ERM Policy, formalising Board oversight and management accountability for enterprise-wide risk management. The framework encompasses strategic, financial, regulatory, environmental and climate-related risks, including emerging climate-related risks associated with the transition to a low-carbon economy. Oversight is provided by the Board and the Audit and Risk Management Committee ("ARMC"), supported by management-level implementation and coordination functions.

The ERM framework establishes a structured and standardised process to identify, assess, manage and monitor risks across the Group. Risks are identified through an ongoing process embedded within business operations, such as process reviews, incident reporting, internal audits and assessment of internal and external factors, including regulatory and market developments. Each risk is assessed based on likelihood and impact to determine severity and prioritisation.

Risk registers are maintained at departmental level and consolidated into a centralised Group Risk Register for validation, monitoring and escalation to management, the ARMC and the Board, where appropriate. Risks are reviewed periodically, or more frequently where material changes arise. Mitigation actions are assigned to designated risk owners and tracked through defined timelines and Key Risk Indicators, with established thresholds to prompt escalation where necessary.

Through this integrated approach, material S&C risks are systematically evaluated alongside corporate and operational risks, embedding risk management into decision-making and supporting the Group's operational resilience, regulatory compliance and sustainable growth.

For more information on the Group's ERM framework and policy, please refer to <https://ir2.chartnexus.com/zantat/corporategovernance.php> and Zantat's Statement of Risk Management and Internal Control on pages 137 to 142. Further details on climate-related risks are presented under Goal 2: Advancing Climate Action and Air Emission Reduction on pages 68 to 81 and Sustainability Governance section on page 44 of this Integrated Annual Report.

Table 0.8 The outline of how material topics are categorised within Zantat's ERM framework.

ERM Risk Category	Related Material Topics	Definitions
STRATEGIC	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Supply Chain Management</li> </ul>	Risks that adversely affects the stability and/or integrity of the Group as well as its ability to achieve strategic goals and objectives.
FINANCIAL	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Community Contribution</li> </ul>	Risks associated with adverse impacts on the Group's financial performance and stability including incurring additional/increased liabilities.
OPERATIONS	<ul style="list-style-type: none"> <li>Supply Chain Management</li> <li>Waste and Effluent Management</li> <li>Air and GHG Emissions</li> </ul>	Risks associated with inadequacy or failure of internal processes, people and systems or from external events, causing losses, delays or disruptions to production processes or operations of the business and/or key assets.
HEALTH AND SAFETY	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	Risks associated with the potential harm or danger to the physical well-being and safety of individuals due to hazards, conditions or activities, both on-site and in any company-related activities.
PEOPLE AND TALENT	<ul style="list-style-type: none"> <li>Talent Management</li> <li>Diversity and Inclusion</li> </ul>	Risks related to workforce capability, succession planning and employee well-being.

## Sustainability Report (Cont'd)

### Integration of Material Topics into Risk Management (Cont'd)

ERM Risk Category	Related Material Topics	Definitions
REPUTATION	<ul style="list-style-type: none"> <li>Community Contribution</li> <li>Customer Satisfaction</li> <li>Human Rights and Labour Practices</li> <li>Anti-Bribery and Corruption and Whistleblowing</li> </ul>	Risks associated with adverse impact to the Group's image, public perception and credibility among its stakeholders, including clients, investors, regulatory bodies and the public.
REGULATORY AND COMPLIANCE	<ul style="list-style-type: none"> <li>Human Rights and Labour Practices</li> <li>Anti-Bribery and Corruption and Whistleblowing</li> </ul>	Risks arising from non-adherence to laws, relevant regulatory requirements, contractual obligations and industry standards (e.g. environmental regulations, labour laws, specific industry compliance requirements, etc).
ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Waste and Effluent Management</li> <li>Water Management</li> <li>Biodiversity and Land Remediation</li> <li>Air and GHG Emissions</li> </ul>	Risks related to environmental performance, pollution and resource management.
CLIMATE-RELATED	<ul style="list-style-type: none"> <li>Air and GHG Emissions</li> <li>Energy Management</li> <li>Biodiversity and Land Remediation (physical risk exposure)</li> <li>Supply Chain Management (transition risk exposure)</li> </ul>	Climate-related risks including physical risks (acute and chronic) arising from climate impacts, and transition risks arising from regulatory, technological and market changes during the shift to a low-carbon economy.

### FYE2025 Initiative Highlights

Zantat identified 23 S&C initiatives, of which 12 were prioritised and implemented in FYE2025. These initiatives align with the Group's material topics and have been strategically prioritised and implemented. The remaining initiatives have been scheduled for future implementation, with several carried into FYE2026 to support more focused planning and effective execution. This phased approach enables Zantat to progressively advance initiatives across its remaining material topics in a more holistic and balanced manner.

Initiatives	Input	Outcome
Establish governance for annual cross-site safety audits	A total of 10 man-days were recorded, involving eight internal safety team members who conducted cross-site safety audits	A consolidated internal audit report was issued, with 12 opportunities for improvement identified and closed
Launch mandatory online training modules on safety and health awareness	Development of in-house safety and health awareness training content and assessment modules	100% of Zantat's Board and staff completed the training; 100% of staff passed the assessment on the first attempt
Launch mandatory online training modules on labour practices and anti-bribery and corruption ("ABC") awareness	Development of in-house ABC training content and assessment modules	100% of Zantat's Board and staff completed the training; 98.0% of staff passed the assessment on the first attempt; with 100% passing after the second attempt

## Sustainability Report (Cont'd)

### FYE2025 Initiative Highlights (Cont'd)

Initiatives	Input	Outcome
Establish a structured CSR volunteering hour programme as part of the KPI for local staff	CSR actual contribution of RM34,808 to support employee volunteering initiatives	77.7% of local staff achieved the KPI target, contributing a total of 818 volunteering hours
Conduct cradle-to-grave carbon footprint study for Zaneco compostable food waste bag	Product carbon footprint study conducted jointly with an external consultancy firm	A cradle-to-grave product carbon footprint report completed for Zaneco's compostable food waste bag
Incorporate air pollution management into ISO 14001:2015 (EMS) documentation	Updates made to ISO 14001:2015 (EMS) documentation	Strengthened management of air pollution matters within ISO 14001:2015 (EMS) documentation
Install solar PV system at Zantat Perak Plant 2 (Phase 1)	Capital expenditure of RM1.4 million for Phase 1 solar panel installation at Zantat Perak Plant 2	Solar PV system installed, with the exact energy generation output pending assessment
Catalogue natural species at ZLCC site	Eight man-days allocated for quarry site biodiversity observation and documentation	18 flora and fauna observations recorded, including 17 identified species
Implement cybersecurity measures via installation of SOPHOS	Investment of RM103,260 to procure SOPHOS firewall and cloud security solutions for a three-year period	Comprehensive endpoint protection installed across all Zantat devices, including desktops and laptops

## GOAL 1: OPTIMISING RESOURCE EFFICIENCY AND CIRCULAR PRACTICES



### Energy Management (GRI 302-1, 302-3, 302-4)

Due to the energy-intensive nature of mineral processing and production activities, energy management is significant to Zantat's operations. The Group focuses on optimising energy use to lower operating costs, reduce GHG emissions, strengthen regulatory compliance and enhance operational resilience. These efforts also ensure that the Group is able to meet customer expectations and the transition towards a low-carbon future.

Zantat remains guided by the ESG commitments outlined in its Sustainability Policy and continues to promote responsible electricity usage across its operations through employee engagement and workforce initiatives. Additionally, 100% of the Group are covered under ISO 14001:2015 (EMS) supporting a more systematic approach to managing energy use and improving environmental performance across the Group. The certification is renewed annually and communicated internally through memorandum, emails, briefings, training sessions, meetings, procedure manuals and work instructions.

### Initiatives

In FYE2025, Zantat Perak invested RM1.4 million to install an additional 849 kWp of solar PV capacity, with the system operating since April 2025. Annually, this additional capacity is estimated to generate approximately 1,141 MWh of renewable electricity per year.\* Installation works for the remaining scope are ongoing as part of the Group's long-term plan to scale up solar capacity to 2 MWp, subject to completion progress and operational readiness. To further enhance energy reliability and optimise on-site solar utilisation, the Group is also evaluating a battery energy storage system ("BESS") of up to 1 MWh at the Perak Plant.

### Note:

\* Estimation is based on average solar PV output assumptions for Malaysia from Global Solar Atlas. Actual generation may vary depending on solar irradiation, weather conditions, system efficiency and operational activity.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Energy Management (Cont'd)

##### Initiatives (Cont'd)

In parallel, the Group continued to advance initiatives aimed at improving energy efficiency and reducing diesel consumption. This includes the pilot deployment of an electric vehicle (“EV”) forklift valued at RM97,800 as a practical step towards cleaner equipment solutions. The electric motors installed in the previous year remained operational throughout FYE2025 and continued to support improved energy performance through sustained efficiency gains.

##### FYE2025 Performance

In FYE2025, Zantat recorded an 11.0% reduction in total energy consumption compared with the previous year, primarily driven by lower electricity and diesel usage. Concurrently, solar energy generation increased by 16.5% to 1,505 MWh in FYE2025 from 1,292 MWh in FYE2024, following the expansion of installed solar PV capacity during the year. This reflects the Group’s continued efforts to strengthen energy management and progressively increase the contribution of renewable energy within its operational profile. In addition, the Group enhanced data tracking for liquid petroleum gas (“LPG”), enhancing the completeness of its energy monitoring and disclosure practices.

In addition, the Group monitors energy consumption per thousand operating hour to reflect operational energy performance. In FYE2025, this intensity metric recorded a 0.6% decrease from FYE2024. Similarly, total energy consumption per million ringgit of revenue decreased by 2.6% compared to FYE2024, reflecting the impact of ongoing energy efficiency measures and operational optimisation initiatives.

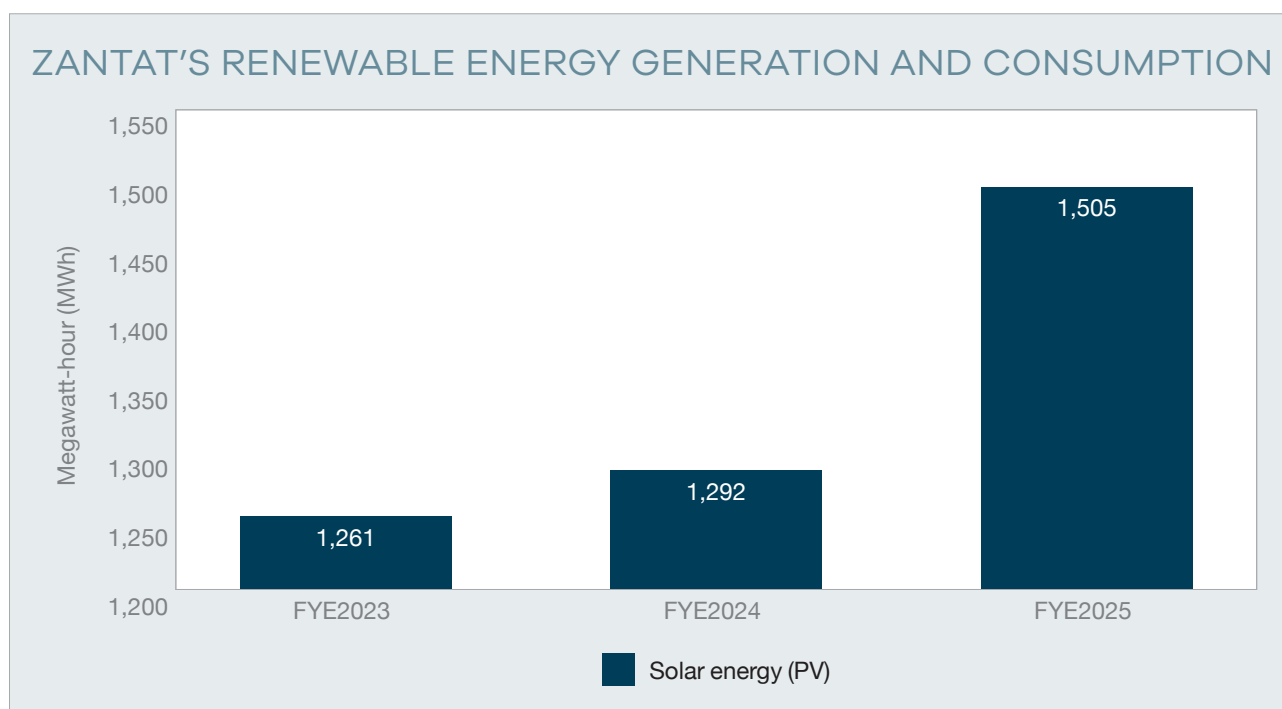


Fig 1.1 Zantat's renewable energy generation (solar energy photovoltaic system) for the past three financial years.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Energy Management (Cont'd)

#### FYE2025 Performance (Cont'd)

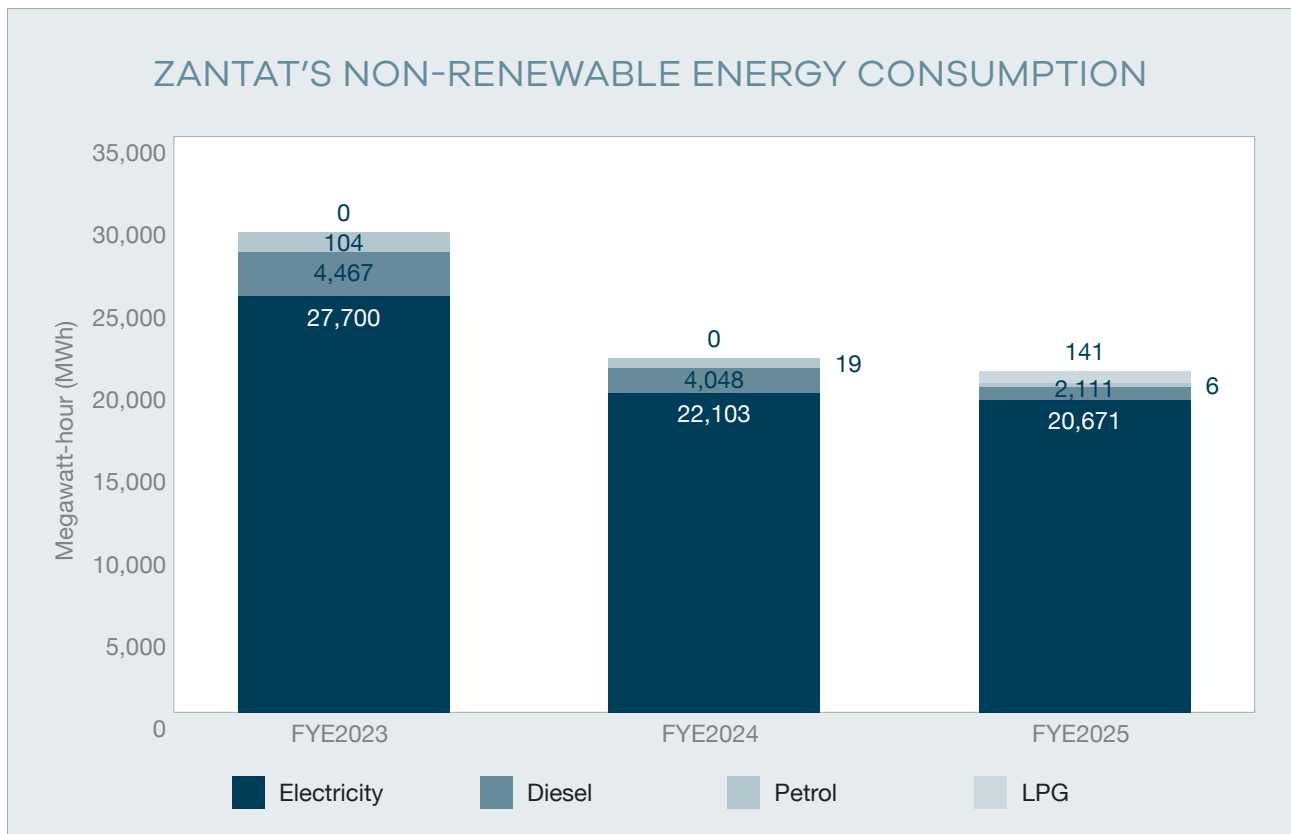


Fig 1.1 Zantat's renewable energy generation (solar PV) and non-renewable energy consumption (purchased electricity, diesel, petrol, and LPG) for the past three financial years.

Table 1.1 Energy consumption details of Zantat for the past three financial years, presented by indicator type, non-renewable energy, renewable energy, and total energy consumption. NA denotes not applicable.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025
ABSOLUTE	<b>Renewable energy generation and consumption</b>				
	Solar photovoltaic (PV) generation	MWh	1,261	1,292	1,505
	<b>Non-renewable Energy Consumption</b>				
	<b>Electricity</b>	<b>MWh</b>	<b>27,700</b>	<b>22,103</b>	<b>20,671</b>
	<b>Total Petrol consumption<sup>2,3*</sup></b>	<b>MWh</b>	<b>104</b>	<b>19</b>	<b>6</b>
	Total Petrol consumption	L	11,261	2,094	622

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Energy Management (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 1.1 Energy consumption details of Zantat for the past three financial years, presented by indicator type, non-renewable energy, renewable energy, and total energy consumption. NA denotes not applicable.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025	
<b>Non-renewable Energy Consumption (Cont'd)</b>						
ABSOLUTE	<b>Total Diesel consumption<sup>2,3*</sup></b>	<b>MWh</b>	<b>4,467</b>	<b>4,048</b>	<b>2,111</b>	
	Total Diesel consumption	L	453,576	410,827	214,205	
	• Company-owned Cars*	L	9,462	10,401	10,382	
	• Company-owned Lorries*	L	41,923	52,477	37,814	
	• Forklifts and Wheel Loaders*	L	402,191	347,949	166,010	
	<b>LPG consumption*</b>	<b>MWh</b>	<b>0</b>	<b>0</b>	<b>141</b>	
	LPG consumption*	L	0	0	20,900	
	<b>Total non-renewable energy consumption</b>	<b>MWh</b>	<b>32,271</b>	<b>26,171</b>	<b>22,928</b>	
	<b>Total renewable and non-renewable energy consumption</b>					
	<b>Total energy consumption*</b>	<b>MWh</b>	<b>33,533</b>	<b>27,463</b>	<b>24,434</b>	
Revenue	RM'million	122.8	101.9	92.2		
Operation hours <sup>1</sup>	Hours'000	597.7	565.2*	498.2		
Production output	Tonnes	NA	262,626	197,502		
INTENSITY	Total energy consumed per thousand operating hours	MWh/hour'000	54.0	46.3	46.0	
	Total energy consumed per million ringgit of revenue	MWh/RM' million	273.1	269.6	262.7	
	Total energy consumed per thousand operating outputs	MWh/tonnes	NA	0.10	0.12	
	Percentage of renewable energy	%	3.8	4.7	6.2	

#### Notes:

1. Operation hour is limited to labour hours.

2. Petrol energy consumption is calculated using the net caloric value ("NCV") conversion factor for petrol (100% mineral petrol) of 9.22, 9.25 and 9.20 kWh/litre for FYE2023, FYE2024 and FYE2025, respectively. Diesel energy consumption with 10% biofuel blend ("B10") is 9.85, 9.85, and 9.85 kWh/litre, for FYE2023, FYE2024 and FYE2025.

\* Data has been restated due to changes in the boundary, where the Group included ZLCC as part of Zantat's energy management.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Water Management (GRI 303-3, 303-5)

Water is a critical resource, given its role in Zantat's mineral processing and equipment performance. To this end, Zantat strives to manage its water consumption to reduce the Group's environmental footprint and ensure the sustainability of its water resources. The Group's strategy involves tracking water consumption, enhancing water-use efficiency across its activities and promoting water recycling and reuse through various initiatives.

The Group's approach to water management is guided by the Sustainability Policy as well as the Aqueduct 4 (World Resources Institute, 2025), a globally recognised water risk assessment framework. Based on this assessment, Zantat's operational sites in Perak and Kuala Lumpur are classified as low water risk sites, with less than 10% of available renewable water resources being withdrawn. Aqueduct turns complex hydrological data into practical risk indicators, including baseline water stress, which measures the ratio of total water demand against available surface and groundwater supply. These findings indicate that water scarcity is not an immediate operational risk to the Group.

Zantat remains committed to strengthening water efficiency and conservation practices to ensure responsible resource management and operational resilience.

#### Initiatives

In FYE2025, Zantat Perak conducted regular inspections and preventive maintenance on water pipelines, valves, hoses and storage tanks to identify and rectify leaks, reducing water wastage. Zantat Perak also monitored water consumption by installing water meters to control usage and improve overall water efficiency.

Going forward, Zantat Perak plans to install rainwater harvesting systems at Plants 1 and 2 to supply water for toilet facilities, reducing reliance on groundwater sources. Calrock also intends to install a rainwater harvesting system at its new office premises.

#### FYE2025 Performance

Zantat's water management performance in FYE2025 reflects improved operational efficiency despite fluctuations in absolute consumption. While total water consumption decreased by approximately 22.9% compared with FYE2024, absolute figures alone do not fully reflect the Group's water performance as they may be influenced by operational scale and production levels. A more meaningful indicator is water intensity. In FYE2025, water consumption per thousand ringgit of revenue decreased by approximately 15.9%, while water consumption per operating hour declined by around 9.1%, indicating improved water use efficiency across the Group.

These improvements were primarily supported by Zantat's efforts to strengthen operational controls, including regular inspections and preventive maintenance on water pipelines, valves, hoses and storage tanks to identify and rectify leaks, thereby reducing water wastage. In addition, the Group recorded lower water consumption in FYE2025 due to ZLCC's decreased operational activity, contributing to the overall decline in water consumption.

Table 1.2 Zantat's water consumption over time, categorised into different sources of water withdrawal.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025
ABSOLUTE	<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>71,093</b>	<b>63,754</b>	<b>49,169</b>
	• Third-party water	m <sup>3</sup>	15,661	20,985	20,113
	• Surface water	m <sup>3</sup>	10,000	9,602	159
	• Groundwater	m <sup>3</sup>	45,432	33,167	28,897
	• Sea water	m <sup>3</sup>	0	0	0
	• Produced water	m <sup>3</sup>	0	0	0

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Water Management (Cont'd)

##### FYE2025 Performance (Cont'd)

Indicator Type	Measurement	Unit	FYE2022	FYE2023	FYE2024
INTENSITY	Water consumption per thousand ringgit of revenue	m <sup>3</sup> /RM'000	0.58	0.63	0.53
	Water consumption per operating hour	m <sup>3</sup> /operating hour	0.12	0.11	0.10

##### Notes:

Third-party water refers to water supplied by municipal water providers, wastewater treatment providers, public or private utilities, and other external organisations involved in water and effluent services.

Surface water refers to naturally occurring water on the Earth's surface, such as rivers, streams, lakes, ponds, bogs, glaciers, ice caps, ice sheets, and icebergs.

Seawater refers to water sourced from the sea or ocean.

Produced water refers to water generated as a result of extraction, processing, or the use of raw materials, which must then be managed by the Group.

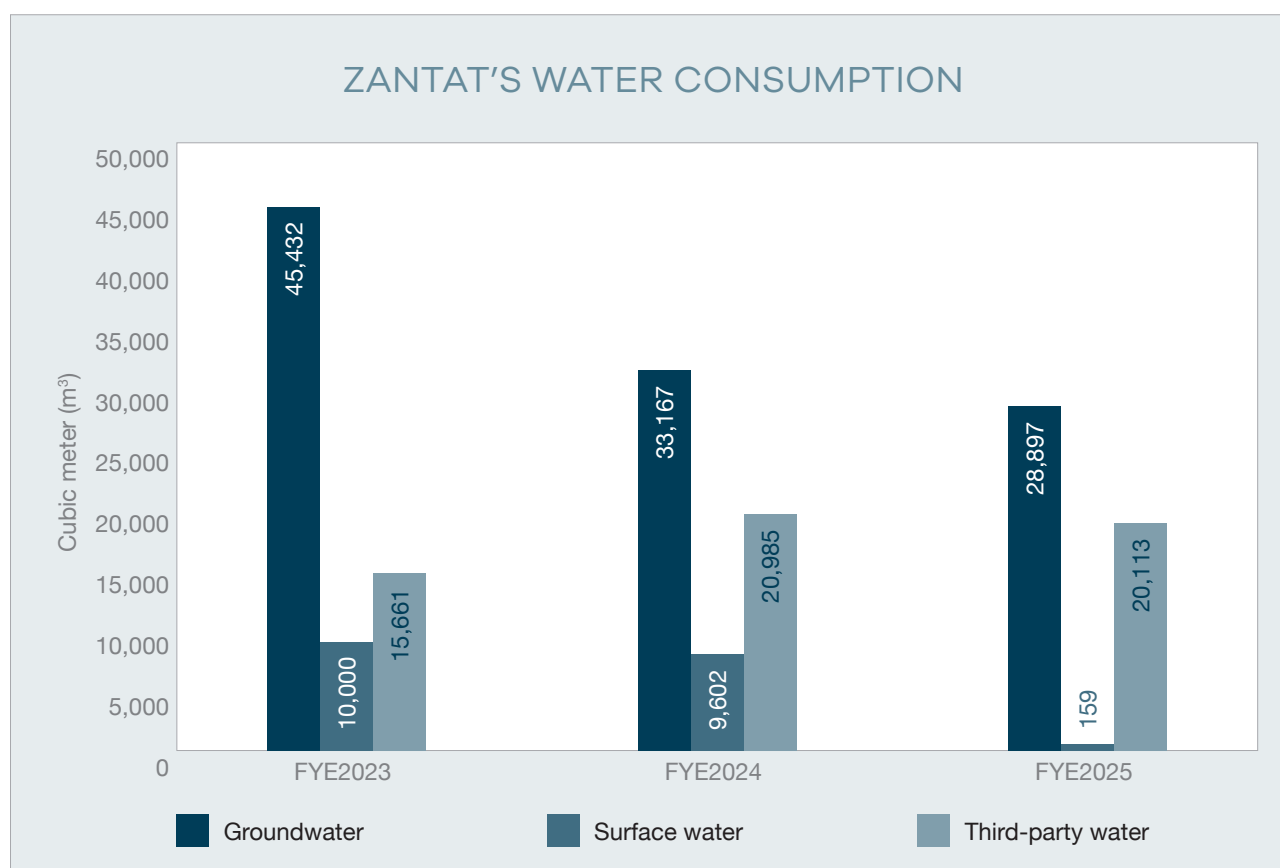


Fig 1.2 Zantat's water consumption by withdrawal source (third-party, surface water, and groundwater) for the past three financial years.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

As the Group's mineral processing activities generate various waste streams, proper waste and effluent management are crucial to prevent effluent discharge and contamination to the environment. To this end, Zantat complies with environmental and waste regulations to protect surrounding ecosystems and mitigate operational and reputational risks. The Group also implements measures to segregate waste, adopt recycling practices and promote a circular economy across its operations to reduce its environmental footprint.

Guided by the Environmental Quality (Scheduled Wastes) Regulations 2005 and the Group's Sustainability Policy, Zantat's waste management approach includes efforts to repurpose by-products, optimise raw material consumption, and collaborate with licensed waste management operators to support the responsible handling and disposal of waste across Zantat Perak, Zantat KL, and Calrock. As part of its ongoing effort to strengthen waste governance across the Group, Zantat is also in the process of expanding its waste management coverage to ZLCC, alongside the refinement and implementation of its data collection systems. The Group considers ZLCC to be an integral part of its operations and remains committed to progressively extending its waste management practices and reporting boundaries to enhance consistency and oversight across all key operating entities.

Zantat's waste is classified into non-scheduled waste and scheduled waste. Non-scheduled waste consists of industrial and packaging waste, while scheduled waste are listed below:

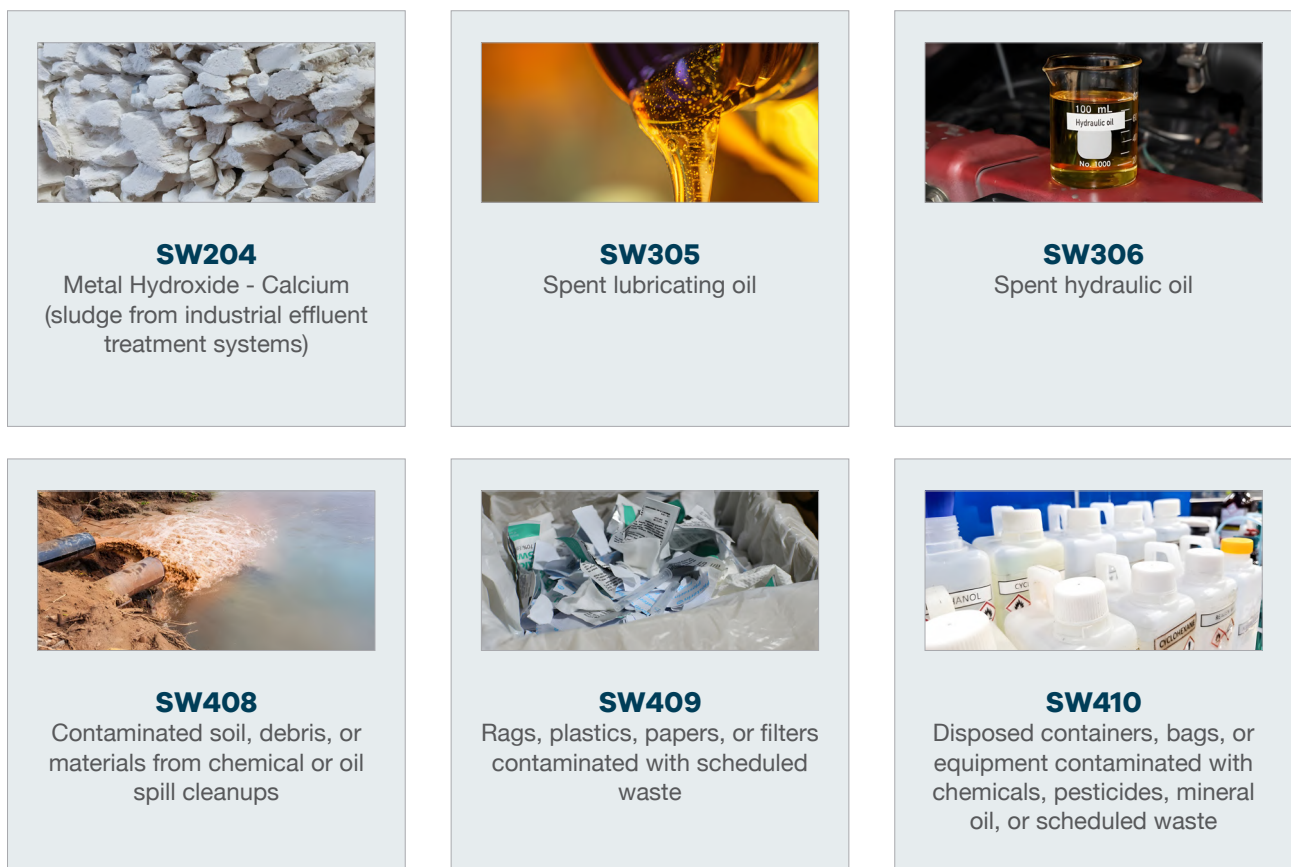


Fig 1.3 Types of scheduled waste generated by Zantat, including Metal Hydroxide, spent lubricating and hydraulic oils, contaminated soil, and disposed containers.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (Cont'd)

Zantat manages non-scheduled waste through segregation at source, reuse and recycling initiatives, and disposal via licensed contractors. Recyclable materials are recovered where feasible, while residual waste is directed to disposal facilities. Meanwhile, scheduled waste is managed in accordance with regulatory requirements that include storage, handling and transportation by licensed contractors and treatment or disposal at DOE approved facilities.

#### Initiatives

In FYE2025, the Group maintained designated scheduled waste storage areas to support the proper management, segregation, and control of scheduled wastes in line with environmental and safety requirements. Looking ahead, Zantat intends to further strengthen its waste management practices through the exploration of targeted waste reduction, recycling, and process optimisation initiatives. Additionally, the Group intends to further enhance its waste management practices by exploring targeted waste reduction, recycling and process optimisation initiatives.

#### FYE2025 Performance

In FYE2025, the Group recorded a 12.0% reduction in total scheduled and non-scheduled waste generation, decreasing from 540 tonnes in FYE2024 to 475 tonnes. This improvement was mainly driven by a 13.2% reduction in non-scheduled waste, which continued to comprise the majority of total waste at 448 tonnes in FYE2025. Scheduled waste increased by 8.3% to 26 tonnes, and continued to be managed through diversion channels, with zero scheduled waste directed to disposal.

In terms of intensity, total waste generated per million ringgit of revenue improved by 3.8% to 5.1 tonnes, while waste per thousand operating hour remained stable, improving marginally by 1.0% to 0.95 tonnes in FYE2025. The Group recorded a waste diversion rate of 16.0% in FYE2025, based on waste diverted over total waste generated, reflecting Zantat's continued focus on recycling and responsible waste handling. Effluent is primarily generated from Zantat KL's operations and was fully treated prior to discharge in FYE2025, in line with applicable DOE requirements.

Table 1.3.1 Zantat's waste generation, waste disposal, waste diversion, effluent and waste intensity performance for the past three financial years.

Indicator Type	Measurement	Unit	FYE2023	FYE2024	FYE2025
ABSOLUTE	<b>Total scheduled and non-scheduled waste</b>	<b>Tonne</b>	<b>549</b>	<b>540</b>	<b>475</b>
	• Directed to disposal	Tonne	NA	425*	399
	• Diverted from disposal	Tonne	NA	116*	76
	<b>Total Non-Scheduled Waste:</b>	<b>Tonne</b>	<b>526</b>	<b>516</b>	<b>448</b>
	• Directed to disposal	Tonne	NA	425	399
	• Diverted from disposal	Tonne	NA	92	50
	<b>Total Scheduled Waste:</b>	<b>Tonne</b>	<b>23</b>	<b>24</b>	<b>26</b>
	• Directed to disposal	Tonne	0	0	0
	• Diverted from disposal	Tonne	23*	24*	26
	Total effluent generated	m <sup>3</sup>	NA	NA	1,806
Total effluent treated	m <sup>3</sup>	NA	NA	1,806	

Note: Totals presented may differ slightly from the sum of individual figures due to rounding adjustments.

\* Data has been restated due to revised assignment of scheduled waste disposal method.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (Cont'd)

##### FYE2025 Performance (Cont'd)

Indicator Type	Measurement	Unit	FYE2022	FYE2023	FYE2024
INTENSITY	Total waste per million ringgit of revenue	Tonne/ RM'million	4.5	5.3	5.1
	Total waste per thousand operating hours	Tonne/ hour'000	0.92	0.96	0.95

### MATERIAL SOURCING AND COMPOSTABLE SOLUTIONS

To strengthen waste and materials management, Zantat implemented an effort in FYE2024 to track and monitor its material consumption and identify opportunities for the adoption of renewable alternatives. In FYE2025, the data indicates a gradual increase in the proportion of renewable materials sourced, rising from 1.5% in FYE2024 to 1.9% in FYE2025.

Table 1.3.2 Breakdown of the total weight of materials used to produce and package Zantat's products.

	Unit	FYE2023	FYE2024	FYE2025
Raw materials	Kilogram	NA	259,958,518	195,115,127
Associated process materials	Kilogram	NA	0	0
Semi-manufactured goods or parts	Kilogram	NA	0	0
Materials for packaging purposes	Kilogram	NA	2,667,897	2,387,087
<b>Grand total</b>	<b>Kilogram</b>	<b>NA</b>	<b>262,626,415</b>	<b>197,502,214</b>
Renewable materials sourced	Kilogram	NA	4,023,358	3,651,669
Non-renewable materials sourced	Kilogram	NA	258,497,291	194,034,117
Percentage of renewable materials	Percentage	NA	1.5%	1.9%

Apart from renewable material sourcing, Zantat also integrates S&C considerations into its product development strategy, recognising that responsible material solutions support long-term environmental stewardship and business resilience. Through ongoing research and development and collaboration, the Group has embedded environmental considerations into the design and life cycle of its products, ensuring that innovation balances performance requirements with reduced environmental impact.

#### Earthya™ Compostable Material

A key innovation within the Group's sustainable material portfolio is Earthya™, a compostable material developed by Zantat's subsidiary, Zaneco, as an alternative to conventional plastic packaging applications. Unlike traditional Low-Density Polyethylene ("LDPE") plastics, Earthya™ is designed to biodegrade under composting conditions into non-toxic components without leaving persistent microplastics. This enables organic waste and packaging materials to be processed together through composting systems, supporting responsible waste recovery and reducing landfill dependency.

## Sustainability Report (Cont'd)

### Goal 1: Optimising Resource Efficiency and Circular Practices (Cont'd)

#### Waste and Effluent Management (Cont'd)

##### FYE2025 Performance (Cont'd)

#### MATERIAL SOURCING AND COMPOSTABLE SOLUTIONS (CONT'D)



Fig 1.4 Zantat's green and innovative product, Earthya™, a fully compostable food waste bag, globally certified by TÜV Austria OK Compost: Industrial and HOME, SIRIM Eco Label 001:2018 Compostable, BPI Industrial Compostable Standard, Australian Compostability Standards: AS 5810 and AS 4736 and MyHIJAU.

#### Earthy™ Compostable Material (Cont'd)

Earthy™ has obtained multiple internationally recognised certifications verifying its compostability, environmental safety and compliance with global standards. These include industrial and home compostability certifications issued by organisations such as TÜV Austria (Austria), the Australasian Bioplastics Association (Australia) and the Biodegradable Products Institute (United States) under recognised standards including DIN EN 13432:2000, ASTM D6400, ASTM D6868, AS 4736 and AS 5810. In Malaysia, Earthya™ is also recognised under the national MyHIJAU Mark programme by Malaysia Green Technology and Climate Change Corporation and certified under SIRIM ECO 001:2018 for biodegradable and compostable plastics.

#### Advancing Circular Material Solutions

Beyond compostable packaging, the Group continues to explore innovative circular economy solutions by integrating alternative resources into material development. During the year, Zantat initiated a new product development programme to upcycle spent coffee grounds ("SCGs"), an abundant organic by-product from the food and beverage industry, into functional material applications. By incorporating processed SCGs into material formulations, the Group is able to transform organic waste into value-added products such as packaging bags, paper bag substitutes, drinking straws and thermoformed items. This initiative reduces reliance on virgin raw materials while promoting more efficient resource utilisation. The development supports circular economy principles by converting waste streams into functional materials that can safely return to the environment through composting, contributing to more sustainable packaging solutions and responsible waste management practices.

The Group also developed compostable agricultural mulch films designed to replace conventional polyethylene mulch films widely used in farming. These biodegradable films eliminate the need for post-harvest plastic collection and reduce the risk of microplastic accumulation in agricultural soil, supporting more sustainable farming practices.

#### Material Efficiency and Carbon Reduction

The Group continues to advance functionalised calcium carbonate technologies aimed at reducing polymer usage, improving material efficiency and lowering product carbon footprints. These initiatives embed sustainability into product design, supporting ESG objectives and positioning the Group as a contributor to low-carbon, circular material innovation.

To further strengthen the environmental value proposition of Earthya™, the Group commissioned an independent cradle-to-grave product carbon footprint assessment in FYE2025. The lifecycle analysis evaluated GHG emissions from raw material sourcing, production and distribution through to various end-of-life scenarios. The assessment indicated that Earthya™ can achieve comparable or lower carbon emissions relative to conventional LDPE plastics, while offering the additional benefit of certified compostability.

Through these initiatives, the Group continues to embed sustainability into product innovation and material design, supporting the development of environmentally responsible solutions that align with evolving regulatory expectations and global sustainability goals.

## Sustainability Report (Cont'd)

### GOAL 2: ADVANCING CLIMATE ACTION AND AIR EMISSION REDUCTION



#### Managing Climate Risks and Building Operational Resilience (GRI 305-1, 305-2, 305-3, 305-4, 305-5)

Zantat operates within a value chain where climate considerations directly impact operational continuity, cost competitiveness and market expectations. As such, the Group views climate change not only as an environmental obligation but as a business consideration that influences resource security, energy consumption, regulatory compliance and customer demand.

In managing CRROs, Zantat commits to strengthen its operational resilience across its production processes, particularly in relation to energy intensity, emissions exposure and evolving environmental regulations affecting mineral processing activities. Concurrently, the Group continues to advance the development and supply of calcium carbonate solutions that support customers in reducing environmental footprints, improving product efficiency and transitioning towards more sustainable applications.

To strengthen transparency and climate disclosures, the Group is aligning its climate-related governance, risk management and performance monitoring practices with the NSRF, while progressively incorporating relevant elements of IFRS S2. With this approach, Zantat reinforces operational resilience, regulatory readiness and long-term value creation within a transitioning low-carbon economy.

In FYE2025, Zantat undertook a three-day climate consultation programme to strengthen the Group's understanding of CRROs. This programme ensured that emerging climate considerations were integrated into business and strategic planning. The programme involved the SSC, SWGs and the Board, enabling top-down oversight and bottom-up operational alignment on climate-related matters that may impact the Group.

#### Governance

The Board recognises that sustainable business practices, including the management of CRROs are important to long-term value creation and business resilience. Oversight of S&C matters (including strategic priorities, targets and performance), rests with the Board, while the SSC and SWGs are responsible for implementing initiatives and managing day-to-day execution across the Group.

Climate considerations are integrated into the Group's governance and risk management structures, enabling the Board to monitor regulatory developments, operational exposures and impacts. Additionally, regular reporting supports informed decision-making and strengthens accountability for environmental performance and climate resilience. For more information on governance, please refer to the Corporate Governance Overview Statement on pages 127 to 133, Sustainability Governance on page 44 and Key Messages on pages 16 to 39 of this Integrated Annual Report.

#### Strategy

Zantat recognises that climate change presents both physical and transition risks that may affect the Group's operations, cost structure and long-term competitiveness. In reference to IFRS S2, Zantat identifies climate-related risks into the following two broad categories to support its climate-related disclosures and risk management.


# Sustainability Report (Cont'd)

## Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

### Managing Climate Risks and Building Operational Resilience (Cont'd)

#### Strategy (Cont'd)

These risks are broadly categorised as follows:



**Physical Risks**  
Climate-related risks arising from event-driven or long-term climatic changes. Climate-related physical risks are classified into two types: Acute and Chronic. Acute risks include extreme weather events (such as flash floods and heatwaves) that may disrupt Zantat's Plant operations. Chronic risks relate to prolonged climate patterns, including extended droughts or sustained high temperatures, which may place stress on facilities, water availability, utilities and overall operational reliability.



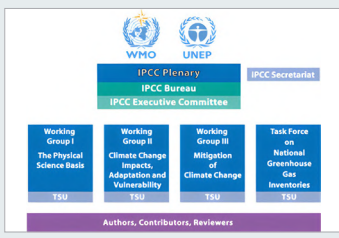
**Transition Risks**  
Climate-related risks arising from the global shift towards a lower-carbon economy. These include market-driven pressures such as fluctuating input costs and changing customer sustainability requirements; reputational considerations linked to stakeholder expectations and the credibility of climate disclosures; technology-related risks associated with the adoption of new low-carbon systems and potential cyber or operational vulnerabilities; as well as policy and regulatory developments, including carbon-related regulation, taxation, assurance requirements and evolving lender and investor expectations.

To strengthen business resilience, Zantat has assessed CRROs across its value chain. These risks are categorised into physical risks arising from acute and chronic climate hazards, and transition risks driven by policy, legal, technology and market shifts associated with the transition to a low-carbon economy.

The assessment enables the Group to evaluate potential operational and financial impacts while identifying appropriate adaptation and mitigation measures. This approach supports informed decision-making, enhances risk preparedness and positions the Group to capture opportunities arising from evolving customer preferences and regulatory landscapes.

#### Climate Scenario Analysis

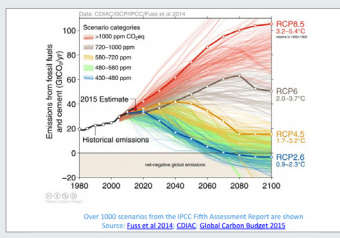
To navigate future uncertainties, Zantat assessed potential climate scenarios to better anticipate risks and shape the Group's strategy. This process involves utilising three recognised projection frameworks:



**IPCC Working Group III ("WGIII") Categories**



**Shared Socioeconomic Pathways ("SSPs")**



**Representative Concentration Pathways ("RCPs")**

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

When considered together, WGIII, SSPs and RCPs provide Zantat with a broader perspective on potential climate-related futures, supporting the Group in planning ahead and developing strategies that are more resilient and adaptable to future uncertainties (see Table 2.1 below for how the scenario frameworks complement each other).

For ease of understanding and communication, Zantat used the SSPs as the primary scenario lens in this report, as they provide a more accessible and business-relevant way to describe potential climate futures. By integrating insights from the broader scenario frameworks, the Group assessed three relevant climate scenarios, namely SSP1 (sustainable development), SSP2 (middle of the road) and SSP5 (high fossil-fuel development), to prepare for potential future climate-related impacts. These scenarios were selected to provide a balanced representation of possible transition and physical risk pathways most relevant to Zantat's operating context. For the purposes of this report, Zantat focused on SSP2 as the scenario most closely aligned with its current business environment and industry trajectory.

*Table 2.1 The most commonly adopted future climate scenario projection frameworks and their environmental impacts in Southeast Asia. Zantat focused on SSP1-2.6, SSP2-4.5, and SSP5-8.5 to prepare for the best-, mid-, and worst-case future climate scenarios (IPCC, 2022; O'Neill, 2017).*

Shared Socioeconomic Pathway (SSP)	WGIII Category	Representative Concentration Pathway (RCP)	Description		
SSP1-1.9	C1	RCP1.9	Limit warming to 1.5 °C with no or limited overshoot (1.6 °C)		
	C2		Return warming to 1.5 °C after a high overshoot (1.6~1.8 °C)		
<b>SSP1-2.6</b>	<b>C3 and C4</b>	<b>RCP2.6</b>	<b>Limit warming to 2 °C</b>		
	C5		Limit warming to 2.5 °C		
<b>SSP2-4.5</b>	<b>C6</b>	<b>RCP4.5</b>	<b>Limit warming to 3 °C</b>		
SSP3-7	C7	RCP7.0	Limit warming to 4 °C		
<b>SSP5-8.5</b>	<b>C8</b>	<b>RCP8.5</b>	<b>Exceed warming of 4 °C</b>		
IPCC Time Horizon	Scenario	Mean Temperature (°C)	Total Precipitation (%)	Sea level rise (m)	
2021-2040	SSP1-2.6 (C3 & C4)	1.2 <i>(likely range 1.0 to 1.6)*</i>	0.1 <i>(likely range -3.8 to 3.6)*</i>	0.1 <i>(likely range 0.0 to 0.2)*</i>	
	SSP2-4.5 (C6)	1.2 <i>(likely range 1.0 to 1.7)*</i>	-0.3 <i>(likely range -4.8 to 3.1)*</i>	0.1 <i>(likely range 0.0 to 0.2)*</i>	
	SSP5-8.5 (C5)	1.3 <i>(likely range 1.1 to 1.8)*</i>	-0.1 <i>(likely range -4.4 to 4.3)*</i>	0.1 <i>(likely range 0.0 to 0.2)*</i>	
2041-2060	SSP1-2.6 (C3 & C4)	1.5 <i>(likely range 1.1 to 2.0)*</i>	0.3 <i>(likely range -3.7 to 3.9)*</i>	0.2 <i>(likely range 0.1 to 0.3)*</i>	
	SSP2-4.5 (C6)	1.7 <i>(likely range 1.3 to 2.3)*</i>	0.1 <i>(likely range -4.1 to 4.4)*</i>	0.2 <i>(likely range 0.1 to 0.4)*</i>	
	SSP5-8.5 (C5)	2.1 <i>(likely range 1.7 to 2.7)*</i>	0.1 <i>(likely range -3.1 to 5.9)*</i>	0.3 <i>(likely range 0.1 to 0.4)*</i>	
2081-2100	SSP1-2.6 (C3 & C4)	1.5 <i>(likely range 1.1 to 2.2)*</i>	1.2 <i>(likely range -3.0 to 4.9)*</i>	0.4 <i>(likely range 0.2 to 0.8)*</i>	
	SSP2-4.5 (C6)	2.4 <i>(likely range 1.8 to 2.3)*</i>	1.8 <i>(likely range -4.2 to 7.0)*</i>	0.5 <i>(likely range 0.2 to 0.9)*</i>	
	SSP5-8.5 (C5)	3.9 <i>(likely range 2.9 to 5.2)*</i>	1.1 <i>(likely range -5.7 to 10.1)*</i>	0.7 <i>(likely range 0.4 to 1.1)*</i>	

##### Note:

\* For each scenario and time horizon, the single value presented represents the median projection, which serves as the central estimate. The bracketed values represent the P5 to P95 range, indicating the lower and upper bounds of the projected range.

# Sustainability Report (Cont'd)

## Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

### Managing Climate Risks and Building Operational Resilience (Cont'd)

#### Strategy (Cont'd)

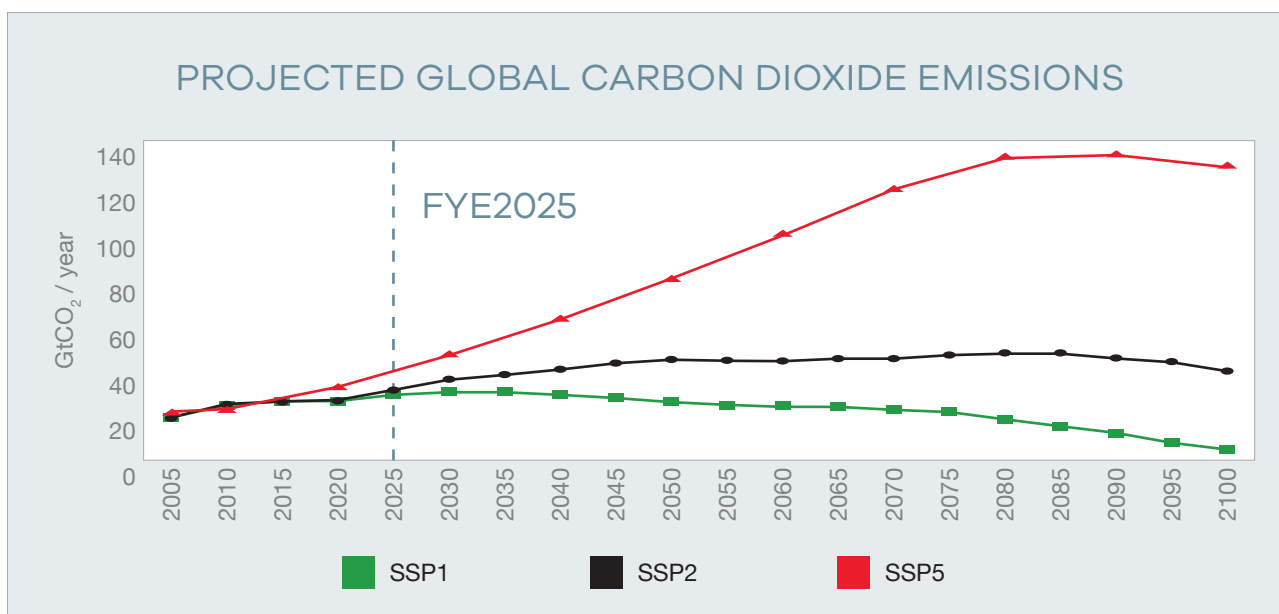


Fig 2.1 Projected amount of carbon dioxide released every year under the three scenarios focused by Zantat. The graph is plotted from IPCC (2023b), using the models: IMAGE 3.2 (for SSP1), IMAGE 3.2 (SSP2), and REMIND-MAGPIE 1.5 (SSP5) (Byers et al., 2022).

As this represents Zantat’s first year in conducting a formal climate scenario analysis, the Group intends to progressively expand its assessment in future reporting cycles to incorporate current and anticipated financial impacts across its value chain, assets and business model. The analysis supports forward planning for climate-related uncertainties and is guided by defined time horizons, namely short term (2025–2030), medium term (2030–2040) and long term (2040–2050), aligning with Malaysia’s nationally determined contribution (“NDC”) time horizons.

#### Climate-related Chronic and Acute Physical Risks and Opportunities

Zantat’s climate risk assessment identified several major physical risk exposures that may impact operational continuity and cost performance over time. The most significant findings relate to the increasing likelihood and impact of extreme weather events, particularly flash floods which pose the highest disruption risk to Zantat’s Plant operations, logistics and workforce accessibility in the medium to long term. Chronic climate patterns, including shifts in rainfall intensity, prolonged droughts and sustained heat stress, were also assessed as escalating risks. These conditions may constrain water availability and increase reliance on externally sourced raw materials, exerting upward pressure on operating costs and margins. The Group has also identified current and anticipated financial impacts arising from the climate-related risks assessed, which may affect its operations over time.

As this reporting cycle represents Zantat’s first step in identifying CRROs, the Group is progressively strengthening its approach to financial quantification. Where impacts are sufficiently distinguishable and supported by available data, internal resources and technical capability, Zantat intends to further estimate and quantify the financial implications of selected climate-related risks in future reporting cycles. In addition to the risks identified, the Group also noted several climate-related opportunities that may support longer-term operational resilience. These include strengthening site resilience through improved drainage and flood mitigation measures, enhancing production and inventory planning, and exploring water efficiency, recycling and broader water management practices. While these opportunities remain at an exploratory stage, they represent practical areas for Zantat to evaluate as part of its ongoing climate-related response.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Chronic and Acute Physical Risks and Opportunities (Cont'd)

Table 2.2 Climate-related acute and chronic physical risks identified by Zantat, including an assessment of each risk's likelihood, impact, opportunities and current and anticipated financial impacts over the short, medium and long term. For further details on the likelihood and impact assessment criteria, please refer to the Group's ERM Policy.

ACUTE PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Increased frequency and severity of flooding, which may disrupt operations at facilities in Kuala Lumpur and Perak	<b>Likelihood</b>	4.3	4.7	5.0
	<b>Impact</b>	2.7	3.0	3.5
	<b>Opportunity</b>	Strengthening site resilience through improved drainage, flood mitigation measures (e.g. planting bamboo along riverbanks to mitigate soil erosion) and climate-resilient infrastructure planning		
	<b>Financial Impact (Current and anticipated)</b>	Flash floods may disrupt raw material deliveries and employee attendance, while impeding inbound and outbound logistics due to road closures and infrastructure repairs		
ACUTE PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Geotechnical risks, such as landslides or rockfalls	<b>Likelihood</b>	2.0	2.4	2.7
	<b>Impact</b>	2.9	3.0	3.4
	<b>Opportunity</b>	-		
	<b>Financial Impact (Current and anticipated)</b>	Depending on the severity, landslides may halt Zantat's operations and render work areas unsafe, disrupting in-house raw material supply and necessitating higher-cost procurement from third parties		
CHRONIC PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Changes in rainfall patterns, which may affect Zantat's operations and raw material supply	<b>Likelihood</b>	2.9	3.7	4.3
	<b>Impact</b>	2.6	3.4	4.1
	<b>Opportunity</b>	Improved production planning, inventory buffering and longer-term operational scheduling resilience		
	<b>Financial Impact (Current and anticipated)</b>	Erratic rainfall may reduce limestone output and operational reliability at ZLCC, resulting in supply shortages and inconsistent material quality		

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Chronic and Acute Physical Risks and Opportunities (Cont'd)

CHRONIC PHYSICAL RISKS				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Longer-term water stress, including potential impacts on underground water availability for selected operation sites	<b>Likelihood</b>	2.3	3.3	4.1
	<b>Impact</b>	2.8	3.4	3.6
	<b>Opportunity</b>	Investment in water efficiency measures, recycling systems, and improved water management/consumption practices		
	<b>Financial Impact (Current and anticipated)</b>	Prolonged drought conditions may deplete Zantat Perak's underground water reserves, necessitating a transition to other water sources		

##### Climate-related Transition Risks and Opportunities

On the transition front, the assessment highlighted rising energy and material costs, regulatory compliance obligations and evolving market expectations as the most material risk drivers. Policy developments, particularly regulations affecting plastics and sustainable materials are expected to influence product demand and operating costs, while delayed technology adoption may weaken cost competitiveness and require higher capital expenditure. Heightened stakeholder climate-related disclosure expectations were also identified as notable reputational considerations.

Overall, the results underscore the need for continued investment in energy efficiency, technology upgrades, product innovation and climate governance to manage long-term financial and operational exposure.

Similarly, the Group has also recognised current and anticipated financial impacts arising from transition-related risks that may influence its operations, cost structure and market position over time. The Group plans to enhance its internal approach to financial evaluation for transition risks in future reporting cycles. Apart from risks and financial impacts, the Group also identified several transition-related opportunities that may enhance competitiveness and business resilience. These include improving energy efficiency, adopting renewable energy and process optimisation measures, strengthening climate-related disclosure and stakeholder engagement practices, pursuing phased technology upgrades, and positioning the Group to respond more effectively as climate-related policies and market expectations continue to evolve. These represent potential areas for Zantat to consider as part of its ongoing transition planning.

*Table 2.3 Climate-related transition risks identified by Zantat, with an assessment of each risk's likelihood, impact, opportunities, and current and anticipated financial impacts over the short, medium, and long term. For further details on the likelihood and impact assessment criteria, please refer to the Group's ERM Policy.*

TRANSITION RISKS – MARKET				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Rising costs of energy, raw materials and compliance associated with climate transition	<b>Likelihood</b>	2.9	3.8	4.1
	<b>Impact</b>	2.6	3.1	3.4
	<b>Opportunity</b>	Identify energy efficiency initiatives, renewable energy adoption and process optimisation to manage costs		
	<b>Financial Impact (Current and anticipated)</b>	Increases in raw material prices driven by market demand may result in immediate escalation of production costs, exerting pressure on margins and cash flow		

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Transition Risks and Opportunities (Cont'd)

#### TRANSITION RISKS – REPUTATION

Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Increased expectations on corporate sustainability positioning, requiring sustained efforts to strengthen the Group's environmental credentials across its business segments	<b>Likelihood</b>	3.0	3.5	3.9
	<b>Impact</b>	2.1	2.4	2.6
	<b>Opportunity</b>	Stronger disclosure practices, stakeholder engagement and improved sustainability governance		
	<b>Financial Impact (Current and anticipated)</b>	Negative online narratives may undermine brand reputation and customer loyalty, while deterring ESG-focused investors. The Group may incur additional expenditure on communications and public relations efforts to address misinformation and enhance stakeholder awareness. Talent acquisition may also become more challenging and costly. Access to ESG-focused customers may narrow, potentially constraining growth and increasing customer acquisition costs		

#### TRANSITION RISKS – TECHNOLOGY

Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Adoption of newer, greener technologies may require enhanced workforce capabilities, including additional training, upskilling and adaptation over time	<b>Likelihood</b>	2.6	3.4	3.8
	<b>Impact</b>	2.5	3.3	3.6
	<b>Opportunity</b>	Phased technology upgrades, selective CAPEX and productivity improvements over time		
	<b>Financial Impact (Current and anticipated)</b>	If competitors achieve superior operational efficiency, they may adopt more aggressive pricing strategies and capture market share, eroding the Group's competitiveness. In response, the Group may be required to undertake higher capital expenditure for operational upgrades, supported by additional borrowings, while also facing transitional reputational risks. Evolving customer expectations may become more cost-intensive, diverting orders to competitors and creating short-term revenue pressure until new technologies are fully implemented		

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Managing Climate Risks and Building Operational Resilience (Cont'd)

##### Strategy (Cont'd)

##### Climate-related Transition Risks and Opportunities (Cont'd)

TRANSITION RISKS – POLICY				
Risk Description	Risk Impact	Short-Term (2025-2030)	Medium-Term (2030-2040)	Long-Term (2040-2050)
Regulatory uncertainty and evolving implementation of single-use plastics policies, which may affect market adoption timelines for sustainable packaging solutions under Zaneco	<b>Likelihood</b>	2.0	2.8	3.2
	<b>Impact</b>	2.8	3.4	3.8
	<b>Opportunity</b>	First-mover advantage as policies stabilise; positioning Zaneco to capture demand as regulatory clarity improves		
	<b>Financial Impact (Current and anticipated)</b>	Specific regulations (such as single-use plastic ban) may lift operating and raw material costs and may temporarily suppress customer demand while markets adjust. The market may also be misled by non-compliant or misleading “biodegradable” products, intensifying commercial risk		

#### Climate-related Risk Management

Climate-related risks are managed through the Group's ERM framework, which is aligned with the principles of ISO 31000:2018 (Risk Management) and embedded across sites and functional departments. Within the ERM process, the Group identifies, assesses, manages and monitors climate-related risks that may affect the achievement of its objectives. These include acute and chronic physical risks, as well as transition risks. For each climate-related risk category, the Group assesses the likelihood of occurrence and the potential impact on its objectives, enabling timely mitigation and more informed decision-making.

Where a climate-related risk is assessed to have an increasing likelihood or impact on the Group's objectives, the matter is escalated through the Group's risk governance structure. The escalation process begins with the Risk Department, followed by the Risk Management Steering Committee (“RMSC”), then the ARMC, and ultimately the Board where necessary. This structured escalation process strengthens oversight and supports a timely response to material climate-related risks.

#### Metrics and Targets

Zantat tracks key climate-related and environmental performance metrics to manage operational impacts and support sustainable business resilience. This includes the monitoring and disclosure of Scope 1 GHG emissions and location-based Scope 2 GHG emissions, reflecting fuel consumption and purchased electricity across Zantat's quarrying, mineral processing and production operations. The Group did not have market-based Scope 2 GHG emissions in FYE2025, as it did not procure contractual instruments during the reporting period. The Group also monitors selected Scope 3 GHG emissions considered material to its operations, namely Category 4 (Upstream transportation and distribution), Category 6 (Business travel) and Category 7 (Employee commuting).

Beyond emissions, Zantat monitors resource and environmental indicators including energy consumption, waste generation and water usage (see page 52). Where data is available, historical performance trends are disclosed to support impact assessment, performance tracking and informed operational decision-making.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air and Greenhouse Gas Emissions

Climate change is an increasingly critical issue across the industrial sectors in Malaysia. The rising frequency of extreme weather events such as heatwaves and floods alongside environmental degradation, has the potential to disrupt operations, affect resource availability and impact supply chains.

As a responsible corporate entity, Zantat is committed to integrating environmentally sustainable practices across its mineral processing and manufacturing activities. The Group acknowledges that its operations generate GHG emissions, mainly from energy consumption and fuel use. In addition, operational activities such as material handling, fuel combustion and processing processes give rise to air emissions.

During the year, Zantat strengthened its emissions accounting practices by enhancing data tracking processes, refining calculation methodologies and expanding the scope of the Group's carbon disclosures. These improvements enhance the accuracy, consistency and transparency of the Group's GHG reporting.

#### GHG Emissions Calculation Methodology

In line with Malaysia's national climate commitments and the broader transition towards a low-carbon economy, the Group continued to refine its carbon management approach. Under Malaysia's NDC, the country has committed to reducing its GHG emissions intensity of GDP by 45.0% by 2030 relative to 2005 levels and achieving net zero emissions by 2050. More recently, in October 2025, Malaysia's third NDC outlined a further target of reducing absolute emissions by 15–30 million metric tonnes of carbon dioxide equivalent ("CO<sub>2</sub>e") by 2035. To this end, Zantat is working towards aligning its emissions management strategy with these national commitments.

The Group adopts the GHG Protocol Corporate Accounting and Reporting Standard as the basis for its emissions accounting and reporting. During the year, Zantat formally adopted the Financial Control consolidation approach, under which the reporting boundary covers entities, assets and operations over which the Group exercises financial control. Based on this approach, the Group's emissions inventory includes Zantat Perak, Zantat KL, Zaneco, Calrock and ZLCC.

To support consistency and comparability in emissions quantification, the Group applies the Department for Energy Security and Net Zero ("DESNZ") emission factors. These factors provide the basis for converting activity data into GHG emissions and support a more standardised approach to reporting across the Group.

In maintaining its emissions inventory, Zantat considers three GHGs in its disclosure, namely carbon dioxide ("CO<sub>2</sub>"), methane ("CH<sub>4</sub>") and nitrous oxide ("N<sub>2</sub>O"). These gases are included because each carries a different Global Warming Potential over 100 years ("GWP100"), which enables emissions to be expressed on a CO<sub>2</sub>e basis for more meaningful comparison and reporting.

#### Initiatives

As part of its emissions reduction initiatives, Zantat Perak commissioned an 849 kWp solar PV system at Perak Plant 2, which commenced operations in April 2025. On an annualised basis, the installation is projected to generate approximately 1,141 MWh of renewable electricity and avoid an estimated 883 tCO<sub>2</sub>e\* annually through reduced reliance on grid-supplied electricity. This initiative supports the Group's transition towards cleaner energy sources while enhancing operational energy resilience.

Looking ahead, the Group intends to evaluate the expansion of product carbon footprint assessments across its product portfolio to provide greater transparency on embedded emissions to its customers.

#### Note:

\* Estimation is based on Malaysia solar resource assumptions and the latest Peninsular Malaysia 2024 grid emission factor of 0.74 GgCO<sub>2</sub>e/GWh.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air and Greenhouse Gas Emissions (Cont'd)

##### GHG Emissions Calculation Methodology (Cont'd)

##### FYE2025 Performance

Zantat's total Scope 1 GHG emissions decreased by 44.9% in FYE2025 compared to FYE2024, largely due to reduced operational hours. However, the Group also recorded an improvement in emissions intensity, as Scope 1 emissions per million ringgit of revenue decreased by 39.8%, reflecting Zantat's shift away from fuel reliance.

For Scope 2, total GHG emissions decreased by 6.5% in FYE2025, driven by the expanded use of solar PV systems. While emissions per thousand ringgit of revenue marginally increased, emissions per unit of energy from electricity and solar PV generation fell by 1.3%, alongside a significant improvement in solar generation efficiency. This reflects the Group's ongoing efforts to optimise renewable energy utilisation and reduce reliance on grid electricity.

Scope 3 emissions increased by 9.1% in FYE2025 compared to FYE2024, driven by higher emissions from upstream transportation and distribution under Category 4. During the year, Zantat enhanced its emission accounting methodology by categorising lorry transport by weight classes, instead of applying a standard assumption, resulting in more accurate emissions reporting. The Group plans to further expand Scope 3 Category (Upstream Transportation and Distribution) coverage to include sea freight in future reporting cycles. Consequently, Scope 3 emissions intensity per million ringgit of revenue increased to 4.8, reflecting improved emissions measurement rather than underlying operational changes.

Table 2.4 Zantat's Scope 1, Scope 2 and Scope 3 GHG emissions and emissions intensity performance for the past three financial years.

Indicator type	Measurement	Unit	FYE2023	FYE2024	FYE2025
Absolute	<b>Total Scope 1 emissions<sup>1*</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>1,120</b>	<b>995</b>	<b>548</b>
	• Petrol*	tCO <sub>2</sub> e	26	5	1
	• Diesel*	tCO <sub>2</sub> e	1,093	990	514
	• Liquid petroleum gas	tCO <sub>2</sub> e	0	0	33
Intensity	Total Scope 1 emissions per million ringgit of revenue <sup>2</sup>	tCO <sub>2</sub> e/ RM'000	9.1	9.8	5.9
	Total scope 1 emissions per energy from fuel consumption	tCO <sub>2</sub> e/ MWh	0.25	0.24	0.24
Absolute	<b>Total Scope 2 Emissions<sup>2*</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>21,052</b>	<b>16,356</b>	<b>15,296</b>
	• Electricity*	tCO <sub>2</sub> e	21,052	16,356	15,296
Intensity	Total scope 2 emissions* per thousand ringgit of revenue <sup>2</sup>	tCO <sub>2</sub> e/ RM'000	0.17 <sup>^</sup>	0.16 <sup>^</sup>	0.16
	Total scope 2 emissions per MWh solar panel generation <sup>2*</sup>	tCO <sub>2</sub> e/ MWh	16.7 <sup>^</sup>	12.7 <sup>^</sup>	10.2
	Total scope 2 emissions per energy from electricity and solar PV	tCO <sub>2</sub> e/ MWh	0.73	0.70	0.69

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air and Greenhouse Gas Emissions (Cont'd)

##### GHG Emissions Calculation Methodology (Cont'd)

##### FYE2025 Performance (Cont'd)

Indicator type	Measurement	Unit	FYE2023	FYE2024	FYE2025
<b>Absolute</b>	<b>Total Scope 3 Emissions<sup>3</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>148</b>	<b>406</b>	<b>443</b>
	Category 4: Upstream Transportation and Distribution (Local sourcing by lorries) <sup>4</sup>	tCO <sub>2</sub> e	NA	234	288
	Category 6: Business Travel	tCO <sub>2</sub> e	54	75	56
	• Category 6: Business Travel (Air)	tCO <sub>2</sub> e	19	50	15
	• Category 6: Business Travel (Ground)	tCO <sub>2</sub> e	35	24	41
	Category 7: Employee Commuting	tCO <sub>2</sub> e	93	98	99
<b>Intensity</b>	<b>Total Scope 3 Emissions per million ringgit of revenue</b>	<b>tCO<sub>2</sub>e/RM'million</b>	<b>1.2</b>	<b>4.0*</b>	<b>4.8</b>

##### Notes:

- Zantat's diesel and petrol consumption primarily comes from Euro5 B10 (90% petroleum-based, 10% biofuel). To ensure accurate accounting, petroleum-based fossil emissions are calculated using DESNZ (2023, 2024, 2025) factors for "Diesel (100% mineral diesel)" and "Petrol (100% mineral diesel)". For biogenic emissions, Zantat applies DESNZ's "Biodiesel ME" factors, where zero GHG emissions are generated due to full absorption during biofuel growth.
- Zantat adopts the location-based Scope 2 method, as its operations rely solely on the local power grid in Peninsular Malaysia. The grid emission factor used for calculations is 0.74 GgCO<sub>2</sub>e/GWh, based on the latest data from Suruhanjaya Tenaga (2025).
- Scope 3 emissions from business travel and ground transport are calculated using UK emission factors, as Malaysia serves as a regional hub with no country-specific alternatives. Air travel emissions are assessed accordingly. For ground transportation, calculations cover multiple travel modes, including Average Car (petrol), Local Bus, National Rail, Regular Taxi (including Grab) and Passenger Ferry.
- For Scope 3 Category 4: Upstream Transportation and Distribution, Zantat currently accounts for emissions from locally sourced raw materials transported by lorries. The Group applies the DESNZ (2025) emission factors for 'Heavy Goods Vehicles (HGV, all diesel) – Articulated (>33 tonnes)' and 'Heavy Goods Vehicles (HGV, all diesel) – Articulated (>3.5 to 33 tonnes)', depending on the transport weight of the raw materials. Zantat is in the process of expanding this coverage to include sea freight in future reporting cycles, to strengthen the completeness of emissions accounting across its logistics and supply chain activities.

\* Data has been restated as the boundary has been adjusted in alignment with the Financial Control consolidation approach.

^ Data has been restated due to the removal of solar panels and update of emission factors from the Energy Commission.

## Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

### Air and Greenhouse Gas Emissions (Cont'd)

#### GHG Emissions Calculation Methodology (Cont'd)

#### **FYE2025 Performance (Cont'd)**

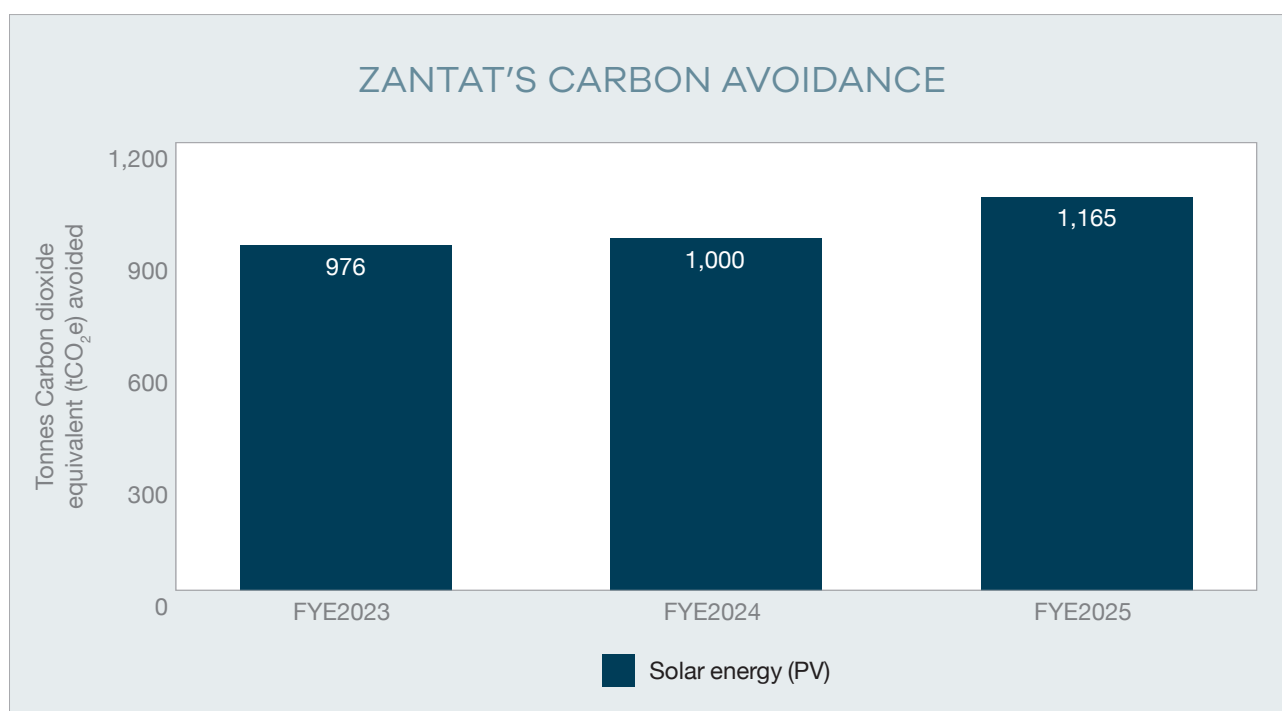


Fig 2.2 Zantat's tonnes of CO<sub>2</sub>e avoided through solar energy PV for the past three financial years.

#### **Air Pollution Management (GRI 305-7)**

As Zantat's operations involve mineral processing activities that require the management of fine particles and dust, the prevention and control of air pollution remain a critical focus area for the Group. These activities generate particulate matter and airborne pollutants, which may pose health risks to workers and communities in areas where it operates. This poses a material risk to the Group as violation will result in penalties and operational disruption. As such, the Group continues to reduce air quality impacts by implementing dust suppression systems, filtration technologies, conducting annual emissions monitoring and performing preventive equipment maintenance.

Zantat complies with applicable air quality regulations set by the DOE and the New Malaysia Ambient Air Quality Standard (2020). The Group monitors key air pollutants across its operations, including nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>"), coarse particulate matter ("PM<sub>10</sub>") and fine particulate matter ("PM<sub>2.5</sub>"), to ensure emissions remain within permitted limits.

To support regulatory compliance and monitoring accuracy, the Group continues to appoint an independent Health, Safety and Environmental ("HSE") consultancy firm to carry out annual Ambient Air and Boundary Noise Monitoring assessments at Zantat Perak, Zantat KL and Calrock. Under this practice, each of these sites undergoes one assessment annually. For each site assessment, monitoring is carried out at four designated sampling points within that site to assess air pollution and boundary noise levels. This annual practice supports the Group's ongoing efforts to maintain oversight of site level environmental conditions and strengthen its environmental management practices.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air Pollution Management (Cont'd)

All collected samples are analysed by accredited laboratories in accordance with recognised international methodologies, including those established by the United States Environmental Protection Agency (“USEPA”), the Intersociety Committee and the American Society for Testing and Materials (“ASTM”). This approach ensures the reliability, accuracy and integrity of the Group’s air emissions data while supporting transparent regulatory compliance.

#### Initiatives

Air pollution has long been one of the matters addressed through the Group’s ISO audit processes. In FYE2025, Zantat strengthened this approach by incorporating the management of air pollution matters into its ISO 14001:2015 (EMS) documentation, further reinforcing their integration within the Group’s environmental management framework. Going forward, air pollution will continue to be addressed through the Group’s annual in-house ISO audit and workshop processes, supporting ongoing awareness and internal alignment on the matter.

Meanwhile, Zantat Perak Plant 1 and Plant 2 and Calrock implemented a range of air emission control and monitoring measures to manage dust and maintain air quality within its operations. Bag filter dust collector systems were installed along the production lines to capture and control dust emissions generated during manufacturing processes. To further minimise dust accumulation within the factory compound, a Tennant S30 industrial sweeper was deployed for routine housekeeping activities. Air purifiers were also installed in office areas to improve indoor air quality.

Zantat continued to monitor its control measures regularly to ensure compliance with regulatory standards. Annual stack emission monitoring was conducted for all chimneys at both Zantat’s Plants, recording results that remained well below permissible regulatory limits. In addition, annual Local Exhaust Ventilation (“LEV”) performance assessments were carried out to evaluate the efficiency of the bag filter dust collector systems. Ambient air quality monitoring was also performed at both Zantat Perak Plant 1 and Plant 2, achieving results that aligned with applicable air quality thresholds.

#### FYE2025 Performance

In FYE2025, Zantat’s operations produced negligible nitrogen oxides (NO<sub>x</sub>) and sulphur oxides (SO<sub>x</sub>) emissions. All monitored air pollutant emissions remained within the limits prescribed under the New Malaysia Ambient Air Quality Standard (2020). The Group will continue to monitor its air emissions to ensure ongoing compliance with regulatory requirements and to maintain responsible environmental performance.

## Sustainability Report (Cont'd)

### Goal 2: Advancing Climate Action and Air Emission Reduction (Cont'd)

#### Air Pollution Management (Cont'd)

#### FYE2025 Performance (Cont'd)

#### Air Pollution

Table 2.5 Major air pollutant emissions generated by and detected in operations for the past three financial years. "ND" means Not Detected, "ppm" means part per million, and "µg/m<sup>3</sup>" means microgram per cubic meter.

Entity	Measurement	Unit	FYE2023	FYE2024	FYE2025	Guideline*
<b>Zantat</b>			<b>ND</b>	<b>ND</b>	<b>ND</b>	
• Zantat Perak	NO <sub>x</sub>	ppm	ND	ND	ND	280
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	
<b>Zantat</b>			<b>ND</b>	<b>ND</b>	<b>ND</b>	
• Zantat Perak	SO <sub>x</sub>	ppm	ND	ND	ND	80
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	
<b>Zantat</b>			<b>53</b>	<b>48</b>	<b>50</b>	
• Zantat Perak	PM <sub>10</sub>	µg/m <sup>3</sup>	47	49	50	100
• Zantat KL			NA	46	48	
• Calrock			60	51	51	
<b>Zantat</b>			<b>24</b>	<b>23</b>	<b>19</b>	
• Zantat Perak	PM <sub>2.5</sub>	µg/m <sup>3</sup>	25	26	18	35
• Zantat KL			NA	24	19	
• Calrock			24	18	21	

#### Note:

\* The safety guideline is based on the New Malaysia Ambient Air Quality Standard (2020), under which Zantat's air pollutant concentrations are within the prescribed limits.

## Sustainability Report (Cont'd)

### GOAL 3: SAFEGUARDING ECOSYSTEMS THROUGH BIODIVERSITY STEWARDSHIP



#### **Biodiversity and Land Remediation (GRI 304-4)**

Biodiversity conservation and land remediation are important considerations for the Group. Despite its relative positioning in the materiality matrix, Zantat elevated this topic to a standalone goal in FYE2025, in recognition of its potential to create broader value for the Group and its stakeholders, while supporting the Group's longer term strategic positioning.

Awareness on biodiversity is still maturing in Malaysia. It was highlighted in the Malaysia's Sixth National Report to the Convention on Biological Diversity that 91.0% of Malaysians have a limited understanding of biodiversity and its importance. This indicated a significant awareness gap and an opportunity for the Group to promote awareness and contribute to biodiversity conservation. Furthermore, Malaysia's National Policy on Biological Diversity identifies limestone hills as a vulnerable ecosystem requiring protection and restoration. This presents a material operational, policy and reputational risk to the Group if poorly managed. Hence, the Group elevated this material topic to reflect its sector specific exposure and to allow further initiative exploration in its future reporting cycles.

The Group's operation uses its land responsibly. Zantat has procedures and rehabilitation practices in place, adhering strictly to regulatory approval to minimise environmental impact and support ecosystem recovery. These land remediation measures include slope stabilisation, soil reinstatement and revegetation to restore disturbed areas, prevent erosion, and support long-term land stability and ecological recovery. Through these efforts, the Group maintains regulatory compliance while safeguarding its licence to operate.

#### Managing Biodiversity and Land Impacts

The Group utilises a structured approach to manage biodiversity and the impacts of its activities on surrounding ecosystems. Building on the biodiversity baseline assessment conducted in the previous financial year, Zantat remains guided by the IUCN Red List. This framework enables Zantat to better understand the interactions between its operational sites and species of conservation concern, particularly in areas surrounding limestone extraction activities. Zantat continues to utilise a Geographic Information System ("GIS") mapping tool to overlay its operational footprint with the distribution data of existing IUCN mammalian species to assess potential biodiversity impacts. Going forward, Zantat will expand this effort to more species, including but not limited to avian, amphibian and floral species.

The Group strengthened its biodiversity management approach by enhancing data collection, engaging with environmental specialists and referencing recognised frameworks and national policies. Looking ahead, the Group aims to progressively reference best practices from the Taskforce on Nature-related Financial Disclosures ("TNFD"), Malaysia's National Policy on Biological Diversity (2022–2030) and the Kunming-Montreal Global Biodiversity Framework to aid its biodiversity conservation efforts.

#### **Initiatives**

##### **Tree Planting**

During FYE2025, ZLCC implemented several site-specific initiatives to strengthen biodiversity management and land stewardship at its calcium carbonate mining operations in Perak, located within land gazetted for mining activities. These efforts focus on improving biodiversity data collection, enhancing environmental conditions and supporting long-term site rehabilitation.

The Group also organised tree planting and landscaping programmes around its operational sites. Trees such as the Foxtail, Rhu, Kelat Paya, Angsana, and Bucita Batik were planted around Zantat Perak and ZLCC, where some were planted since the revegetation projects in 2015. Bamboo trees were also planted along riverbanks to mitigate soil erosion and reduce land degradation risks. Additional tree planting within operational areas was also undertaken to improve environmental quality and support habitat enhancement.

## Sustainability Report (Cont'd)

### Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship (Cont'd)

#### Biodiversity and Land Remediation (Cont'd)

##### Managing Biodiversity and Land Impacts (Cont'd)

##### Initiatives (Cont'd)

##### Tree Planting (Cont'd)

Apart from tree planting around its operational sites, Zantat also collaborated with the local community and external organizations to further promote biodiversity awareness:

##### *Tree Planting with Majlis Daerah Batu Gajah (“MDBG”)*

In June 2025, the Group collaborated with MDBG to organise a tree-planting initiative, under the “Rakan Taman” programme. The two-hour programme was held at the Bandar Tasik Idaman Playground and focused on park maintenance and tree-planting efforts in support of both biodiversity maintenance and local community engagement. In this collaboration, Zantat invested a total of RM3,031, with 26 Zantat employees volunteering for this programme. The Group successfully planted 30 trees of various local species, benefitting residents from Bandar Tasik Idaman. This reflects the Group’s continued commitment to environmental stewardship and community engagement.

##### *Free Tree Society Bangsar*

Similarly, two months later in August 2025, Zantat joined the Free Tree Society’s Bangsar Nursery Programme to further promote the importance of tree planting to support local biodiversity. The Group invested RM1,800 and a total of 20 employees volunteered in this four-hour programme, contributing their time and effort to support local greening activities. During the programme, participants planted more than 20 local tree species and gained practical knowledge about plant cultivation and indoor gardening practices. The Group thanks those who participated in the programme and will continue to be a responsible corporation in biodiversity management.

##### Biodiversity Awareness Training and Citizen Science

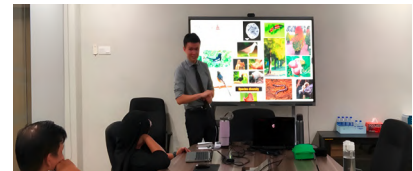
Building on the IUCN Red List mammalian assessment, Zantat strengthened its biodiversity initiatives during the year. The Group engaged an ESG consultancy firm to conduct a six-hour training session for Heads of Departments and Senior Management, focusing on biodiversity awareness and applicable practices within the Malaysian context. Following the session, a series of action plans were developed to guide the Group’s approach towards biodiversity conservation. These plans provide a structured foundation for enhancing biodiversity management across Zantat’s operations.



*Fig 3.1 The Group collaborated in a tree-planting initiative with MDBG, planting a total of 30 trees.*



*Fig 3.2 Zantat employees participating in the Free Tree Society Bangsar initiative.*



*Fig 3.3 Zantat engaged an ESG Consultancy firm to boost awareness and explored initiatives for biodiversity.*

## Sustainability Report (Cont'd)

### Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship (Cont'd)

#### Biodiversity and Land Remediation (Cont'd)

##### Managing Biodiversity and Land Impacts (Cont'd)

##### Initiatives (Cont'd)

##### Biodiversity Awareness Training and Citizen Science (Cont'd)

In addition, Zantat monitored onsite flora and fauna biodiversity using the iNaturalist application, a citizen science platform that enables organisations and the public to contribute biodiversity observations in a structured and verifiable manner. In FYE2025, a total of 17 species has been recorded and identified at ZLCC, where plants (35.3%), insects (23.5%) and birds (17.7%) accounted for the majority of observations. This approach works by enabling employees to take photographs (or audio recordings where applicable) of organisms during routine activities, upload them via a mobile device and record key information including date and location. The uploaded observations can then be identified through iNaturalist's computer vision suggestions and the wider community identification process, providing a practical, modern pathway for non-experts to approach species identification with increasing accuracy.

This initiative establishes Zantat's first-hand biodiversity baseline database that can be progressively strengthened and used to support more transparent biodiversity-related disclosures. Where observations meet research grade requirements, iNaturalist also enables the sharing of records with the Global Biodiversity Information Facility ("GBIF"), further strengthening the traceability and potential scientific value of biodiversity data collected through the platform. Species identified at Zantat's site can then be used in peer reviewed biodiversity research globally, contributing to nation or even worldwide biodiversity monitoring. The following are some species identified on the Group's quarry sites:

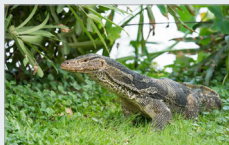


Fig 3.4 Indomalayan Water Monitor (*Varanus salvator ssp. Macromaculatus*) identified on 16 August 2025



Fig 3.5 Red-wattled Lapwing (*Vanellus indicus*) identified on 15 May 2025



Fig 3.6 Sheoaks (Family *Casuarinaceae*), identified on 17 April 2025

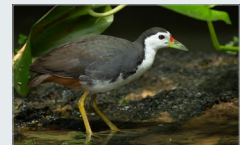


Fig 3.7 White-breasted Waterhen (*Amauornis phoenicurus*) identified on 4 April 2025

#### Continuous Application of IUCN Species of Conservation Concern Near Zantat's Operational Sites

Zantat continues to reference the IUCN Red List of Threatened Species to identify mammalian species of conservation concern that may potentially occur at its quarry sites. The assessment is preliminary and is based on historical IUCN records and spatial distribution data. It identifies species that may occur in surrounding areas due to geographic overlap but does not confirm their presence on-site, nor does it imply that Zantat's operations have contributed to species decline or extinction.

The IUCN red list assessment strengthens internal awareness of biodiversity considerations and supports more informed environmental decision-making. In FYE2025, the findings were shared with internal stakeholders to enhance understanding of potential ecological sensitivities.

# Sustainability Report (Cont'd)

## Goal 3: Safeguarding Ecosystems Through Biodiversity Stewardship (Cont'd)

### Biodiversity and Land Remediation (Cont'd)

#### Managing Biodiversity and Land Impacts (Cont'd)

#### Initiatives (Cont'd)

#### Continuous Application of IUCN Species of Conservation Concern Near Zantat's Operational Sites

The table below presents mammalian species classified as Critically Endangered (“CR”) and Endangered (“EN”) under the IUCN Red List that may occur near the Group’s operational sites. This baseline assessment helps Zantat better understand biodiversity sensitivities around its operational areas, supporting responsible land use planning and greater transparency in how biodiversity considerations are integrated into its operations.

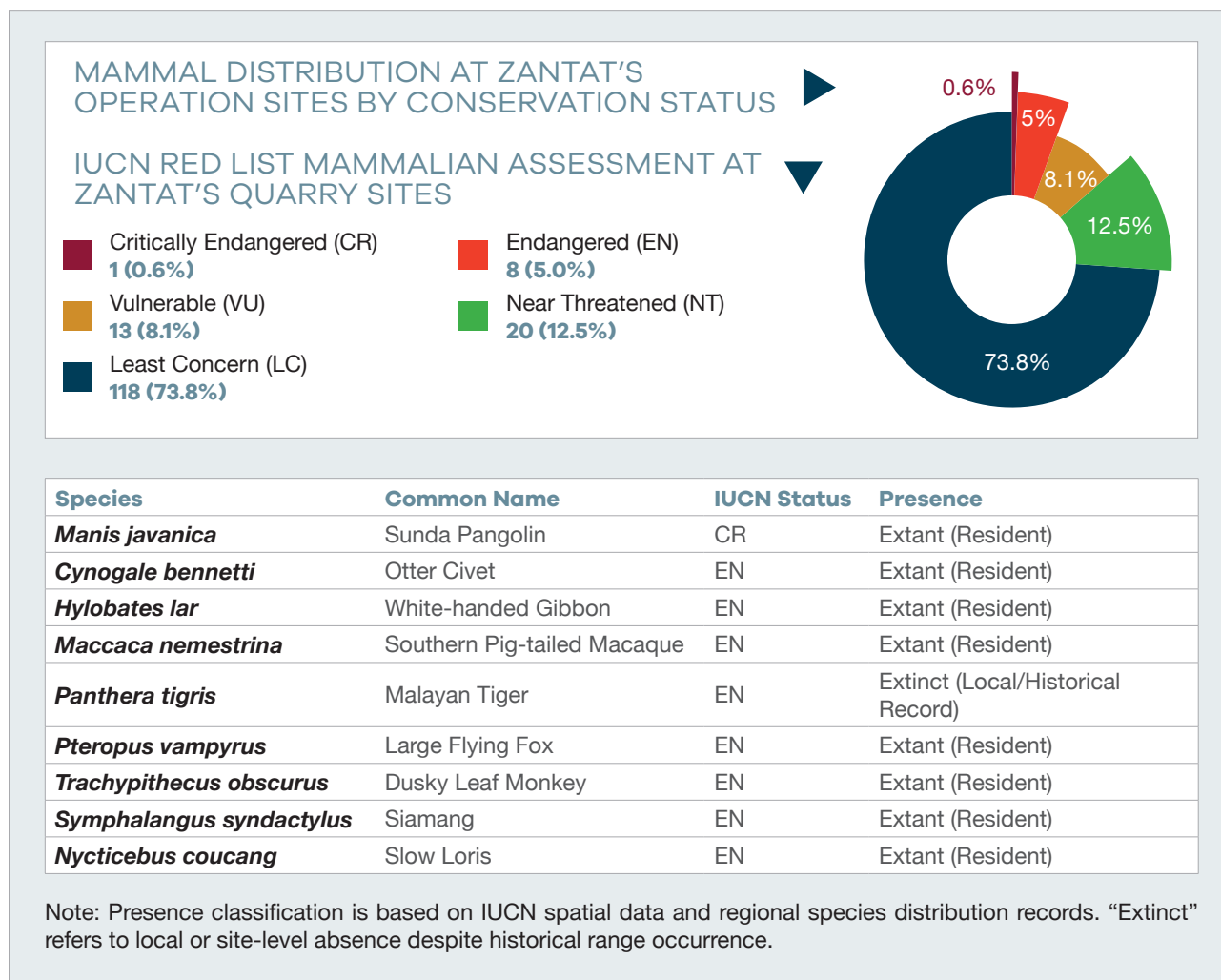


Fig 3.8 IUCN Red List CR and EN mammalian species identified in Zantat's operational sites, classified by their species, common name, IUCN Status, and Presence.

## Sustainability Report (Cont'd)

### GOAL 4: EMPOWERING WORKFORCE AND COMMUNITY CONNECTIONS AND SHARED VALUES



#### Diversity and Inclusion (GRI 405-1)

At Zantat, diversity and inclusion remain vital to its operations as they drive productivity, innovation and operational resilience. As Zantat operates in manufacturing and industrial environments that require diverse technical, operational and managerial competencies, the Group recognises that a varied workforce strengthens its talent pool while supporting talent attraction and retention.

Moreover, Zantat fosters an inclusive workplace where employees and workers feel respected, heard and supported. This is reinforced through practices such as competitive remuneration, employee engagement initiatives and access to training and development opportunities, which ensure a sustainable talent pipeline.

Zantat's employment practices are guided by the requirements of Malaysia's Employment Act 1955 and related labour laws, alongside relevant industry practices, to support fair, respectful, and responsible workplace standards.

#### Initiatives

During the year, Zantat maintained formal mechanisms to address workplace-related harassment, discrimination and bullying, supporting fair and equitable workplace practices across its operations. Employees may raise such concerns with the Human Resources Department via phone, email or in person, as outlined in the employee handbook. Additionally, suggestion and feedback boxes are provided at the Group's sites to offer additional anonymous channels for complaints and feedback. These channels help reinforce an inclusive workplace where concerns can be raised and addressed appropriately.

The Group also implements fair and transparent recruitment processes based on talent, qualifications and role suitability, without regard to personal characteristics. Hiring is conducted based on merit, providing equal access to employment opportunities, while promotion and career advancement are determined by skills, performance and competencies, reinforcing fairness in talent progression.

Furthermore, Zantat reviews employee feedback to identify areas for improvement in recruitment, people management and workplace practices. These insights are used to enhance existing policies and processes, to foster a respectful, supportive and inclusive workplace.

To ensure diversity and inclusion are embedded across its operations, the Group organises training programmes and employee engagement initiatives and incorporates reminders into its internal communications.

#### FYE2025 Performance

In FYE2025, Zantat's total workforce grew by 3.2% compared to FYE2024, increasing from 216 employees to 223 employees. Given the nature of the manufacturing and industrial sector, the majority of Zantat's workforce comprises non-executive employees in the 30-50 age group, with males representing the dominant gender.

There were no recorded incidents related to discrimination or corrective actions taken in the year under review.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Diversity and Inclusion (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.1 Zantat's total workforce and workforce composition by employment type, ethnicity, and nationality for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
<b>TOTAL WORKFORCE</b>				
Total workforce	Number	211	216	223
Full-time	Number	211	216	223
Part-time	Number	0	0	0
<b>WORKFORCE BY REGION</b>				
<b>Local employees</b>	<b>Number</b> (Percentage)	<b>101</b> (47.9)	<b>103</b> (47.7)	<b>111</b> (49.8)
Malay	Number	42	39	47
Chinese	Number	57	62	62
Indian	Number	2	2	2
<b>Foreign employees</b>	<b>Number</b> (Percentage)	<b>110</b> (52.1)	<b>113</b> (52.3)	<b>112</b> (50.2)
Nepal	Number	75	81	76
Bangladesh	Number	35	32	36



## Sustainability Report (Cont'd)

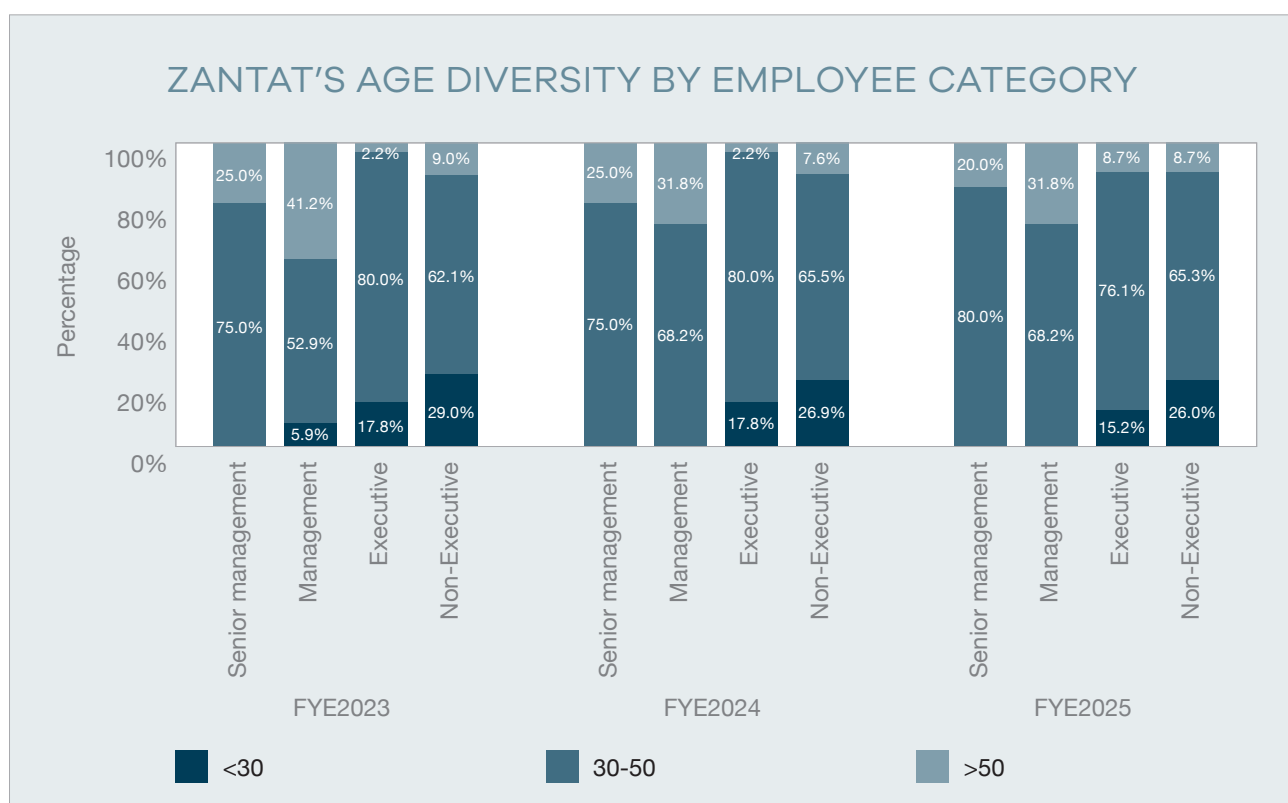
### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Diversity and Inclusion (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.2 Zantat's age diversity across employee categories for the past three financial years, showing the proportion of employees aged below 30 (<30), between 30 and 50 (30-50) and above 50 (>50).

		Unit	FYE2023	FYE2024	FYE2025
SENIOR MANAGEMENT	<30	Percentage	0	0	0
	30-50	Percentage	75.0	75.0	80.0
	>50	Percentage	25.0	25.0	20.0
MANAGEMENT	<30	Percentage	5.9	0	0
	30-50	Percentage	52.9	68.2	68.2
	>50	Percentage	41.2	31.8	31.8
EXECUTIVE	<30	Percentage	17.8	17.8	15.2
	30-50	Percentage	80.0	80.0	76.1
	>50	Percentage	2.2	2.2	8.7
NON-EXECUTIVE	<30	Percentage	29.0	26.9	26.0
	30-50	Percentage	62.1	65.5	65.3
	>50	Percentage	9.0	7.6	8.7



# Sustainability Report (Cont'd)

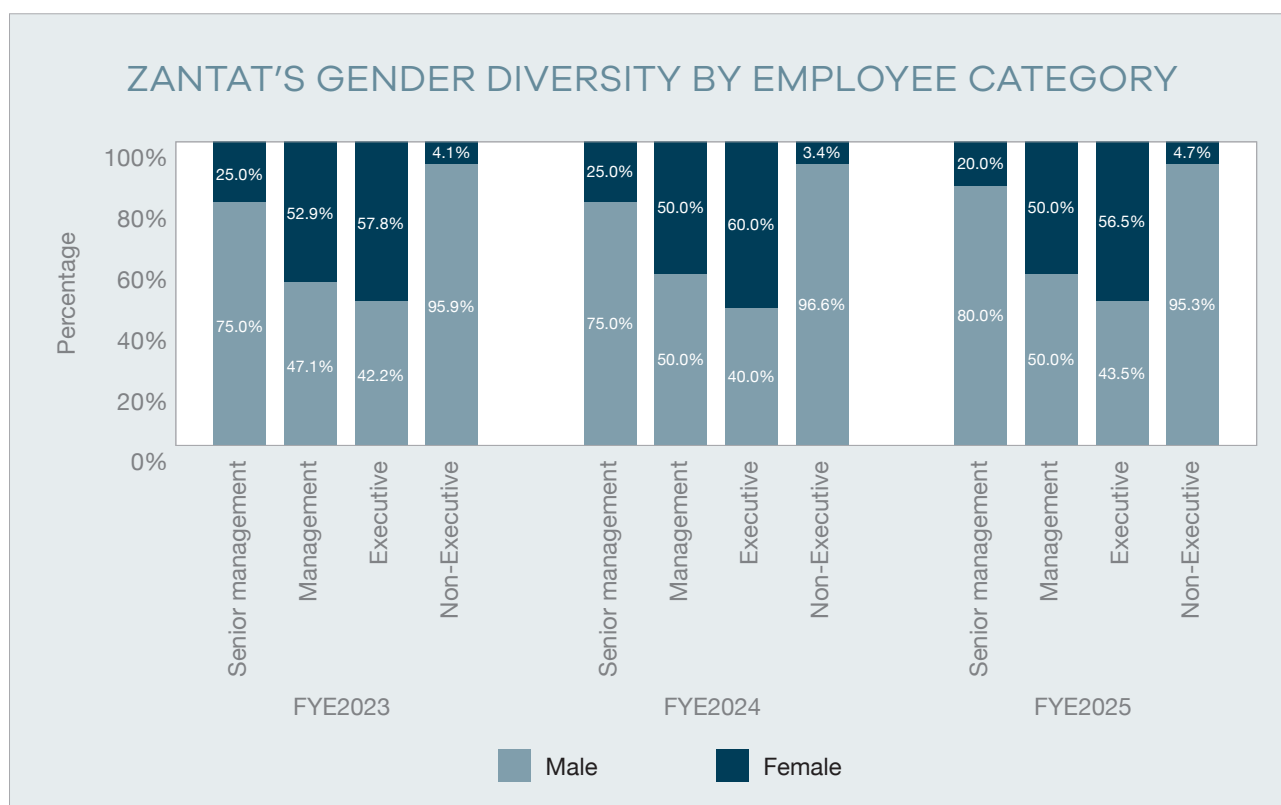
## Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

### Diversity and Inclusion (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.3 Zantat's gender diversity across employee categories for the past three financial years, showing the proportion of male and female employees.

		Unit	FYE2023	FYE2024	FYE2025
SENIOR MANAGEMENT	Male	Percentage	75.0	75.0	80.0
	Female	Percentage	25.0	25.0	20.0
MANAGEMENT	Male	Percentage	47.1	50.0	50.0
	Female	Percentage	52.9	50.0	50.0
EXECUTIVE	Male	Percentage	42.2	40.0	43.5
	Female	Percentage	57.8	60.0	56.5
NON-EXECUTIVE	Male	Percentage	95.9	96.6	95.3
	Female	Percentage	4.1	3.4	4.7



## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Occupational Health and Safety (GRI 403-2, 403-5, 403-6, 403-9)

The safety and well-being of Zantat's workforce remains a top priority, given the industrial nature of the Group's manufacturing activities. Zantat strives to cultivate a culture of safety as part of its commitment to keep its people safe and reduce work-related incidents and fatalities.

The Group's Operational Health and Safety ("OHS") approach and practices are guided by the Occupational Safety and Health Act 1994 and ISO 45001:2018 (OHSMS).

#### Environment, Safety and Health ("ESH") Committees

ESH Committees are established at each location/site to ensure a safe environment at the Group's operational sites. The committees are responsible for overseeing hazard identification, reviewing incidents and near-miss cases, monitoring regulatory compliance and supporting the implementation of safety training and awareness programmes.

In carrying out their roles, the ESH committees review workplace hazards and recommend appropriate corrective actions, evaluate incident trends and propose preventive measures to mitigate recurrence. They also ensure that health and safety practices remain aligned with applicable legal and operational requirements across the Group.

ESH Committees convene on a quarterly basis, with additional meetings held to discuss urgent issues where necessary. The Chief Operating Officer ("COO") serves as the Committee President, alongside Senior Management who participates in addressing safety-related matters.

Findings and recommendations from the ESH Committees subsequently inform the Group's Hazard Identification, Risk Assessment and Risk Control ("HIRARC") process, ensuring that identified risks are systematically assessed and mitigated across operations.

#### Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

To identify and mitigate safety risks, Zantat has a HIRARC process to identify workplace hazards, evaluate associated risks and implement appropriate mitigation measures. As part of the Group's Occupational Health and Safety Management System, HIRARC assessments are reviewed annually and revised, when necessary, by the ESH Committees across plants and operational sites to support continuous risk monitoring and workplace safety improvements. To enhance risk identification, Zantat continues to utilise the online reporting forms (accessible via QR code) for the reporting of hazards, unsafe conditions, incidents and near misses.

In FYE2025, the Group reviewed its HIRARC assessment and determined that the majority of identified risks assessed were categorised as low. However, activities related to the processing of granulated calcium carbonate and machine commissioning were assessed as medium risk. To address these risks, the Group will implement appropriate control and mitigation measures to reduce overall risk levels.

#### Occupational Health Services

Zantat provides occupational health services to safeguard employee well-being and ensure regulatory compliance. This includes medical surveillance programmes such as Foreign Workers Medical Examination Monitoring Agency ("FOMEMA") health screenings to identify potential health risks at an early stage and support timely intervention.

The Group protects its employees from hazardous noise exposure. This included regular audiometric screenings and noise risk assessment to monitor hearing health, and implement preventive measures where necessary. In addition, employees are provided access to panel clinic services for medical consultation and treatment.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Occupational Health and Safety (Cont'd)

##### Initiatives

The following initiatives were implemented across Zantat KL, Zantat Perak and Calrock to reinforce a robust HSE culture.

In FYE2025, Zantat enhanced its Enterprise Resource Planning (“ERP”) system in alignment with the ISO 45001:2018. Aside from providing guidance during emergency situations, the ERP facilitates the identification of potential hazards and risks that may lead to accidents, property damage and work-related injuries. In addition, fire and chemical emergency drills are carried out periodically to test response readiness, improve coordination and ensure employees are well-equipped to manage emergency situations effectively.

To strengthen transport safety governance, an Industry Code of Practice (“ICOP”) Committee was established at Zantat KL in line with the ICOP for Vehicle Maintenance under the Road Transport Act 1987. The committee meets regularly to review vehicle safety performance, maintenance records and corrective actions to ensure compliance and safe fleet operations.

Additionally, internal safety audits were conducted in accordance with ISO 45001:2018 requirements. In FYE2025, the Group conducted a cross-site safety audit, where the input and output enhanced the Group’s consistency in safety practices and facilitated the sharing of best practices across Zantat’s operations.

Zantat also organised refresher training sessions to enhance employee competencies in managing workplace hazards. These sessions covered key topics such as chemical handling, personal protective equipment (“PPE”) usage, spill kit deployment and emergency response procedures. To further safeguard workforce well-being, the Group provided training on occupational noise exposure, Automated External Defibrillator (“AED”) usage and Cardiopulmonary Resuscitation (“CPR”).

The Group conducted Gemba Walks quarterly at Zantat KL and monthly at Calrock prior to ESH Committees meetings. These walkthroughs allow management and safety personnel to observe workplace conditions, identify potential hazards and drive continuous improvements to ensure a safe working environment.

##### FYE2025 Performance

The Group’s OHS performance recorded an increase in Lost Time Incident Rate (“LTIR”) to 4.42 in FYE2025, from 0.71 in the previous year. In FYE2025, the Group recorded three work-related injury cases. All three incidents were issued Incident Corrective Action Report (“ICARs”) by the Safety and Health Officer for root cause identification. Since then, corrective actions have been implemented. These actions included improving the work area to reduce risks to workers, such as addressing slippery floor conditions, improving access to the main mill room door and relocating the fan. Safety awareness training was also conducted following the implementation of these corrective actions.

Work-related illnesses also increased to 8 cases in FYE2025, compared to 1 case in FYE2024. This was mainly due to a higher number of hearing disorder cases identified during the year, following increased audiometric testing among employees. The wider screening helped detect cases that may have gone previously unnoticed. In response, the Group continues to enforce the use of hearing protection and monitor workplace noise levels.

Following the work-related incidents recorded during the year, the Group further strengthened its health and safety practices, with a particular focus on enhancing workforce safety awareness and competency through additional training initiatives. As a result, 100% of Zantat’s employees attended health and safety training in FYE2025, marking a direct 3.2% increase compared to FYE2024.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Occupational Health and Safety (Cont'd)

##### FYE2025 Performance (Cont'd)

Table 4.4 Zantat's health and safety performance, including employee training, work-related injuries and LTIR for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
Number of employees trained on health and safety standards	Number	211	209*	223
Percentage of employees trained on health and safety standards	Percentage	100	96.8	100
Total working hours	Hour	597,663	565,181*	498,242
Number of fatalities	Number	0	0	0
Number of recordable work-related injuries	Number	1	1	3
Number of recordable work-related illnesses	Number	0	1	8
LTIR <sup>1</sup>	-	0.33	0.71*	4.42

Note:

<sup>1</sup> LTIR is calculated based on the standardised value of 200,000 hours worked.

\* The data has been restated following refinements to the data collection system.

#### Talent Management (GRI 401-1)

As Zantat's workforce is the backbone of its business, talent management is vital. The Group invests in workforce development, skills enhancement and career progression to ensure operational efficiency and build a capable talent pipeline that supports long-term business growth and resilience.

Zantat's approach to talent management covers workforce planning, capability development, performance management and employee engagement. Through these practices, the Group ensures that employees are equipped with the necessary technical and functional competencies to support safe and efficient operations while maintaining product quality and operational reliability.

Guided by responsible employment practices and regulatory requirements, Zantat continues to enhance its talent management framework to ensure workforce sustainability, operational continuity and long-term value creation.

#### Initiatives

##### Talent Attraction and Onboarding

Zantat strengthens talent attraction through recruitment and onboarding. Orientation programmes are conducted to introduce new employees to the Group's corporate culture, operational processes, workplace expectations and policies. These onboarding sessions support smoother transitions into the workplace and enable new employees to contribute productively from the outset.

To build talent pipelines, the Group offers internship programmes for students and fresh graduates. Interns are placed based on their academic qualifications, allowing them to gain practical industry exposure and hands-on experience within the Group.

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Talent Management (Cont'd)

##### Initiatives (Cont'd)

###### Fair and Equitable Hiring Practices

Zantat ensures equal opportunity throughout its recruitment processes. Candidates are assessed based on objective criteria, including skills, experience and qualifications, without discrimination on race, gender, age, religion or other personal characteristics.

To promote fairness and consistency, the Group uses standardised interview questions and evaluation criteria. Human Resources personnel participate alongside department heads during interviews to support balanced and objective hiring decisions. Recruitment practices are guided by Malaysia's Employment Act and relevant industry best practices to uphold responsible employment standards.

###### Learning, Development and Career Progression

Zantat provides continuous learning and development opportunities to support employees' professional growth and long-term career progression. Training programmes are implemented to enhance both technical and functional competencies, complemented by career development plans and internal promotion opportunities. Through these initiatives, the Group aims to build internal talent pipelines, strengthen workforce capability and support succession planning across operational and managerial roles.

###### Performance Appraisal and Recognition

Zantat has in place a performance appraisal system to evaluate employee performance and recognise contributions. Appraisals are conducted annually for all employees using formal assessment frameworks. Employees under probation undergo monthly performance reviews until confirmation to ensure alignment with job expectations.

Performance evaluations are carried out by immediate supervisors and department heads, who assess employees based on KPI, teamwork, job competencies and adherence to company values. One-to-one review sessions are held to communicate assessment outcomes, provide feedback and identify development needs.

The Human Resources Department oversees the appraisal process to ensure consistency, transparency and adherence to the Group's standards. Appraisal outcomes are linked to salary increments, bonuses and promotion considerations, reinforcing a performance-driven culture. The Group also organises annual employee recognition programmes to reward outstanding performance and contributions, motivate employees and reinforce engagement.

###### Compensation, Benefits and Retention

Zantat offers a competitive salary and benefits package aligned with market benchmarks to attract and retain talent and compensate its workforce for their contributions. The following benefits are provided to full-time employees:

Leave Entitlements (Annual leave, sick/medical leave, compassionate leave, exam leave, maternity/paternity leave and marriage leave)	Medical Benefits	Insurance Coverage	Career Development Allowance	Transportation or Travel Allowance	Performance Bonuses
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## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Talent Management (Cont'd)

##### Initiatives (Cont'd)

###### Employee Engagement and Satisfaction

In FYE2025, the Group conducted an Employee Engagement Survey to assess workforce sentiment and organisational culture. The survey achieved a participation rate of 86.8% (92 out of 106 employees who filled the survey) and recorded an overall satisfaction score of 95.0%. Insights from the survey identified areas for improvement, supporting efforts to strengthen employee engagement and enhance the overall workplace experience.

During the year, Zantat also organised employee engagement initiatives such as townhall meetings, employee appreciation programmes, annual health screening, festive celebrations and family day events to strengthen Group-wide engagement.

###### Sustainability and CSR Participation

As part of its broader sustainability efforts, the Group promotes employee volunteering in CSR initiatives and recognises such participation within employee KPIs. Employees are required to complete a minimum of eight hours of CSR participation annually. In FYE2025, 77.7% of the Zantat's local employees achieved this KPI, leading to 818 hours of voluntary work. These activities include community programmes and collaborative initiatives with government agencies and external organisations. Employee participation is monitored and considered as part of overall work performance and engagement.

###### Training on Labour Practices

The Group provides training on fair labour practices in line with ESG principles, covering key critical aspects of labour laws, workplace equity and employee well-being.

##### FYE2025 Performance

In FYE2025, Zantat recorded a modest 3.2% increase in total workforce, while new hires declined slightly by 3.8%. More notably, total employee turnover fell by 31.8%, resulting in a 33.0% reduction in turnover rate year-on-year. This indicates stronger workforce stability during the year, which may reflect improved employee retention, a more stable manpower structure, or lower replacement requirements.

On employee development, total training hours declined by 31.7%, while average training hours per employee decreased by 36.4%. The reduction was recorded among non-executive employees, whose training hours fell by 52.2%, followed by executive employees at 12.5%, management at 19.8% and senior management at 2.7%. This decline is due to a shift in operational priority to strengthen Zantat's internal governance processes. Regardless, this data trend presents an opportunity for improvement for Zantat going forward.

*Table 4.5 Zantat's workforce size, recruitment, employee turnover and training hours by employee category for the past three financial years.*

	Unit	FYE2023	FYE2024	FYE2025
<b>WORKFORCE SIZE, RECRUITMENT AND EMPLOYEE TURNOVER</b>				
Total number of employees	Number	211	216	223
New hires	Number	43	26	25

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Talent Management (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 4.5 Zantat's workforce size, recruitment, employee turnover and training hours by employee category for the past three financial years. (Cont'd)

	Unit	FYE2023	FYE2024	FYE2025
<b>WORKFORCE SIZE: TOTAL EMPLOYEE TURNOVER BY EMPLOYEE CATEGORY</b>				
Total employee turnover	Number	19	22	15
Senior management turnover	Number	0	0	0
Management turnover	Number	1	1	0
Executive turnover	Number	6	3	3
Non-executive turnover	Number	12	18	12
Turnover rate	Percentage	8.9	10.0	6.7
<b>TOTAL TRAINING HOURS BY EMPLOYEE CATEGORY</b>				
Total training hours	Hour	4,494	4,726	3,229
Senior management training hours	Hour	175	260	253
Management training hours	Hour	889	758	608
Executive training hours	Hour	1,884	1,500	1,313
Non-executive training hours	Hour	1,546	2,208	1,055
Average training hours per employee	Hour/employee	21	22	15
<b>TOTAL TRAINING HOURS BY GENDER</b>				
Male	Hour	2,621	3,583	1,995
Female	Hour	1,873	1,143	1,234

#### Human Rights and Labour Practices (GRI 406-1, 408-1, 409-1, 411-1)

Zantat is committed to upholding human rights across every aspect of its operations, ensuring the provision of fair wages, safe working conditions and non-discrimination. All forms of forced or child labour are prohibited, ensuring compliance with regulatory requirements. The Group also places emphasis on providing safe and healthy workplaces for all employees and workers.

Guided by the United Nations Global Compact ("UNGC") Ten Principles and the Universal Declaration of Human Rights, Zantat adheres to the Employment Act 1955, the Trade Union Act 1959 and relevant Malaysian labour laws. Additionally, the Group has a CoCE and External Party CoCE in place which enforces the following:



Zero tolerance for child labour and forced labour



Ensure fair treatment, free from discrimination and harassment



Respect for freedom of association and collective bargaining



Robust grievance mechanisms

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Human Rights and Labour Practices (Cont'd)

##### Initiatives

To uphold fair labour practices and employee welfare, Zantat provides multiple communication and grievance channels including anonymous suggestion boxes, dedicated reporting email channels and direct access to supervisors or the Human Resources Department. These mechanisms facilitate open dialogue, confidential reporting and timely resolution of workplace concerns.

The Group also provides accommodation at approved hostels for foreign employees, in compliance with applicable local regulations. The hostels are equipped with basic amenities, including dining areas, a resting lounge, a kitchen, proper sleeping areas with beds and lockers, electricity, air conditioning, a clean water supply, and adequate lighting and ventilation. Facilities such as clean toilets, shower areas, regular cleaning services and proper waste disposal are also provided, along with basic recreational facilities, such as a gym room to promote physical well-being. Furthermore, safety measures are in place, including first aid kits located in easily accessible areas within the hostels, as a precautionary measure.

All foreign employees' accommodations are certified under the *Perakuan Penginapan issued by Jabatan Tenaga Kerja Semenanjung Malaysia*, in accordance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. These certificates are displayed outside the hostel at a visible and accessible location. This certification provides assurance that the Group's accommodation meets the required minimum standards and is managed in compliance with stipulated conditions, including approved occupancy limits.

Zantat monitors the validity and renewal of these certificates on an ongoing basis and maintains compliance practices to ensure that worker accommodation remains safe and well-managed. Through these measures, the Group supports decent living conditions for employees while reinforcing its commitment to protecting human and labour rights.

Additionally, the Group works closely with hostel room leaders to address accommodation matters. Foreign employees may raise concerns through a dedicated WhatsApp communication channel involving supervisors and the Human Resources Department, enabling timely communication and follow-up.

##### FYE2025 Performance

There were no substantiated complaints concerning human rights violations, nor any recorded incidents of forced or child labour. From FYE2023 to FYE2025, the Group recorded zero substantiated cases related to child or forced labour, discrimination, harassment, labour practice violations or health and safety non-compliances as a fundamental right.

Zantat ensures that its existing grievance channels are clearly communicated to employees and other stakeholders. The Group also upholds ethical recruitment practices, safeguards the rights of migrant workers and respects employees' freedom of association.

Table 4.6 Zantat's human rights-related incidents and complaints performance for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Number of children aged below 15 engaged in child labour	Number	0	0	0
Number of substantiated complaints concerning forced labour	Number	0	0	0

## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Community Contribution (GRI 201-1a(ii))

In line with the Group's commitment to giving back to society, Zantat focuses on areas where its contributions can generate meaningful and lasting impact. The Group prioritises initiatives that support education, healthcare and environmental stewardship, recognising the importance of enhancing community well-being while contributing to social development.

Zantat identifies priority needs and tailors initiatives accordingly through ongoing engagement with local communities and stakeholders. Additionally, the Group continues to collaborate with non-governmental organisations, government agencies and local partners to broaden outreach, strengthen programme delivery and enhance overall effectiveness.

#### Initiatives

Employees are encouraged to complete a minimum of eight CSR volunteer hours annually, with a participation target set across the workforce. In FYE2025, 77.7% of Zantat's local employees met or exceeded the prescribed volunteer hours, totalling up to 818 volunteering hours. This result reflects the strong employee participation in community programmes. Zantat spent RM34,808 in CSR funding to support various community and social initiatives.

At Zantat Perak, environmental stewardship and community health and welfare remained its key focus areas. Zantat Perak implemented a *gotong-royong* programme involving clean-up and environmental upkeep activities in areas surrounding Zantat's Plants, going beyond operational boundaries to support local environmental cleanliness and community engagement. Health and well-being initiatives, including two rounds of blood donation drives were conducted in collaboration with Hospital Raja Permaisuri Bainun ("HRPB"), Ipoh and AEON Mall Kinta City, to support public healthcare needs.

At Zantat KL, initiatives were centred on environmental awareness and community engagement (especially underprivileged youth). A tree-planting and gardening programme was conducted to promote environmental awareness, encourage ecosystem preservation and provide participants with practical knowledge on sustainable gardening practices. In addition, Zantat KL organised welfare programmes for orphaned children through collaborative programmes that included providing haircuts, meals, birthday celebrations and recreational activities such as batik painting. Essential school supplies were also supplied to selected underprivileged students to ease their financial burden and support educational needs.

Through these initiatives, Zantat fosters meaningful community partnerships while contributing to environmental stewardship, public health and social well-being of communities. The following initiatives highlight Zantat's efforts to support education and community well-being:

#### Supporting Community Well-Being

##### Pantai Marathon 2025

To support community well-being and health, Zantat contributed to the Pantai Marathon 2025, organised by Pantai Hospital Penang. In June 2025, Zantat contributed RM5,000 and leveraged the event to raise awareness of Earthya™ Compostable Garbage Bags among participants and the wider community. The initiative reached about 4,000 participants and provided an opportunity for the Group to promote sustainable waste solutions.

*Fig 4.7.1 Zantat supported the event while contributing to broader awareness of sustainable waste solutions.*



## Sustainability Report (Cont'd)

### Goal 4: Empowering Workforce and Community Connections and Shared Values (Cont'd)

#### Community Contribution (Cont'd)

##### Initiatives (Cont'd)

##### Supporting Community Well-Being (Cont'd)

##### **PPBA Badminton Tournament 2025**

Zantat continued to support community efforts that promote health and wellness. In June 2025, Zantat invested in RM5,000 in sponsoring the PPBA Badminton Tournament 2025, through both cash contributions and in-kind support. This include the provision of Earthya™ Compostable Garbage Bags. The programme benefitted approximately 600 individuals. Beyond sponsorship, the event also served as a platform to promote sustainability awareness.

##### Batik Painting 2025

Empowering children is another theme Zantat places it focus on. In July 2025, the Group organised a batik painting programme for children from an orphanage. The programme aimed to nurture artistic skills while creating a meaningful and engaging experience for the children through the traditional art of batik painting. A total of RM4,550 was invested in the initiative, where 31 children benefited and produced creative batik masterpieces.

##### Back to school 2025

Along the same theme, Zantat organised the Back to School Programme. In collaboration with Abaro Company in December 2025, Zantat contributed RM5,458 to provide essential school supplies to orphaned students at Sekolah Kebangsaan 1, Taman Selayang. In support of UN SDG 4 (Quality Education), the initiative benefitted 35 students, alleviating schooling expenses and preparing them for the academic year.

##### **FYE2025 Performance**

Despite lower community investment in FYE2025, the Group expanded its programme reach substantially, benefitting 5,781 individuals compared to 677 in the previous year. In the next financial year, Zantat aims to enhance the effectiveness of its community initiatives by strengthening stakeholder relationships, promoting employee volunteer participation and directing resources towards impactful programmes.

*Table 4.7 Zantat's community investment, employee volunteering hours in community programmes, and the external beneficiaries for the past three financial years.*

	Unit	FYE2023	FYE2024	FYE2025
Total amount invested in the community	RM	34,303	120,435	34,808
Total employee volunteering hours in CSR*	Hour	NA	NA	818
Total number of external beneficiaries	Number	NA	677	5,781

Note:

\* In FYE2025, Zantat enhanced its data collection system to track total employee volunteering hours in CSR initiatives, as this provides a more meaningful measure of employee contribution to CSR activities.



Fig 4.7.2 The Group provided sponsorship in the form of cash and the provision of Earthya™ Compostable Garbage Bags.



Fig 4.7.3 Children at the programme presenting their batik masterpieces.



Fig 4.7.4 Zantat provided school supplies including stationery, to support the educational needs of orphaned students.

## Sustainability Report (Cont'd)

### GOAL 5: UPHOLDING ETHICAL CONDUCT AND SUPPLY CHAIN INTEGRITY

#### Corporate Governance (GRI 405-1)

Zantat upholds corporate governance practices as the foundation of responsible business conduct, ethical decision-making and long-term value creation. The Group recognises that effective governance is essential to safeguard stakeholder interests, ensure regulatory compliance and maintain transparency and accountability across its operations. Guided by applicable laws, regulatory requirements and internal policies, Zantat continues to strengthen its governance framework to support business integrity, risk oversight and sustainable growth.

Zantat has in place a governance framework supported by formal policies, Board oversight and management accountability. The Board holds ultimate responsibility for overseeing corporate governance matters, including ethical conduct, regulatory compliance, risk management and internal controls.

Furthermore, the Group's governance approach is underpinned by clearly defined policies that guide business practices, employee conduct and decision-making processes. These policies are periodically reviewed and updated to ensure continued relevance and alignment with evolving regulatory requirements and industry best practices.

The following outlines the Group's established governance policies:



**ABC  
Policy**



**Whistleblowing  
Policy**



**CoCE**



**ERM  
Policy**



**Sustainability  
Policy**

For more information, please refer to <https://ir2.chartnexus.com/zantat/corporategovernance.php> and the Corporate Governance Overview Statement on pages 127 to 133 of this Integrated Annual Report.

Collectively, these policies reinforce ethical behaviour, responsible business practices and effective governance oversight across the Group.

#### Initiatives

To operationalise its governance commitments, Zantat implements various initiatives focused on integrity, transparency and accountability.

Members of the Board continued to participate in governance and S&C training programmes to enhance oversight capabilities and remain abreast of emerging regulatory and ESG developments.

# Sustainability Report (Cont'd)

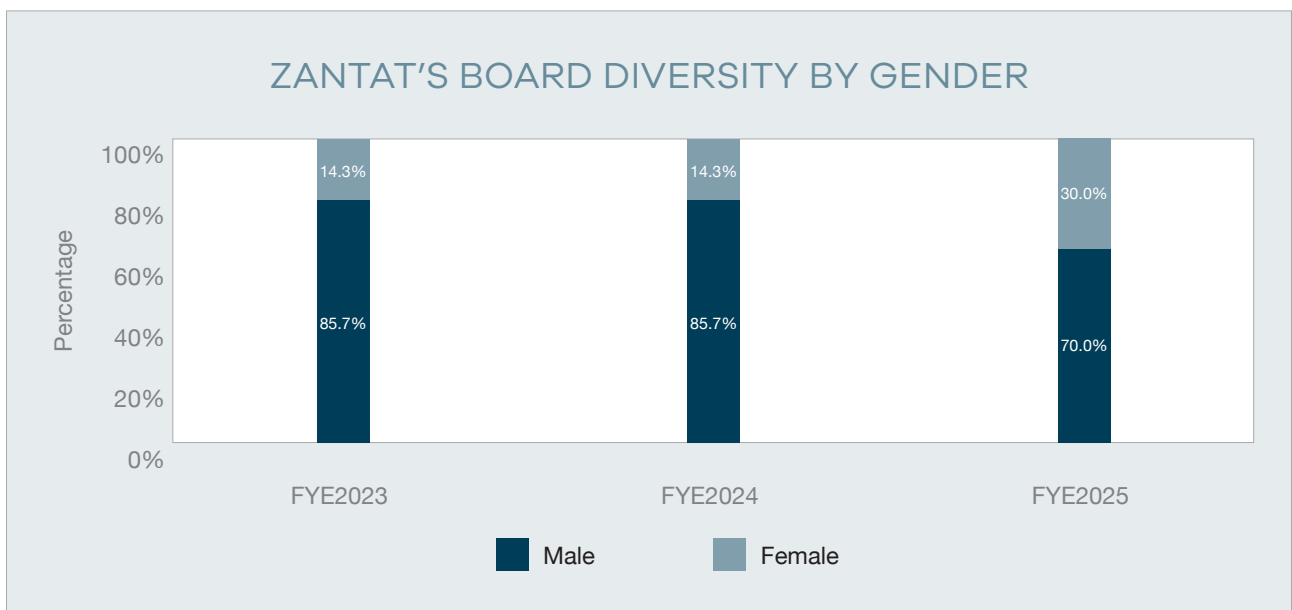
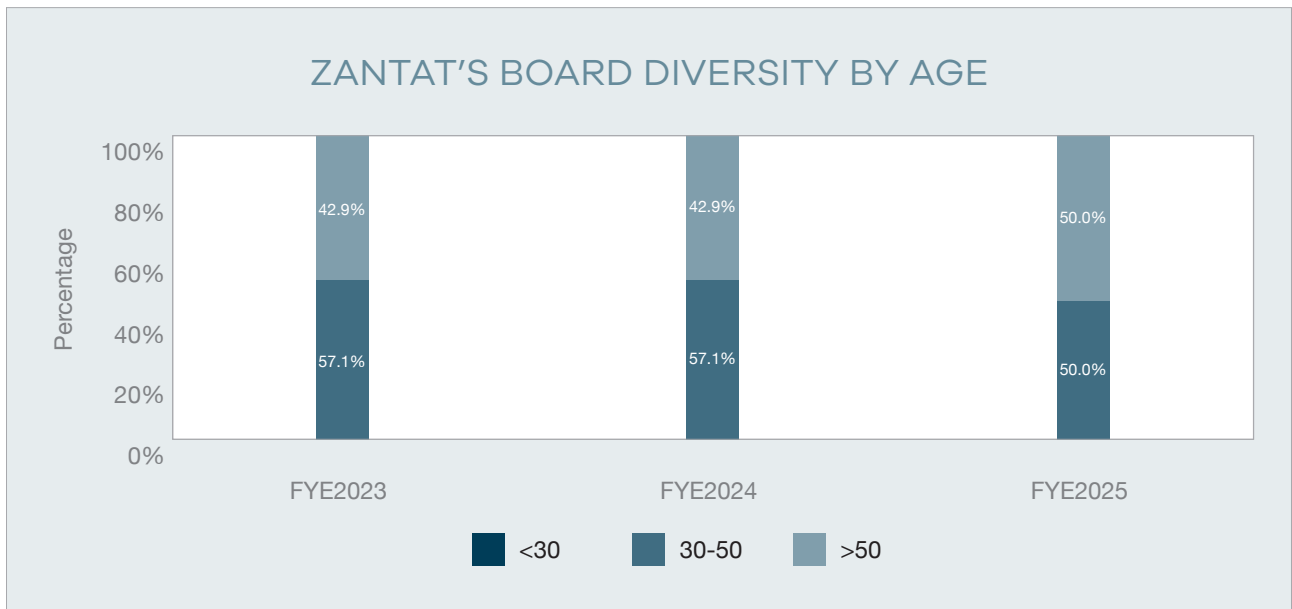
## Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

### Corporate Governance (Cont'd)

#### FYE2025 Performance

In the year under review, female representation on Zantat's Board more than doubled to 30.0% in FYE2025 (FYE2024: 14.3%), reflecting the Group's continued progress in strengthening Board gender diversity. For more information on the Board, please refer to the Corporate Governance Overview Statement on pages 127 to 133 of this Integrated Annual Report.

Fig 5.1 Zantat's Board diversity by age group and gender for the past three financial years, showing the proportion of Board members aged below 30 (<30), 30 to 50 (30-50), above 50 (>50), male and female.



## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Corporate Governance (Cont'd)

#### FYE2025 Performance (Cont'd)

Table 5.1 Zantat's Board diversity by age group and gender for the past three financial years, showing the proportion of Board members aged below 30 (<30), 30 to 50 (30-50), above 50 (>50), male and female. (Cont'd)

	Unit	FYE2023	FYE2024	FYE2025
BY GENDER				
Male	Percentage	85.7	85.7	70.0
Female	Percentage	14.3	14.3	30.0
BY AGE				
<30	Percentage	0	0	0
30-50	Percentage	57.1	57.1	50.0
>50	Percentage	42.9	42.9	50.0

#### Anti-Bribery and Corruption and Whistleblowing (GRI 205-1, 205-2, 205-3)

ABC and whistleblowing are fundamental to Zantat's business, given its close engagement with suppliers, contractors and authorities, which exposes its operations to risks such as bribery and conflicts of interest. To this end, the Group remains committed to embedding robust anti-bribery and anti-corruption controls to mitigate legal, financial and licensing risks, while also ensuring its whistleblowing channels provide safe and confidential avenues for stakeholders to report misconduct, enabling detection and remediation measures.

The Board and Senior Management are enforced to conduct business with integrity, guided by Zantat's CoCE, which sets out the core principles and ethical standards expected of all employees and directors to ensure accountability and responsible decision-making. The Group adopts a zero-tolerance stance on corruption through its ABC Policy, which is periodically reviewed to remain aligned with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. These frameworks reinforce Zantat's commitment to strong governance practices, promoting transparency, regulatory compliance and ethical business conduct across its operations.

#### Initiatives

During the year, awareness and capacity-building efforts were conducted through ABC training programmes delivered via physical and virtual platforms. The training focused on refreshing employees' understanding of the MACC Act 2009 (including Section 17A on corporate liability) and reinforcing compliance with Zantat's ABC Policy, CoCE and Whistleblowing Policy. The programme also highlighted practical risk areas, including conflicts of interest, gifts and entertainment, donations and sponsorships, corruption red flags and the reporting channels available for suspected misconduct.

Zantat's whistleblowing channels continued to be made accessible to employees. Managed by the Human Resources Department, these mechanisms provide a confidential channel for reporting misconduct or unethical activities across the Group's operations. Reports of misconduct may also be submitted via email to [ltpoo@zantat.com.my](mailto:ltpoo@zantat.com.my), in accordance with the Group's Whistleblowing Policy.

#### FYE2025 Performance

For the third consecutive year, 100% of Zantat's employees completed its ABC training, reinforcing the Group's commitment to ethical business practices. During the year under review, no incidents of corruption were reported or substantiated, nor were there any actions taken.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Anti-Bribery and Corruption and Whistleblowing (Cont'd)

##### FYE2025 Performance (Cont'd)

Table 5.2 Zantat's anti-bribery and anti-corruption training, confirmed corruption incidents, and corruption risk assessment coverage for the past three financial years.

	Unit	FYE2023	FYE2024	FYE2025
Total employees	Number	211	216	223
Total number/ percentage of employees who received ABC Training	Number (Percentage)	211 (100)	216 (100)	223 (100)
<b>PERCENTAGE OF EMPLOYEES WHO RECEIVED ABC TRAINING (BY EMPLOYEE CATEGORY)</b>				
Senior management	Percentage	100	100	100
Management	Percentage	100	100	100
Executive	Percentage	100	100	100
Non-Executive	Percentage	100	100	100
<b>CORRUPTION CASES</b>				
Number of confirmed corruption incidents	Number	0	0	0
<b>OPERATIONS ASSESSED FOR CORRUPTION RISKS</b>				
Percentage of operations that underwent corruption risk assessments	Percentage	0	0	0

#### Data Privacy and Protection (GRI 418-1)

Zantat manages a wide range of data, including employee records, financial information, supplier contracts and operational data. As such, the Group safeguards corporate, employee and customer information through robust data protection practices to prevent unauthorised access, breaches and misuse of confidential information.

Strong data privacy controls reinforce stakeholder trust and corporate governance. Failure to safeguard personal and business data may expose the Group to legal liabilities, regulatory penalties, reputational harm and cyber-security risks.

Zantat's approach to data privacy and cybersecurity involves strengthening internal controls and governance processes to safeguard sensitive information. The Group ensures compliance with the Personal Data Protection Act ("PDPA") 2010 while referencing General Data Protection Regulation ("GDPR") best practices to guide responsible data handling across its operations. Cybersecurity considerations are embedded within day-to-day processes, supporting secure data management, system integrity and stakeholder confidence.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Data Privacy and Protection (Cont'd)

Further to this, data privacy and protection are integrated into Zantat's ERM framework, enabling oversight of cyber and data-related risks. Personal data is collected through lawful and consent-based processes, with access restricted to authorised personnel while data retention and disposal procedures adhere to Section 10 of the PDPA 2010, ensuring information is securely managed throughout its lifecycle.

#### Initiatives

During the reporting period, Zantat enforced Non-Disclosure Agreements ("NDAs") for employees handling sensitive information to protect confidential data, prevent unauthorised disclosure and reinforce accountability in the management of corporate and personal data.

Additionally, in FYE2025, the Group implemented SOPHOS cybersecurity solutions to safeguard personal and confidential data across its IT environment, supported by a total investment of RM103,260 for the procurement of SOPHOS firewall and cloud security solutions over a three-year period. These controls include endpoint protection, email security and network perimeter security, which are centrally managed to ensure consistent policy enforcement, continuous monitoring and timely incident response. Comprehensive endpoint protection was also installed across all Zantat desktops and laptops, strengthening device-level security across the Group's operations. The implementation forms part of the Group's practical measures to protect personal data from loss, misuse, unauthorised access or disclosure, alteration and destruction.

The adoption of SOPHOS solutions further strengthens Zantat's overall cybersecurity posture by supporting sound information security governance, enabling more proactive cyber risk management and safeguarding stakeholder data privacy. In addition, these measures enhance the resilience of the Group's digital infrastructure while supporting alignment with recognised cybersecurity best practices.

#### FYE2025 Performance

Since FYE2023, Zantat has maintained its record of zero substantiated complaints concerning breaches of customer privacy or incidents of data loss.

*Table 5.3 Zantat's customer privacy breaches, data loss complaints and confirmed cyber-attack incidents for the past three financial years.*

	Unit	FYE2023	FYE2024	FYE2025
Number of substantiated complaints concerning breaches in customer privacy or data loss	Number	0	0	0
Total number of confirmed incidents of cyber attacks	Number	0	0	0

#### Supply Chain Management (GRI 204-1, 308-1, 414-1)

Supply chain management is critical to Zantat's operations as it ensures the reliable sourcing of raw materials, timely production processes and consistent product delivery to customers. As the Group serves diverse downstream industries, disruptions in supplier performance, logistics or material quality can adversely impact operational continuity, cost stability and customer satisfaction.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Supply Chain Management (Cont'd)

To this end, Zantat strives to manage risks related to pricing volatility, regulatory compliance and ESG standards, while fostering long-term partnerships with responsible suppliers. The Group adopts a transparent procurement approach to ensure suppliers operate in line with Zantat's ethical, social and environmental expectations. Suppliers are selected through processes such as registration and declaration, pre-qualification screening and risk due diligence, contract award with defined terms and conditions and annual supplier performance evaluations. This framework enables the Group to appoint reputable, high-quality suppliers while supporting operational reliability and responsible business practices.

#### Initiatives

All suppliers are required to adhere to Zantat's External Party CoCE, reinforcing expectations on integrity, labour practices and environmental responsibility. The Group also prioritises local sourcing to support domestic economic development while reducing transportation-related carbon emissions. Additionally, assessments are conducted on suppliers and contractors during onboarding and when significant changes occur in their business operations, to assess compliance with contractual, safety and sustainability requirements and identify areas for improvement.

In instances of supplier non-compliance, the Group communicates directly with suppliers to address and rectify the issue. Where non-conformances remain unresolved, an External Provider Corrective Action Request ("EPCAR") is issued for remediation. The Group implements structured supplier selection processes supported by established purchasing control procedures to ensure compliance with procurement standards.

Additionally, Zantat strengthens relationships with suppliers and engages with them regularly to ensure a reliable and consistent supply of products and services. This involves implementing the following measures:



#### Supplier Evaluation and Approval

Suppliers are evaluated and approved based on their capabilities, quality standards and reliability.



#### Regular Communication

Ongoing engagement is maintained to address issues, gather feedback and strengthen working relationships.



#### Performance Monitoring

Supplier performance is tracked across key parameters including delivery times, quality consistency and compliance with requirements.



#### Collaborative Approach

Zantat works closely with suppliers to resolve challenges, enhance processes and foster long-term partnerships.

#### Strengthening ESG Integration in Supplier Onboarding

During the reporting period, Zantat embedded an ESG assessment framework into its supplier onboarding and evaluation process to strengthen responsible procurement practices. Introduced in the third quarter of FYE2025, the assessment comprises 38 questions to evaluate suppliers' ESG performance on matters relevant to Zantat's operations and sustainability priorities.

Based on the assessment results, suppliers are classified into "Good", "Average" and "In-Progress" categories to indicate advanced, intermediate and early stages of ESG adoption. Suppliers may also be requested to re-evaluate their ESG performance where material changes occur in their operations.

## Sustainability Report (Cont'd)

### Goal 5: Upholding Ethical Conduct and Supply Chain Integrity (Cont'd)

#### Supply Chain Management (Cont'd)

##### Strengthening ESG Integration in Supplier Onboarding (Cont'd)

The supplier ESG evaluation form was rolled out in FYE2025, with Zantat currently monitoring supplier responses and engaging with suppliers to support improvements. This initiative is expected to deliver more meaningful outcomes in strengthening ESG performance across the supply chain in future reporting cycles. Looking ahead, Zantat aspires to progressively incorporate questions covering SRROs and CRROs into its supplier ESG assessment framework to further align supply chain practices with the Group's broader sustainability direction.

### CUSTOMER FEEDBACK AND SATISFACTION PERFORMANCE

Zantat manages customer feedback through an annual Customer Satisfaction Survey via a Customer Feedback Questionnaire. The survey assesses product quality, delivery performance, service levels, overall satisfaction and S&C expectations. In the year under review, the Group recorded an overall improvement in customer satisfaction compared to FYE2024, with all assessed parameters registering higher average ratings.

Survey findings and complaints are compiled and analysed by the Sales and Marketing Department and the Integrated Management Representative ("IMR"). Performance is benchmarked against previous results and internal targets. In instances when satisfaction levels decline, Zantat conducts a root cause analysis, followed by the implementation of corrective measures. The effectiveness of these measures is reviewed at Management review meetings to ensure continuous improvement.

In addition to the survey, feedback and complaints are obtained through email, telephone and Sales and Marketing engagements. Complaints are recorded and tracked under the Corrective Action Request ("CAR") system.

Parameter	FYE2024	FYE2025
Timeliness and Reliability of Delivery	4.2/5.0	4.4/5.0
Quality and Safety of Products	4.3/5.0	4.5/5.0
Responsiveness to Customer Needs	4.2/5.0	4.3/5.0

However, competitive cost remained the lowest-scoring parameter at 3.90, indicating the need to reassess pricing strategies and value-added offerings while maintaining product quality. Moving forward, the Group aims to look into improving survey response rates in the next assessment cycle.

#### FYE2025 Performance

During FYE2025, 92.7% of Zantat's procurement spending was directed to local suppliers, representing a direct 5.8% increase from 86.9% recorded in the previous financial year.

Table 5.4 Zantat's proportion of spending on local suppliers over the past three financial years.

Supply chain management	Unit	FYE2023	FYE2024	FYE2025
Proportion of spending on local suppliers	Percentage	92.8	86.9	92.7 <sup>1</sup>

Note:

<sup>1</sup> In FYE2025, Zantat enhanced its system to comprehensively capture all invoice payments.

# Sustainability Report (Cont'd)

## GRI Content Index

Overview of all the GRI requirements that have been complied with at Zantat.

<b>Statement of Use</b>	The Group has reported with reference to GRI Standards for the period from 1 <sup>st</sup> January 2025 to 31 <sup>st</sup> December 2025.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>General disclosures:</b>	<b>Page Number</b>
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organisational details	10
2-2 Entities included in the organisation's sustainability reporting	41
2-3 Reporting period, frequency and contact point	2
2-5 External assurance	110
2-29 Approach to stakeholder engagement	50
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	54
3-2 List of material topics	54
3-3 Management of material topics	54
<b>GRI 201: Economic Performance 2016</b>	
201-1 Direct economic value generated and distributed	98
<b>GRI 204: Procurement Practices 2016</b>	
204-1 Proportion of spending on local suppliers	105
<b>GRI 205: Anti-corruption 2016</b>	
205-1 Operations assessed for risks related to corruption	102
205-2 Communication and training about anti-corruption policies and procedures	102
205-3 Confirmed incidents of corruption and actions taken	102
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organisation	61
302-3 Energy intensity	61
302-4 Reduction of energy consumption	59
<b>GRI 303: Water and Effluents 2018</b>	
303-3 Water withdrawal	62
303-5 Water consumption	62
<b>GRI 304: Biodiversity 2016</b>	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	85

## Sustainability Report (Cont'd)

### GRI Content Index (Cont'd)

<b>General disclosures:</b>	<b>Page Number</b>
<b>GRI 305: Emission 2016</b>	
305-1 Direct (Scope 1) GHG emissions	77
305-2 Energy indirect (Scope 2) GHG emissions	77
305-3 Other indirect (Scope 3) GHG emissions	78
305-4 GHG emissions intensity	77-78
305-5 Reduction of GHG emissions	77
305-7 Nitrogen oxides ("NOx"), sulphur oxides ("SOx"), and other significant air emissions	81
<b>GRI 306: Waste 2020</b>	
306-1 Waste generation and significant waste-related impacts	65
306-2 Management of significant waste related impacts	65
306-3 Waste generated	65
306-4 Waste diverted from disposal	65
306-5 Waste directed to disposal	65
<b>GRI 308: Supplier Environmental Assessment 2016</b>	
308-1 New suppliers that were screened using environmental criteria	104
<b>GRI 401: Employment 2016</b>	
401-1 New Employee hires and employee turnover	94
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-2 Hazard identification, risk assessment, and incident investigation	90
403-5 Worker training on occupational health and safety	92
403-6 Promotion of worker health	90-91
403-9 Work-related injuries	92
<b>GRI 404: Training and Education 2016</b>	
404-1 Average hours of training per year per employee	95
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	
405-1 Diversity of governance bodies and employees	88
<b>GRI 406: Non-discrimination 2016</b>	
406-1 Incidents of discrimination and corrective actions taken	86
<b>GRI 408: Child Labor 2016</b>	
408-1 Operations and suppliers at significant risk for incidents of child labour	96
<b>GRI 409: Forced or Compulsory Labor 2016</b>	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	96

## Sustainability Report (Cont'd)

### GRI Content Index (Cont'd)

<b>General disclosures:</b>	<b>Page Number</b>
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	
411-1 Incidents of violations involving rights of indigenous peoples	96
<b>GRI 414: Supplier Social Assessment 2016</b>	
414-1 New suppliers that were screened using social criteria	104
<b>GRI 418: Customer Privacy 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	103

## Sustainability Report (Cont'd)

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## Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table

Date & Time: 2026-04-27 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	Bursa C1(a) Senior Management who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(a) Management who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(a) Executive who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(a) Non-Executive who have received training on anti-corruption	Percentage	100	-	No assurance	
Anti-corruption	Bursa C1(b) Operations assessed for corruption-related risks	Percentage	0	-	No assurance	
Anti-corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	No assurance	
Community / Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	Ringgit	34,808	-	No assurance	
Community / Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5,781	-	No assurance	
Diversity	Bursa C3(a) Senior management under 30 years old	Percentage	0	-	No assurance	
Diversity	Bursa C3(a) Senior management between 30-50 years old	Percentage	80.0	-	No assurance	

# Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Zantat Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-27 14:08:36 FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Senior management over 50 years old	Percentage	200	-	No assurance	
Diversity	Bursa C3(a) Management under 30 years old	Percentage	0	-	No assurance	
Diversity	Bursa C3(a) Management between 30-50 years old	Percentage	68.2	-	No assurance	
Diversity	Bursa C3(a) Management above 50 years old	Percentage	31.8	-	No assurance	
Diversity	Bursa C3(a) Executive under 30 years old	Percentage	15.2	-	No assurance	
Diversity	Bursa C3(a) Executive between 30-50 years old	Percentage	76.1	-	No assurance	
Diversity	Bursa C3(a) Executive above 50 years old	Percentage	8.7	-	No assurance	
Diversity	Bursa C3(a) Non-Executive under 30 years old	Percentage	260	-	No assurance	
Diversity	Bursa C3(a) Non-Executive between 30-50 years old	Percentage	65.3	-	No assurance	
Diversity	Bursa C3(a) Non-Executive above 50 years old	Percentage	8.7	-	No assurance	
Diversity	Bursa C3(a) Senior management - Male	Percentage	80.0	-	No assurance	
Diversity	Bursa C3(a) Senior management - Female	Percentage	200	-	No assurance	
Diversity	Bursa C3(a) Management - Male	Percentage	50.0	-	No assurance	
Diversity	Bursa C3(a) Management - Female	Percentage	50.0	-	No assurance	

## Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Date & Time: 2026-04-27 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Bursa C3(a) Executive - Male	Percentage	43.5	-	No assurance	
Diversity	Bursa C3(a) Executive - Female	Percentage	56.5	-	No assurance	
Diversity	Bursa C3(a) Non-Executive - Male	Percentage	95.3	-	No assurance	
Diversity	Bursa C3(a) Non-Executive - Female	Percentage	4.7	-	No assurance	
Diversity	Bursa C3(b) Directors under 30 years old	Percentage	0	-	No assurance	
Diversity	Bursa C3(b) Directors between 30-50 years old	Percentage	50.0	-	No assurance	
Diversity	Bursa C3(b) Directors above 50 years old	Percentage	50.0	-	No assurance	
Diversity	Bursa C3(b) Directors - Male	Percentage	70.0	-	No assurance	
Diversity	Bursa C3(b) Directors - Female	Percentage	30.0	-	No assurance	
Energy management	Bursa C4(a) Total energy consumption	Megawatt-hour	24,434	-	No assurance	
Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	0	-	No assurance	
Health and Safety	Bursa C5(b) Lost time incident rate ("LTR")	-	4.4	-	No assurance	
Health and Safety	Bursa C5(c) Employees trained on health and safety standards	Number	223	-	No assurance	
Labour Practice and standards	Bursa C6(a) Total training hours - Senior Management	Hour	253	-	No assurance	
Labour Practice and standards	Bursa C6(a) Total training hours - Management	Hour	608	-	No assurance	

# Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Date & Time: 2026-04-22 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practice and standards	Bursa C6(a) Total training hours – Executive	Hour	1,313	-	No assurance	
Labour Practice and standards	Bursa C6(a) Total training hours – Non-Executive	Hour	1,055	-	No assurance	
Labour Practice and standards	Bursa C6(b) Percentage of employees that are contract or temporary staff	Percentage	0	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Senior management	Number	0	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Management	Number	0	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Executive	Number	3	-	No assurance	
Labour Practice and standards	Bursa C6(c) Employee turnover - Non-Executive	Number	12	-	No assurance	
Labour Practice and standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	
Supply chain management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	92.7	-	No assurance	
Data Privacy and Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	
Water	Bursa C9(a) Total volume of water used	Cubic meter	49,669	-	No assurance	
Waste Management	Bursa C10(a) Total waste generated	Metric tonne	475	-	No assurance	

## Sustainability Report (Cont'd)

## Bursa Malaysia CSI Table (Cont'd)

Date & Time: 2026-04-22 14:08:36  
FYE 31/12/2025

Zantat Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste Management	Bursa C10(b) Total waste diverted from disposal	Metric tonne	76	-	No assurance	
Waste Management	Bursa C10(c) Total waste directed to disposal	Metric tonne	399	-	No assurance	
Emission Management	Bursa C11(a) Scope 1 emissions	Metric tonne carbon dioxide equivalent	548	-	No assurance	
Emission Management	Bursa C11(b) Scope 2 emissions	Metric tonne carbon dioxide equivalent	15,296	-	No assurance	
Emission Management	Bursa C11(c) Scope 3 emissions – Category 4 (Upstream Transportation and Distribution)	Metric tonne carbon dioxide equivalent	288	-	No assurance	For Scope 3 Category 4 – Upstream Transportation and Distribution, Zantat currently only accounts for emissions from locally sourced raw materials transported by lorries. Zantat is in the process of expanding this coverage to include sea freight in future reporting cycles.
Emission Management	Bursa C11(c) Scope 3 emissions – Category 6 (Business Travel)	Metric tonne carbon dioxide equivalent	56	-	No assurance	
Emission Management	Bursa C11(c) Scope 3 emissions – Category 7 (Employee Commuting)	Metric tonne carbon dioxide equivalent	99	-	No assurance	