VOLCANO

VOLCANO BERHAD
(Registration No. 201801004790 (1266804-D))

THE
BRAND
BEHIND ALL
BRANDS

SUSTAINABILITY
REPORT
2025

SUSTAINABILITY REPORT

VOLCANO BERHAD
REGISTRATION NO.201801004790
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THE BRAND BEHIND ALL BRANDS

MESSAGE FROM MANAGING DIRECTOR

Dear Stakeholders,

I am pleased to present our annual Sustainability Report, a reflection of Volcano Berhad ("Volcano" or "the Company") and its subsidiaries ("Volcano Group" or "the Group") unwavering commitment to embedding sustainable practices into the core of our operations. As a leading manufacturer of components for the electrical and electronics, automotive and livestock industries, we recognise our responsibility to drive value not just for our customers and shareholders, but for our employees, the environment, and the broader community.

Our vision, "The Brand Behind All Brands," is founded on the principles of quality, innovation, technology, and value creation. This commitment extends beyond our products to our processes, where we strive for greater efficiency and a reduced environmental footprint. We are focused on creating sustainable value by investing in continuous development, leveraging new technologies, and providing a conducive environment for the long-term career growth of our workforce.

Furthermore, we believe that true sustainability is a collaborative effort. We work closely with our long-term multinational customers to provide innovative and cost-effective solutions, ensuring that our collective journey is one of shared progress. We are dedicated to upholding the highest standards of corporate governance, ensuring that our business is conducted with transparency and integrity. As we look to the future, we will continue to build on these foundations, confident that our sustained efforts will not only enhance our corporate resilience but also contribute to a more sustainable future for all our stakeholders.

Sincerely,

Datuk Ch'ng Huat Seng

Managing Director, Volcano Berhad

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ABOUT THE REPORT

ABOUT THE REPORT

Volcano Berhad ("Volcano" or "the Company") and its subsidiaries ("Volcano Group" or "the Group") is pleased to present our annual Sustainability Report ("Report"), a testament to our ongoing commitment to environmental stewardship, social responsibility, and ethical governance. We approach sustainability not as a goal to be reached, but as a continuous journey that we embark on with our stakeholders.

This Report transparently details our progress in operating responsibly, reducing our environmental footprint, and creating a positive social impact. We are proud of the strides we have made; we remain mindful that there is always room to grow and create more lasting value.

It is our hope that this Report serves as a transparent communication of our accomplishments, the lessons we have learned, and our vision for a more sustainable future.

OUR COMPANY

Volcano is an investment holding company, which was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia" or "Bursa") on 6 April 2021. Volcano is a leading manufacturer of parts and components including metal and non-metal nameplates and plastic injection moulded parts. We have manufacturing facilities located in Malaysia and Thailand to serve multinational customers across various industries such as electrical and electronic, automotive, livestock, food, furniture, aerospace, and label industries.

Through its subsidiaries, the Company produces a range of items, including metal and non-metal nameplates and plastic injection moulded parts. These products are used in various consumer and industrial goods, from computers, household appliances and livestock equipment to motor vehicles.

Volcano has manufacturing facilities in Malaysia, Volcano Name Plate Sdn Bhd ("VNP") and Thailand, Volcano Tec Thailand Co., Ltd ("VTT") and serves a diverse base of multinational companies, original equipment manufacturers, and other customers across the globe.

OUR VISION AND MISSION

Volcano's vision is encapsulated in its motto, "The Brand Behind All Brands," aiming to become a leading brand that supports global brands in achieving our goals. This is accomplished through our commitment to core values: quality products, innovative solutions, latest technology, and value creation. The Company's mission is to leverage its technology, technical expertise, and advanced equipment to provide innovative and cost-effective solutions that meet customer requirements and expectations, ultimately transforming their concepts into reality.

REPORTING SCOPE AND BOUNDARY

This Sustainability Report details our sustainability performance for the financial year, aligning with Volcano's financial year cycle. It provides an overview of the Group's sustainability performance and achievements for the financial year ended 30 June 2025 ("FYE 2025"). The contents of this Sustainability Report cover the Group's key business operations at VNP located at Perai, Penang, Malaysia, and VTT at Rayong, Thailand for FYE 2025, focusing on the manufacturing of parts and components, including metal and non-metal name plates and plastic injection moulded parts.

In covering the reporting time frame from 1 July 2024 to 30 June 2025 for Volcano, it is crucial to highlight Volcano Group's strategic initiatives, financial performance, operational advancements, and market position throughout the year.

We have structured our disclosures to meet international and local standards, including:

- **Global Reporting Initiative ("GRI") Standards**

- **Bursa Malaysia's Sustainability Reporting Guidelines**

- **United Nation ("UN") Sustainable Development Goals ("SDGs")**

- **Task Force on Climate-Related Financial Disclosures ("TCFD")**

- **International Financial Reporting Standards ("IFRS") S2 Climate-related Disclosures**

All data and information presented relate specifically to our operations during this reporting period unless otherwise stated. We maintain stringent reporting standards to ensure accuracy and completeness, upholding stakeholder trust through verifiable and impactful sustainability reporting.

REPORTING STANDARDS

We obtained our emissions data using relevant emission factors from the Department for Environment, Food & Rural Affairs ("DEFRA") in the United Kingdom and the Malaysian Green Technology and Climate Change Centre. Our carbon footprint was calculated according to the GHG Protocol, a widely recognised standard for corporate accounting and reporting. This protocol is currently considered best practice for reporting organisational emissions.

STAKEHOLDER ENGAGEMENT

Volcano aims to be a reliable partner that helps its global customers meet their business objectives. The Company works to provide value for its shareholders, employees, suppliers, customers, and the communities in which it operates. Incorporating sustainability into our overall strategy is an expected part of this, guiding how we manage our supply chain and our daily operations. This focus is intended to help us manage our environmental responsibilities and support the overall well-being of our business and the areas around us.

We acknowledge that clear communication is vital for effective business management. Volcano communicates with all its stakeholders to understand their requirements and expectations. This ongoing dialogue is a standard management approach used to align the Company's work with the needs of our partners. By maintaining open communication, we look to build trust and strengthen our professional relationships. This process also helps the Company stay aware of new industry developments and potential issues. Our primary stakeholder engagements are listed below:

Stakeholder Group	Interaction Mode	Frequency	Key Concerns	Resolution Strategies	Reference to KPI Metrics and Targets
Customers	Awareness campaigns, direct communication, promotions, product exhibitions	Continuous	Product reliability, delivery delays, pricing, customer satisfaction	Quality control, competitive pricing, assurance initiatives, after sales service	Primarily for FYE 2025, all indicators achieved
Media	Print & digital platforms, press briefings	Continuous	Corporate performance, public misconceptions	Media engagement, public statements, communication campaigns	Communicated through Bursa Announcements

Stakeholder Group	Interaction Mode	Frequency	Key Concerns	Resolution Strategies	Reference to KPI Metrics and Targets
Employees	Workshops, trainings, performance reviews	Continuous	Job security, benefits, workplace safety	Employee engagement, safety initiatives, training programmes	All indicators in the KPI are satisfactory achieved for FYE 2025.
Vendors & Suppliers	Performance assessments, compliance training	Continuous	Regulatory compliance, pricing, cost-effectiveness, worker safety	Safety audits, ongoing communication, environmental & safety policies	Conducted 3 suppliers via paper audit for VNP
Investors & Financiers	Reports, meetings, financial briefings	Continuous	Regulatory compliance, financial sustainability, risk management	Regular reporting, strategic engagements, diversified offerings, corporate websites	Communicated through Bursa Announcements
Industry Associations	Advocacy, collaboration, surveys	Continuous	Material costs, regulatory impacts, policy changes	Procurement innovations, industry collaboration for favourable policies	Participated in Federation of Malaysia Manufacturing meetings and other relevant association
Business Partners	Meetings, contract discussions, evaluations	Ad hoc	Financial transactions, contracts, ethical practices	Audits, digital procurement, performance benchmarking	Communicated through Bursa Announcements
General Public	Public forums, outreach programmes	Ad hoc	Environmental impact	Conservation efforts, transparent reporting	Participated through Local Communities in particular for VNP
Governments & Regulators	Compliance monitoring, consultations	Continuous	Customer protection, regulatory adherence	Regular compliance checks, legal assessments	100% compliance with no sanctions or penalty
NGOs	Meetings, collaborations	Ad hoc	Sustainability, human rights, community impact	Corporate Social Responsibility programmes, waste separation awareness, environmental initiatives	Participated through Local Communities in particular for VNP

The feedback and insights we gather from stakeholders are crucial to our sustainability journey. They help us identify new opportunities for sustainable growth and effectively manage potential risks. Incorporating stakeholder feedback into our strategic planning enables informed decisions that align with stakeholder expectations and global market demands. This collaborative approach not only enhances our sustainability

performance but also reinforces our competitive edge, positioning Volcano as a forward-thinking and responsible conglomerate dedicated to positively impacting society and the environment.

To further strengthen our commitment to our stakeholders and to deliver our Key Performance Indicators ("KPI"), Volcano has established its metric and targets based on 2024 baseline. Based on the table below, it depicts the 2025 achievements, and areas of improvements primarily focus financial performance, business growth, product quality, health and safety and local communities. Volcano is proud to announce that all major achievements were achieved during the reporting period.

Key Performance Indicators Achievements

Stakeholders/ Area of Focus	Engagement Methods	Frequency	KPI	2024 Achievement	2025 Achievement
Shareholders and Investors	Share Price	On Going	Net Tangible Asset growth>5%	Achieved	Partially Achieved
	Dividend	On Going	Min 30% of Net Profit	Achieved	Achieved
	Business Growth	On Going	10 new customers	Partially Achieved	Partially Achieved
Employees	Employees Turnover	Monthly	≤10 % monthly	Achieved	Achieved
	Occupational Safety and Health Training	Annually	2 hours per employee	Achieved	Partially Achieved
	Employees' training hours	Annually	3 hours per employee	Partially Achieved	Achieved
Customer	Quality products	Audit and Evaluation	<5% Rejection Rate	Achieved	Achieved
	On-Time Delivery	Monthly	100% On-Time Delivery	Achieved	Achieved
	Manufacturing Capacity	On Going	>70% Utilisation Rate	Achieved	Achieved
Suppliers	On-Time Delivery	Delivery Monitory	>98%	Achieved	Achieved

Stakeholders/ Area of Focus	Engagement Methods	Frequency	KPI	2024 Achievement	2025 Achievement
	Quality material	Audit and Evaluation	<3% Rejection Rate	Achieved	Achieved
Analyst	Business Reporting	On Going	≥2	Achieved	Achieved
Regulators	Department of Occupational Safety and Health ("DOSH") compliance	On Going	No Compound	Achieved	Achieved
	Jabatan Keselamatan dan Kesihatan Pekerjaan ("JKKP") compliance	Monthly	No Compound	Achieved	Achieved
Local Communities	Job Creations	On Going	>80% Local Employees	Achieved	Achieved
	Corporate Social Responsibility Activities	On Going	≥2	Achieved	Achieved

ASSURANCE

Volcano Group has engaged an independent external party to provide limited assurance on selected information presented in this Sustainability Report to enhance the credibility and transparency of our disclosures.

The scope of external assurance for the FYE 2025 reporting period covers the social performance data. All data verified under the assurance scope have been confirmed as accurate and consistent with the supporting records. The verified results have been incorporated into this report without material misstatement.

The remaining environmental and governance data disclosed in this report have been internally validated by the relevant data owners. Volcano Group will continue to strengthen its data management processes and progressively expand the scope of external assurance in future reporting cycles.

FEEDBACK

Volcano is always looking to improve our sustainability efforts and how we report them. We welcome feedback from all our stakeholders, our employees, customers, investors, and the community.

We welcome your comments or questions about this Sustainability Report or our ongoing work on sustainability. Please reach out to us directly via our website:

- Website: https://volcano.com.my/contact-us/

We value your input as we work towards a more sustainable future.

OUR SUSTAINABILITY APPROACH

OUR SUSTAINABILITY COMMITMENT

At Volcano Berhad ("Volcano" or "the Group"), sustainability is integral to how we operate, innovate, and create value. Guided by our vision *"The Brand Behind All Brands"*, our Sustainability Policy defines the principles, responsibilities, and governance that embed Environmental, Economic, Social and Governance ("EESG") considerations across the Group.

This Policy builds upon the commitments outlined in our Managing Director's Message (page ("p." or "pp") 2), the UN SDG alignment framework (p.17), and the Governance and Ethics structure (p.24). It provides a clear link between the Group's strategy and the measurable targets later detailed under Metrics & Targets and TCFD Alignment (p.70 onwards).

Purpose and Objectives

The purpose of this Policy is to provide a comprehensive framework for integrating sustainability into every facet of our decision-making. Its objectives are to:

1. Integrate EESG principles into corporate strategy, policies, and daily operations.
2. Exceed regulatory compliance by aligning with Bursa Malaysia's Sustainability Reporting Guidelines, GRI Standards, and IFRS S1/S2 disclosure requirements.
3. Strengthen governance oversight by ensuring the Board of Directors ("the Board") and Group Sustainability Committee oversee implementation, performance, and continuous improvement.
4. Embed stakeholder perspectives (as outlined in the *Stakeholder Engagement* section, p.9) to ensure balanced decision-making that reflects economic, environmental, and social priorities.
5. Foster a sustainability culture that encourages accountability, innovation, and employee participation throughout the organisation and supply chain.

Environmental Sustainability

Consistent with our reporting on GHG Emission Management (p.37) and Water & Waste Management (p.47), the Group is committed to reducing its environmental footprint by:

- Enhancing energy efficiency through automation, solar power expansion, and process optimisation at both VNP (Malaysia) and VTT (Thailand).
- Implementing carbon accounting based on the GHG Protocol and IFRS S2 requirements, targeting a year-on-year reduction in carbon intensity.
- Conserving natural resources through efficient water use, recycling, and responsible waste management.

- Complying fully with environmental laws and continuously strengthening pollution-control systems (dust concentration, effluent standards, etc.).

Social Sustainability

Aligned with the Social Impact and Human Capital section (p.78 onwards), Volcano aims to create shared value for employees and the communities in which we operate by:

- Ensuring a safe, healthy, and inclusive workplace, guided by our Occupational Safety and Health ("OSH") framework.
- Investing in training and development to build future-ready skills and promote career progression.
- Upholding human rights in line with the UN Guiding Principles on Business and Human Rights and International Labour Organisation ("ILO") Standards, including zero tolerance for forced or child labour and discrimination.
- Supporting local employment and community well-being through job creation, volunteerism, and corporate social responsibility ("CSR") initiatives.
- Promoting gender equality and diversity, tracked through annual workforce metrics.

Governance Sustainability

Good governance underpins our sustainability performance. In accordance with the Corporate Governance and Ethics section (p.24) and the TCFD Governance Structure (p.58), Volcano ensures that:

- The Board of Directors has ultimate accountability for EESG performance and policy oversight.
- The Group Sustainability Committee monitors progress, manages risk, and reports quarterly to the Board.
- Anti-Bribery & Corruption and Whistleblowing policies are enforced across all subsidiaries with 100 % compliance.
- Data privacy and cybersecurity controls comply with the Personal Data Protection Acts of Malaysia and Thailand.
- Sustainability performance is linked to executive remuneration, reinforcing accountability and alignment with long-term value creation.

Reporting, Transparency, and Review

Volcano commits to transparent and verifiable sustainability disclosures. The Group aligns its reporting with GRI Standards, UN SDGs, Bursa Malaysia, and IFRS S1/S2 frameworks.

- Selected indicators undergo independent assurance (p.12), while internal validation ensures data accuracy.
- The Sustainability Policy is reviewed at least once every two years by the Board to ensure relevance, responsiveness to stakeholder expectations, and alignment with emerging global standards.

Through this Policy, Volcano reaffirms its commitment to responsible growth, advancing environmental performance, protecting people, and upholding governance integrity to ensure long-term resilience and shared prosperity.

FYE 2025 Targets				
Focus Area	**Key Indicator**	**FY2024 Baseline**	**FY2025 Target**	**Linked Section / Reference**
GHG Emissions	Total carbon intensity (metric tons of carbon dioxide equivalent ("tCO$_2$e") / tonne product)	0.00011	↓ 5 % reduction	p.36 (GHG Inventory)
Solar Energy	Solar generation (kWh)	327,486.71 kWh	+10 % generation	p.43 (Solar)
OSH Performance	Lost Time Injury Frequency Rate (LTIFR)	0 case	Maintain 0 case	p.79 (OSH)
Employee Development	Training hours per employee	3 hours	≥ 4 hours	p.97 (Training)
Anti-Corruption Compliance	Reported cases	0 case	Maintain 0 case	p.28 (Anti-Bribery & Corruption Policy)
Community Engagement	CSR / local initiatives	≥ 2 per year	≥ 3 per year	p.103 (Community Engagement)

OUR ALIGNMENT WITH UNITED NATIONS ("UN") - SUSTAINABLE DEVELOPMENT GOALS ("SDG")

This section explains how our work aligns with the SDGs, a global blueprint for a better world. We are committed to making a positive impact that goes beyond our products, by focusing on key areas within our operations that contribute to a more sustainable future.

SDG 7: Affordable and Clean Energy

Volcano can align with this goal through its efforts by exploring and implementing cleaner energy solution like "Solar Project" for its operations, the Company contributes to ensuring access to affordable, reliable, sustainable energy.

SDG 8: Decent Work and Economic Growth

As an employer and a contributor to the economy, Volcano's operations support this goal. By providing employment, professional development, and a focus on employee well-being, the Company contributes to creating decent work and sustainable economic growth in the communities where it operates.

SDG 9: Industry, Innovation, and Infrastructure

Volcano's main business involves making components for necessary industries. We focus on producing parts that are durable and reliable, which helps support the operation of existing industrial systems. Our use of technology and work on generating value are intended to support general industrial development.

SDG 12: Responsible Consumption and Production

The Company's commitment to responsible sourcing and supply chain management aligns with this goal. By working with local and international suppliers, Volcano can influence ethical and environmental standards. Their efforts to manage resources and processes responsibly are also a direct contribution to this SDG.

SDG 13: Climate Action

Volcano contributes to this goal through its efforts to manage and reduce greenhouse gas emissions from its operations. By implementing energy-efficient measures and measuring its carbon footprint, the Company is taking steps to mitigate its contribution to climate change.

SDG 16: Peace, Justice, and Strong Institutions

Volcano aligns with this goal through its strong governance framework. By upholding transparent reporting, ethical conduct, and clear anti-corruption policies, the Company contributes to building effective, accountable institutions. This commitment ensures the business operates with integrity and within the rule of law.

SUSTAINABILITY POLICY

Volcano, a prominent name in the manufacturing of nameplates and plastic injection moulded parts, alongside its subsidiary companies, recognises the importance of addressing the EESG impacts of its operations. The Company is deeply committed to ensuring that its business activities align with responsible corporate behaviour while pursuing economic success. The Board understands that long-term sustainable growth is essential to creating value for both shareholders and stakeholders, and this can only be achieved through the integration of EESG principles into the Company's framework.

Objectives

The sustainability policy of Volcano aims to create a comprehensive framework that integrates sustainability into all operational aspects. The key objectives of this policy include:

- Embedding sustainability principles within the Group's strategies, policies, and procedures.
- Advocating and implementing sustainable practices across the Group's operations.
- Surpassing legal requirements, regulations, and codes of practice whenever possible.
- Ensuring the Board and senior management are actively involved in the review and implementation of sustainability performance.
- Cultivating a culture of sustainability within the Company and the broader community, emphasising EESG considerations in decision-making processes.

ENVIRONMENTAL SUSTAINABILITY

Recognising the environmental implications of its business activities, Volcano strives to minimise its environmental footprint. The Company is committed to:

- Optimising the efficient use of non-renewable resources and minimising waste production.
- Promoting and adopting the use of renewable resources wherever possible.
- Reducing air and water pollutants resulting from operational activities.
- Ensuring full compliance with environmental regulations and legal obligations.

SOCIAL SUSTAINABILITY

Volcano acknowledges the social impact of its business on the communities in which it operates. To uphold social sustainability, the Group is committed to:

- Delivering safe, reliable products and services.
- Maintaining a safe and healthy working environment for all employees.
- Supporting employee development through professional training to enhance their skills and productivity.
- Eradicating workplace discrimination and promoting inclusivity.
- Preventing sexual harassment and safeguarding women's rights, particularly their reproductive rights, within the workplace.
- Prioritising the hiring of local citizens over foreign nationals.
- Upholding ethical business practices across all areas of operation.

GOVERNANCE SUSTAINABILITY

Strong governance is crucial to effective risk management and fostering trust among investors and stakeholders. Volcano is committed to integrating governance responsibilities into its operations through:

- Engaging with stakeholders actively and transparently.
- Integrating sustainability principles into long-term strategic planning.
- Regularly updating sustainability strategies, policies, and procedures, along with conducting relevant training.
- Continuously improving governance structures and processes to ensure alignment with sustainability goals.
- Assessing the impact of sustainability initiatives on both the business and its stakeholders.
- Allocating human and financial resources for long-term sustainability.

Reports and Disclosures

Volcano places a high priority on transparency in its sustainability efforts. The Group will disclose relevant environmental, social, and governance aspects of its business in its annual reports demonstrating the implementation of sustainability initiatives.

Administration

The Board is responsible for administering, revising, and interpreting this sustainability policy. To ensure it remains relevant and effective, the policy will be reviewed at least once every two years. By adhering to these sustainability principles, Volcano aims to become a leader in sustainable business practices, creating positive impacts for stakeholders, communities, and the environment, while fostering long-term growth.

Through this policy, Volcano is committed to advancing sustainability at every level of its operations, ensuring that both the present and future needs of the Company and its stakeholders are met responsibly.

OUR SUSTAINABILITY JOURNEY FROM THE SUSTAINABILITY COMMITTEE

How does Volcano integrate sustainability into its core strategy?

Answer:

Volcano continues to embed sustainability into its core business strategy, guided by EESG principles. The Board recognises that responsible and sustainable practices are key to long-term growth and resilience. In FYE 2025, we remain committed to minimising our environmental footprint, promoting an inclusive and safe workplace, and upholding transparency and ethical conduct across our operations. Sustainability continues to be seen not as a challenge, but as an opportunity to strengthen innovation, create long-term stakeholder value, and contribute to national and global sustainability goals.

What is Volcano's key environmental sustainability initiatives?

Answer:

Volcano remains committed to responsible environmental management across its operations. Last year, we focused on upgrading our manufacturing facilities with energy-efficient and automation features, investing to enhance operational efficiency. We also adopted the use of solar systems in our factories in Malaysia and Thailand as part of our efforts to reduce carbon emissions. In FYE 2025, we continue to uphold these commitments by maintaining efficient resource use, monitoring energy performance, and ensuring our operations align with our long-term sustainability goals.

How does Volcano manage Scope 1 and Scope 2 emissions?

Answer:

The Group continues to monitor and manage Scope 1 emissions from company-owned vehicles and machinery, as well as Scope 2 emissions arising from purchased electricity. Focus remains on maintaining energy efficiency and ensuring responsible environmental performance across all manufacturing facilities.

What steps is Volcano taking to enhance social sustainability and employee well-being?

Answer:

Volcano continues to prioritise the well-being of its employees by fostering a safe, inclusive, and supportive workplace. Our focus remains on promoting occupational safety and health ("OSH"), continuous learning, and the overall physical and mental well-being of our workforce. Last year, we invested approximately RM1 million to establish a 4-storey hostel in Penang, Malaysia, providing comfortable living quarters for our foreign employees. In FYE 2025, we continue to uphold high OSH standards

and provide training opportunities to enhance employee competence and safety awareness across all operations.

How does Volcano ensure responsible supply chain management?

Answer:

Volcano adopts a balanced approach to local and international sourcing to ensure a sustainable and resilient supply chain. This strategy not only supports local economic development but also helps reduce emissions associated with transportation. Collaboration with international suppliers further enables the Group to access advanced materials and sustainable technologies. Through this balanced sourcing approach, Volcano reinforces its commitment to responsible supply chain management and long-term sustainability.

GOVERNANCE MATTERS

CORPORATE GOVERNANCE AND ETHICS

Good governance is a business necessity, not just a compliance exercise. This section sets out the practical structures and policies we use to manage our company with integrity and accountability. Our commitment is to ensure decisions are made ethically and transparently, supporting the long-term viability of the business for our stakeholders. We acknowledge that continuous improvement in these areas is essential.

SUSTAINABILITY CORPORATE GOVERNANCE

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│  BOARD OF    │─────│     GROUP        │─────│   SUSTAINABILITY     │
│  DIRECTORS   │     │  SUSTAINABILITY  │     │   THAILAND           │
│              │     │   COMMITTEE      │     │  (Manager & Task     │
│              │     │                  │     │   Force)             │
└──────────────┘     └──────────────────┘     └──────────────────────┘
                                               ┌──────────────────────┐
                                               │   SUSTAINABILITY     │
                                               │   PENANG             │
                                               │  (Manager & Task     │
                                               │   Force)             │
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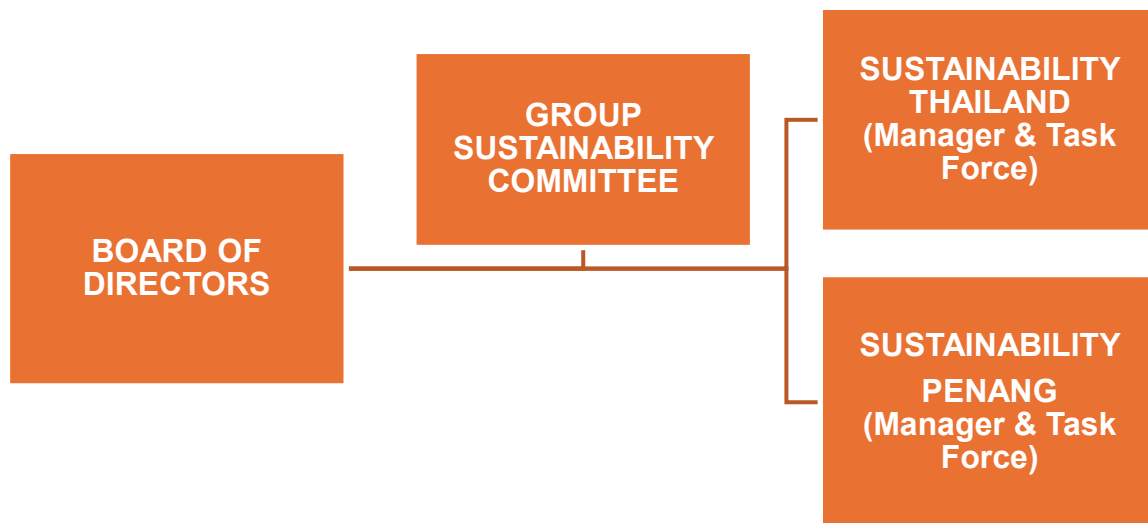
Our Group's sustainability governance structure continues to evolve to ensure fairness, transparency, and efficiency in decision-making, serving as the foundation for enhancing corporate accountability and trust. Volcano is committed to continuously developing and refining its governance mechanisms to strengthen corporate value, with advanced governance practices contributing to greater shareholder value.

We are solidifying the foundation for sustainable growth through the Sustainability Committee under the stewardship of the Board. This structure promotes professionalism, effectiveness, and transparent information disclosure, while reinforcing stakeholder trust. By embedding a fair and transparent governance framework into our operations, we ensure that sustainability remains a core driver of long-term business resilience and growth.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board, as the Company's highest decision-making body, holds overall responsibility for management decisions and business oversight. The Board plays a central role in establishing and implementing the company-wide EESG management strategy, including monitoring key performance against EESG targets. The Board delegates responsibility to the Group Sustainability Committee, ensuring that sustainability priorities are integrated with Volcano's strategic objectives. Its role encompasses endorsing key sustainability initiatives, and monitoring progress against EESG commitments across the organisation.

Group Sustainability Committee

Under the oversight of the Board, the EESG Committee includes members of the Board and senior executives with sustainability knowledges, the Committee reviews the integration of sustainability into key business decisions, oversees EESG-related risks and opportunities, and guides the implementation of initiatives across all operations. It also monitors performance, ensures alignment with corporate goals, and provides direction to the sustainability teams at both the Penang and Thailand plants.

Thailand Sustainability Team:

At the Thailand plant, sustainability initiatives are overseen by the Sustainability Manager and supported by the Sustainability Task Force (Thailand), which is made up of representatives from different departments. This structure facilitates the execution of Thailand's sustainability programmes and ensures compliance with local regulatory requirements. The Task Force is responsible for implementing initiatives, monitoring progress, and providing updates to the Sustainability Manager, who subsequently reports to the Group Sustainability Committee.

Penang Sustainability Team:

At the Penang plant, sustainability initiatives are coordinated by the Sustainability Manager with support from the Sustainability Task Force (Penang), comprising representatives from various departments. This structure enables the effective implementation of site-specific sustainability programmes while ensuring compliance with local regulatory requirements. The Task Force carries out initiatives, monitors performance, and provides regular updates to the Sustainability Manager, who in turn reports to the Group Sustainability Committee.

Sustainability Task Force:

Each plant has its own Sustainability Task Force, made up of cross-functional representatives from various departments. These task forces play an active role in driving sustainability at the operational level by implementing initiatives, tracking performance, and ensuring that plant-level efforts remain aligned with the Group's overall objectives. Acting as the frontline for day-to-day sustainability management, the task forces report directly to their respective Sustainability Managers, who then escalate key updates to the Group Sustainability Committee.

MATERIALITY MATTERS

Volcano Group identifies its sustainability issues by evaluating the relative importance of each matter based on its actual and potential impact on the business and its influence on stakeholders.
This assessment is a routine internal exercise conducted during the financial year. It helps the Group to focus resources by:
- Pinpointing key environmental, social, and economic risks and opportunities relevant to our operations.
- Prioritising those issues that could reasonably affect the Group's long-term performance and the interests of our key stakeholders, both locally and globally.

The materiality assessment process for sustainability matters at Volcano Group involves the following steps

Identify sustainability matters	Prioritise material sustainability matters	Review and validate of process and outcome
- Understand sustainability topic related to business operation. - Identify key stakeholders and understand their concern. - Conclude preliminary list of sustainability matters.	- Apply materiality concept and prioritise stakeholder engagement. - Disclose the - importance of each prioritised material sustainability matters.	- To subject the outcome of materiality assessment for validation and approval. - Establish a review for the materiality assessment process. - Determine the frequency of undertaking the materiality assessment.

MATERIALITY MATRIX
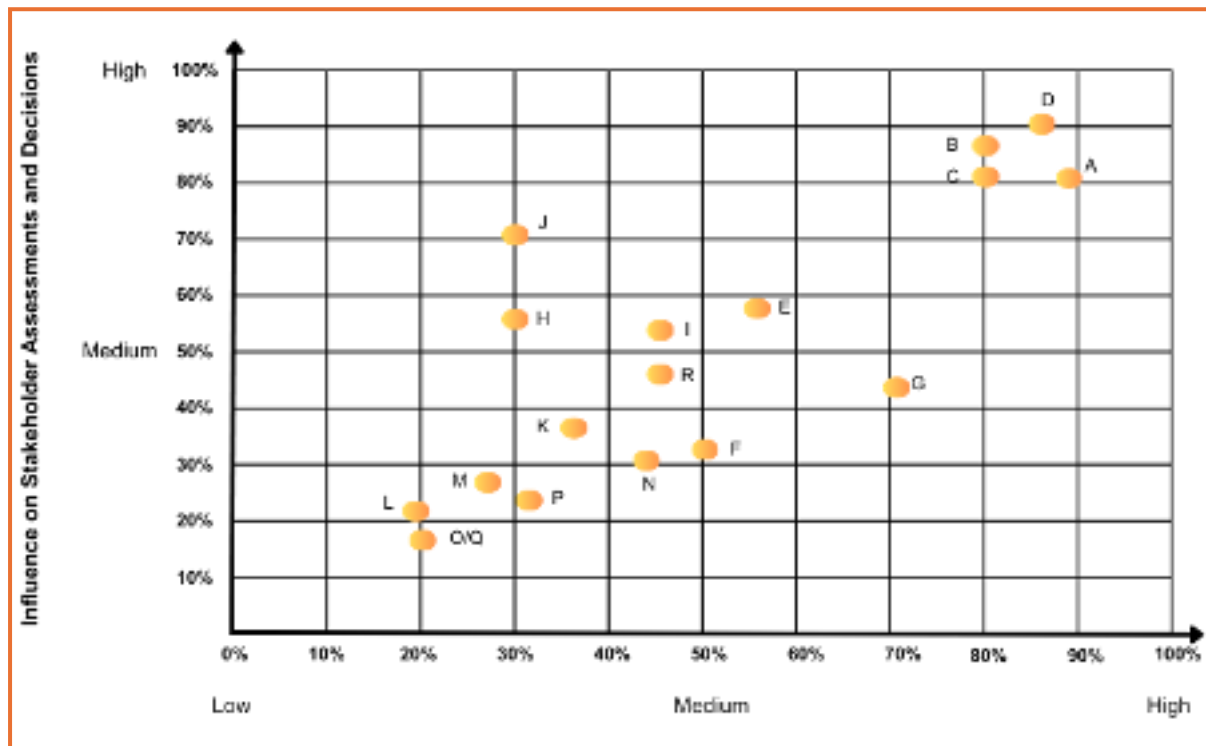
Significance of Volcano Group's Economic, Environmental and Social Impacts

Economic	Environmental	Social	Governance
A. Customer Demand Based Business Model / Product Innovation **B.** Quality Commitment **C.** Supply Chain Management System **E.** Strategic Partners	**F.** Energy Management and Resource Conservation **G.** Responsibilities on Discharges to Air, Water and Land **H.** Active Role and Role Model	**I.** Leadership and People Interaction **J.** Trainings **K.** Safe Working Environment **L.** Creating a Sense of Belonging **M.** Conducive Workplace **N.** Employees Welfare and Workforce Diversity **O.** A pledge to the Triple Bottom Line **P.** Contribution to the Industrial Fraternity **Q.** Community Cohesion **R.** Healthy Lifestyle	**D.** Business Integrity / Governance

ANTI BRIBERY AND CORRUPTION POLICY

Volcano Group are committed to upholding the highest standards of ethics and integrity in all business dealings. To reinforce this commitment, the Group has established and adopted the Anti-Bribery and Anti-Corruption Policy, in line with applicable laws including the Malaysian Anti-Corruption Commission (MACC) Act 2009, the Malaysian Anti-Corruption Commission (Amendment) Act 2018, and other relevant regulations.

This Policy serves as a framework to promote ethical conduct, prohibit bribery and corruption in any form, and foster a transparent and responsible corporate culture. It sets clear expectations for compliance with anti-corruption laws across all operations, while also providing procedures for reporting and addressing potential violations. The Policy has been communicated to all Group entities and is made publicly available on the Company's official website.

To ensure effectiveness, the Group's internal control systems and procedures are subject to regular audits. Anti-corruption training was conducted for all subsidiaries, including overseas operations, to strengthen employees' awareness and understanding of ethical business practices. These training sessions reinforce the Group's ongoing commitment to integrity and transparency in daily operations. We uphold a zero-tolerance stance against bribery and corruption across all our operations. In FYE 2025, there were no reported cases of bribery or corruption involving Volcano or its subsidiaries. We will continue reinforcing our commitment by conducting ongoing awareness and training programmes for our employees to ensure that integrity and transparency remain at the core of our workplace culture.

WHISTLEBLOWING POLICY

Volcano has established a Whistleblowing Policy to promote a culture of accountability, integrity, and transparency across the Group. The policy provides a safe and confidential avenue for employees, external parties, and other stakeholders to raise concerns regarding unethical behaviour, misconduct, or breaches of the Company's policy, including issues such as fraud, suspected criminal offences, sexual harassment, workplace bullying and other practices that undermine organisational culture.

To safeguard whistleblowers, the Group enforces strict confidentiality and non-retaliation measures, ensuring that no individual will face detrimental action or unfair treatment for making a disclosure in good faith. Reports may be submitted through designated internal channels or via email. Employees are strongly encouraged to report any suspected act of bribery or corruption directly to the designated integrity officer via the following channels:

Email	Letter
corporate@volcano.com.my	Human Resource Department Volcano Berhad 1411, Jalan Perusahaan, Kawasan Perusahaan Perai 1, 13600 Perai, Penang, Malaysia

All cases are treated with the utmost confidentiality, and once verified, investigations are carried out in accordance with established procedures. Through this policy, we seek to deter misconduct, uphold ethical corporate practices, and strengthen stakeholder trust.

DATA PRIVACY AND SECURITY

We recognise that managing and securing personal data is a mandatory obligation across all jurisdictions where we operate. Our data handling practices are anchored in the legal requirements of the Personal Data Protection Act (PDPA) in both Malaysia and Thailand. This commitment involves maintaining necessary technical and organisational measures to protect data from unauthorised processing, loss, or misuse.

We are governed by principles that include:

- Lawful Basis: Processing personal data only when a legal basis permits, such as necessity for contract, legal obligation, or where required, valid consent.

- Purpose and Transparency: Ensuring data collection is limited to specific, legitimate purposes and that subjects are informed about how their data is used.

- Security Controls: Implementing reasonable safeguards, as required by law in both countries, to ensure the security and integrity of the data we hold.

- Accountability: Maintaining compliance documentation and clear procedures for managing data subject requests and mandatory data breach notifications to the relevant regulatory bodies in both Malaysia and Thailand.

OUR PERFORMANCE

Data Privacy and Security	FPE 2023*	FYE 2024	FYE 2025	Target(s)
Number of breaches of customer privacy and losses of customer data	0 Case	0 Case	0 Case	0 Case

Note: *18 months financial period ended 30 June 2023 ("FPE 2023")

We treat data security as an area of continuous operational compliance required to meet our statutory duties across our regional footprint.

HUMAN RIGHTS

Volcano respects fundamental human rights in its operations in Malaysia and Thailand. This commitment guided our approach to responsible business conduct, ensuring our activities do not cause or contribute to adverse human rights impacts, consistent with the principles of the UN Guiding Principles on Business and Human Rights (UNGPs) framework, International Labour Organisation (ILO) Standards, Malaysia, and Thailand laws.

We address human rights as a matter of due diligence and risk management, rather than a voluntary initiative. Our focus is on the most relevant labour and supply chain risks in the manufacturing sector:

Forced and Child Labour

We strictly prohibit all forms of forced, bonded, trafficked, or compulsory labour, and the employment of children below the legal minimum age in all our facilities and immediate supply chains.

Wages and Hours

We ensure working hours did not exceed legal limits and that all employees, including migrant workers, received wages that met or exceeded the statutory minimums in Malaysia and Thailand.

Non-Discrimination

Employment practices, including recruitment, compensation, and promotion, are managed without discrimination based on ethnic origin, religion, gender, or other protected characteristics.

Safe Environment

We are responsible for maintaining a safe and healthy working environment for all personnel.

OUR PERFORMANCE

Human Rights	FPE 2023	FYE 2024	FYE 2025	Target (s)
Number of substantiated complaints concerning human rights violations	0 Case	0 Case	0 Case	0 Case

We operate with the understanding that even the strongest policies cannot eliminate every potential risk. To promote a proactive and safe working environment, we maintain confidential and accessible reporting channels for all personnel, including migrant workers, enabling them to raise concerns without fear of reprisal. Should we identify that our operations have caused or contributed to a negative impact, we are fully committed to cooperating through the necessary processes to ensure prompt and fair resolution for those affected.

ECONOMIC MATTERS

ECONOMIC PERFORMANCE AND VALUE CREATION

Our supply chain plays a significant role in our sustainability efforts. We aim to keep our business model resilient by carefully balancing the use of local and international suppliers. This approach helps us to support local economies and source the necessary materials and services globally, while working to minimise our environmental impact.

SUPPLY CHAIN MANAGEMENT

At Volcano, we believe a responsible approach to our supply chain is vital for long-term stability. This section outlines how we manage the relationships and procurement processes with our suppliers, both local and international. We are committed to ensuring our supply chain is efficient and resilient, and we continuously work with our partners to ensure they meet our standards for quality and ethical operations.

OUR PERFORMANCE

Distribution of Local vs. International Supplier for Malaysia (VNP)

	Local	International
FYE 2025	28.61	71.39
FYE 2024	33.71	66.29
FPE 2023	33.44	66.56
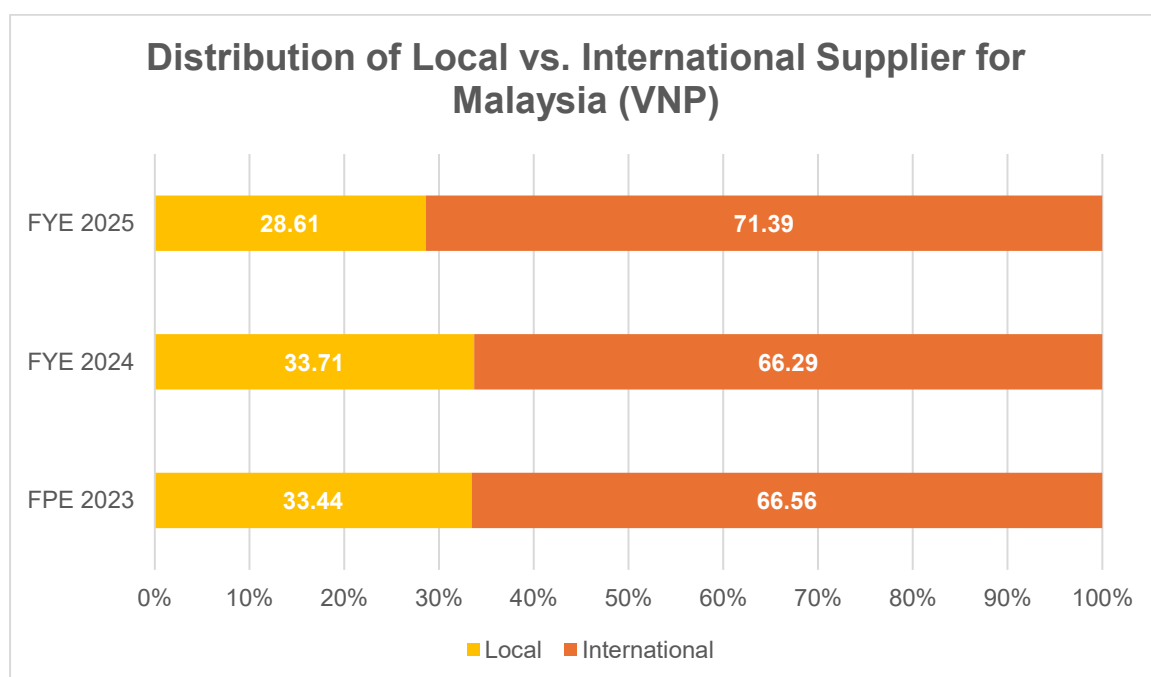
Malaysia (VNP)

Supply Chain Management	FPE 2023	FYE 2024	FYE 2025
Total Percentage (Local)	33.44%	33.71%	28.61%
Total Percentage (International)	66.56%	66.29%	71.39%
Total Percentage (Local + International)	100.00%	100.00%	100.00%

Distribution of Local vs. International Supplier for Thailand (VTT)

Year	Local	International
FYE 2025	69.42	30.58
FYE 2024	85.79	14.21
FPE 2023	83.75	16.25

Legend: Local, International
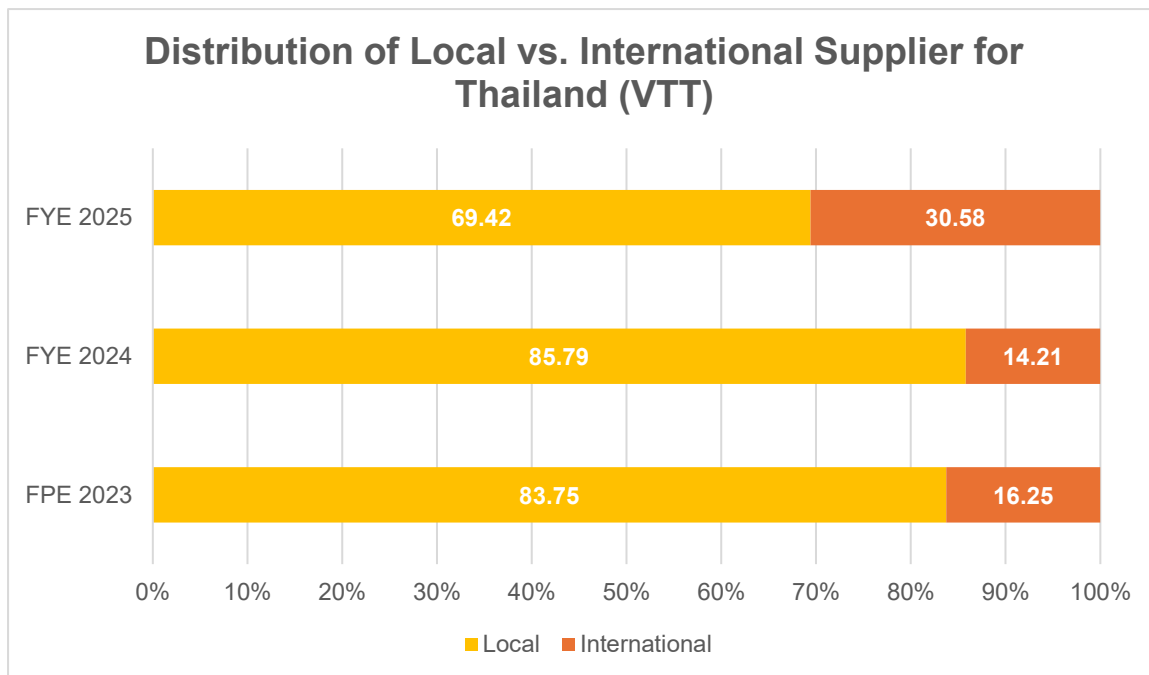
Thailand (VTT)

Supply Chain Management	FPE 2023	FYE 2024	FYE 2025
Total Percentage (Local)	83.75%	85.79%	69.42 %
Total Percentage (International)	16.25%	14.21%	30.58 %
Total Percentage (Local + International)	100.00	100.00	100.00

Volcano managed its supply chain with an approach that includes both local and international sourcing. Our Malaysian operations show a continued reliance on global suppliers. In FYE 2025, international suppliers accounted for 71.39% of the total, which is an increase from the previous year. We maintain local supplier relationships (28.61% in FYE 2025), but the recent trend reflects a decision to expand our global sourcing to meet technical and supply requirements. This sourcing strategy is managed to ensure a resilient and efficient supply chain for the business.

A different pattern was observed in VTT, while VTT traditionally relied more heavily on local suppliers (peaking at 85.79% in FYE 2024), there was a notable shift back towards overseas sourcing in FYE 2025, with international suppliers increasing to 30.58% (local suppliers were 69.42%).

Volcano worked with both local and international partners to ensure a consistent supply of materials and meet product specifications. This management approach also considers supporting local economies and reducing transport related emissions where practicable.

ENVIRONMENT MATTERS

ENVIRONMENTAL STEWARDSHIP AND IMPACT

At Volcano, environmental sustainability remains a core pillar of our business strategy and daily operations, enabling us to respond proactively to global environmental transformations and evolving regulations. We are committed to minimising the environmental impacts arising from our operations while aligning our efforts with our vision, *"The Brand Behind All Brands."*

To achieve this, we have implemented sustainable strategies and practical policies that foster responsible management practices across our operations. Our approach focuses on several key areas, including Scope 1 and Scope 2 emissions, waste management, water consumption, and Scope 3 emissions including employee commuting and business travel.

GHG EMISSION INVENTORY

SCOPE 1

TOTAL EMISSION IN FYE 2025 (AS GROUP)

112.13 tCO_2e

Malaysia (VNP): 8.34 tCO_2e

Thailand (VTT): 103.79 tCO_2e

SCOPE 2

TOTAL EMISSION IN FYE 2025 (AS GROUP)

2,435.63 tCO_2e

Malaysia (VNP): 1,071.51 tCO_2e

Thailand (VTT): 365.61 tCO_2e

SCOPE 3

TOTAL EMISSION IN FYE 2025 (AS GROUP)

560.52 tCO_2e

Malaysia (VNP): 194.91 tCO_2e

Thailand (VTT): 365.61 tCO_2e

SCOPE 3.6

Malaysia (VNP): 3.97 tCO_2e

Thailand (VTT): 12.12 tCO_2e

SCOPE 3.7

Malaysia (VNP): 190.94 tCO_2e

Thailand (VTT): 353.49 tCO_2e

EMISSION MANAGEMENT

Volcano Group recognises that managing greenhouse gas ("GHG") emissions is a vital component of its commitment to environmental stewardship and climate action. The Group adopts a structured approach to measure, monitor, and reduce emissions across its operations in Malaysia (VNP) and Thailand (VTT), in line with the GHG Protocol and IFRS S2 disclosure framework.

Our GHG inventory covers Scope 1, Scope 2, and Scope 3. This comprehensive approach allows the Group to track its environmental performance more accurately and identify key areas for improvement.

Electricity consumption represents the largest share of Volcano's carbon footprint. In response, the Group has implemented several energy efficiency initiatives, including the installation of solar systems, optimisation of production equipment, and adoption of energy saving practices. These efforts, combined with close monitoring of fuel usage and awareness among employees, have contributed to a steady reduction in emission intensity.

OUR PERFORMANCE

Below is our emission performance for FYE 2025:

Location / Scope	Scope 1 (tCO$_2$e)	Scope 2 (tCO$_2$e)	Scope 3 (tCO$_2$e)	Total Emissions	Total CO$_2$ Emission (tCO$_2$e/ tonne product)
Malaysia (VNP)	8.34	1,071.51	194.91	1,274.76	0.000046
Thailand (VTT)	103.79	1,364.12	365.61	1,833.52	0.000067
Group Total	**112.13**	**2,435.63**	**560.52**	**3,108.28**	**0.00011**

Volcano Group monitors and manages its GHG emissions across all operational boundaries, encompassing Scope 1 (Direct Emissions), Scope 2 (Indirect Emissions from Purchased Electricity), and renewable energy avoidance through solar generation. The Group's facilities in VNP and VTT have demonstrated measurable progress in reducing overall carbon intensity through energy efficiency, preventive maintenance, route optimisation, and investment in renewable energy.

Combined GHG Summary from FPE 2023 to FYE 2025 (All Scopes, Net of Solar Avoidance)

Year	Scope 1 (tCO$_2$)	Scope 2 (tCO$_2$)	Solar Avoidance (tCO$_2$)	Total Net Emissions (tCO$_2$)
FPE 2023	370.77	3,548.28	204.63	**3,714.42**
FYE 2024	278.16	2,258.22	206.73	**2,383.60**
FYE 2025	112.13	2,435.63	209.16	**2,396.98**

SCOPE 1 EMISSIONS

Scope 1 emissions, the direct greenhouse gas emissions from sources owned or controlled by the Group, form a significant component of Volcano's environmental footprint. These emissions primarily result from the consumption of petrol and diesel in company-owned vehicles and machinery at our facilities in VNP and VTT.

Our key initiatives to reduce Scope 1 emissions focus on conducting preventive maintenance inspections to regularly assess vehicle conditions, ensuring efficiency, safety, and reduced environmental impact. The third initiative aims to optimise route planning and load management, maximising transport efficiency, which in turn lowers fuel consumption.

OUR PERFORMANCE

Malaysia

At VNP, petrol usage declined steadily from 2,118.44 litres in FPE 2023 to 1,288.16 litres in FYE 2025, resulting in a corresponding drop in carbon dioxide ("CO$_2$") emissions from 4.99 tonnes CO$_2$ to 3.03 tonnes CO$_2$. Diesel usage also decreased overall compared to FPE 2023, despite a slight rebound in FYE 2025, with emissions reducing from 7.18 tonnes CO$_2$ to 5.31 tonnes CO$_2$. These trends highlight the Group's progress in improving efficiency and lowering fuel-related emissions.

Petrol Usage at VNP

PETROL USAGE at VNP (Litres)
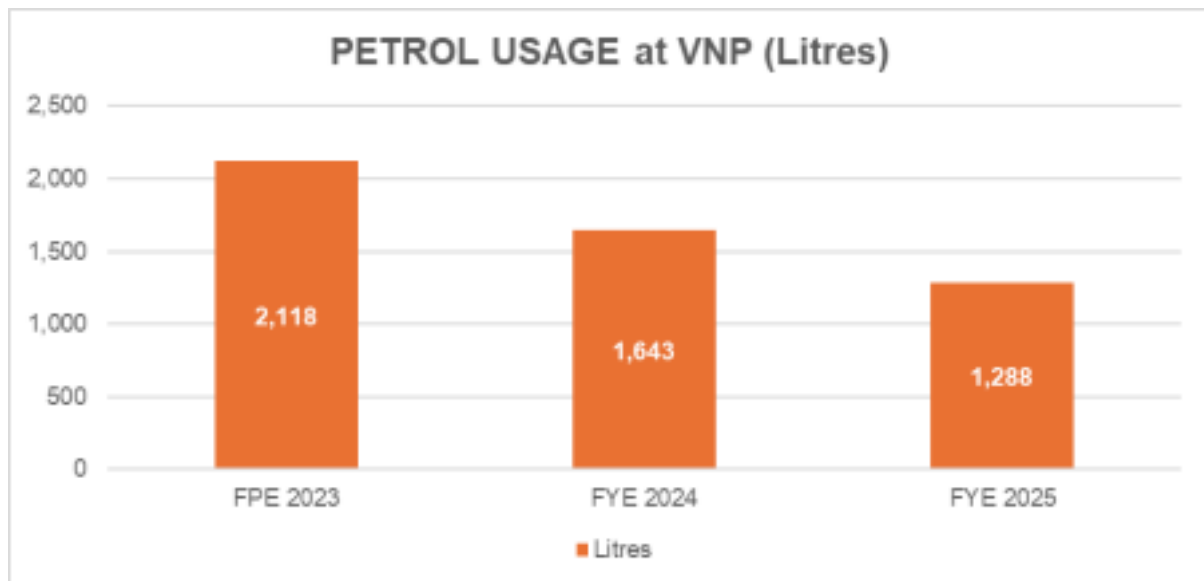
Year	Litres	Total CO₂ Emission (tonnes)
FPE 2023	2,118.44	4.99
FYE 2024	1,643.07	3.87
FYE 2025	1,288.16	3.03

Diesel Usage at VNP

DIESEL USAGE at VNP (Litres)
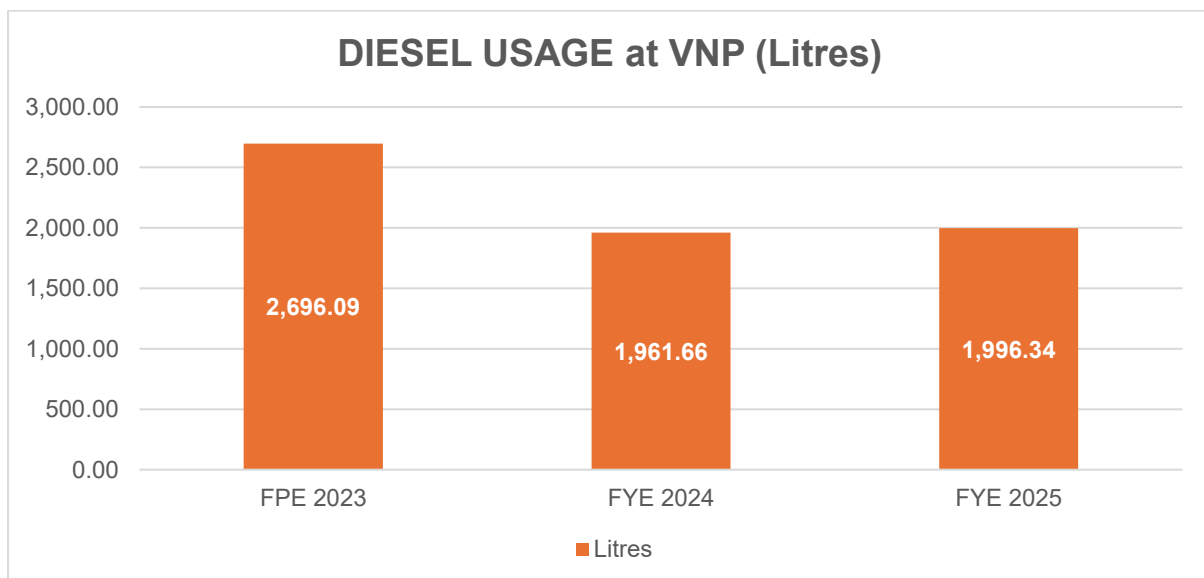
Year	Litres	Total CO₂ Emission (tonnes)
FPE 2023	2,696.09	7.18
FYE 2024	1,961.66	5.22
FYE 2025	1,996.34	5.31

Thailand

For greater accuracy and transparency in our environmental reporting, the historical data for VTT's petrol and diesel consumption and the resulting Scope 1 CO_2 emissions for FYE 2023 and FYE 2024 has been recalculated. The interpretation below is based on these revised and restated figures.

The data reveals a consistent upward trend in petrol usage and its associated emissions over the three-year period. Petrol consumption grew from a revised figure of 10,052.24 litres in FYE 2023 to 13,439.93 litres in FYE 2024 and continued to climb to 14,550.64 litres in FYE 2025. Consequently, our Scope 1 emissions have risen proportionally, increasing from a restated 23.66 tonnes in FYE 2023 to 31.63 tonnes in FYE 2024, and reaching 34.25 tonnes in the latest fiscal year. This sustained increase points to growing operational activities that rely on VTT's petrol-powered vehicles.

For diesel, the consumption data from FYE 2023 to FYE 2025 reveals a period of continuous growth in both fuel usage and the resulting Scope 1 CO_2 emissions. Since the FYE 2023 baseline, total consumption and emissions have risen by 38.4%. In FYE 2025, diesel consumption totalled 26,126.89 litres, resulting in 69.54 tonnes of Scope 1 CO_2 emissions. This represents an increase of 7.9% from the previous fiscal year.

Petrol Usage at VTT
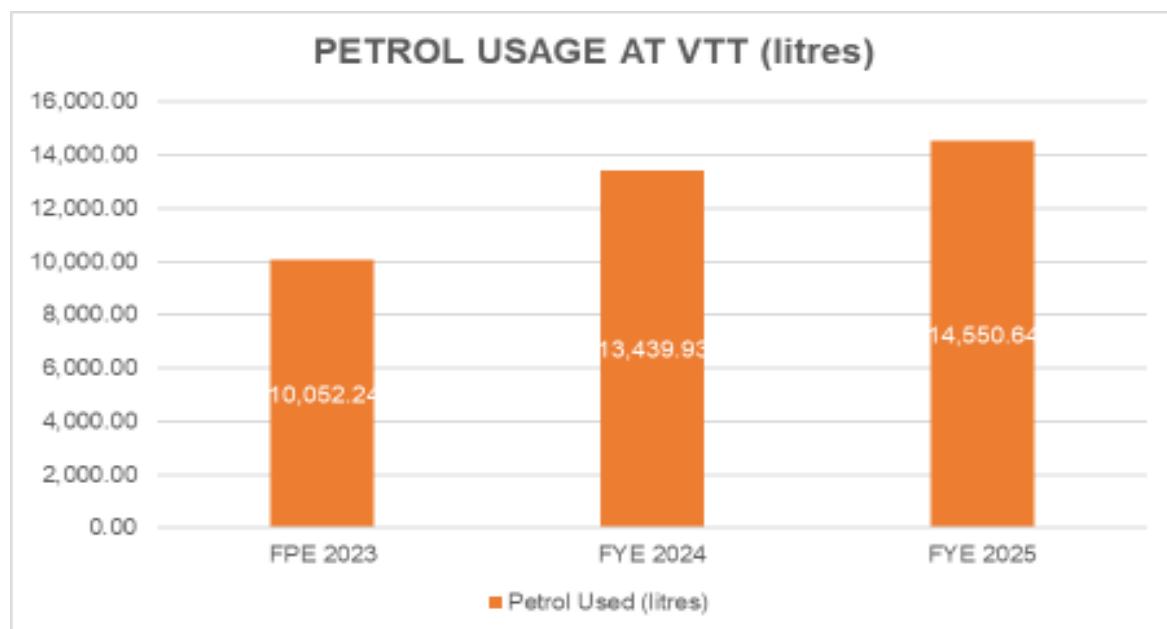
Year	Litres	Total CO$_2$ Emission (tonnes)
FPE 2023	10,052.24	23.66
FYE 2024	13,439.93	31.63
FYE 2025	14,550.64	34.25

Diesel Usage at VTT
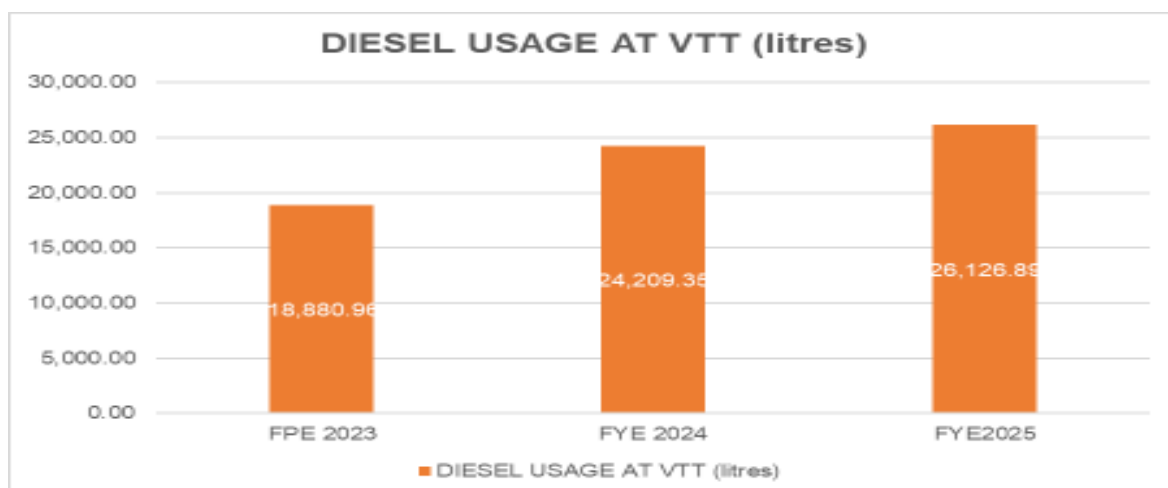
Year	Litres	Total CO_2 Emission (tonnes)
FPE 2023	18,880.96	50.25
FYE 2024	24,209.35	64.43
FYE 2025	26,126.89	69.54

Note: Department for Environment, Food & Rural affairs (DEFRA). (n.d.). Fuel CO_2 emissions. https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024

Petrol: 2.35372 kg CO_2e per litre

Diesel: 2.66155 kg CO_2e per litre

SCOPE 2 EMISSIONS

Scope 2 emissions, which refer to indirect greenhouse gas emissions from purchased electricity, represent a key area of focus for Volcano Group in managing its environmental footprint. These emissions are generated from electricity consumption across the Group's facilities in VNP and VTT.

OUR PERFORMANCE

Electricity Usage at VNP & VTT

ELECTRICITY USAGE at VNP (kWh)

	Electricity Usage (kWh)
FPE 2023	2,130,292
FYE 2024	1,292,140
FYE 2025	1,384,377
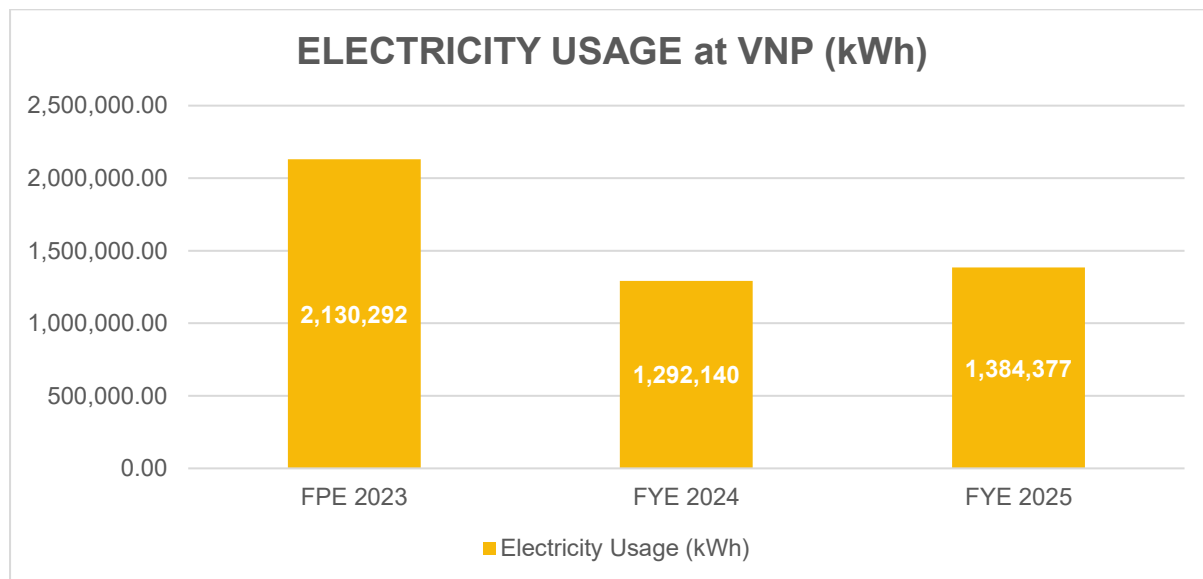
Year	Electricity Usage (kWh)	Total CO$_2$ Emission (tonnes)
FPE 2023	2,130,292	1,614.76
FYE 2024	1,292,140	979.44
FYE 2025	1,384,377	1,071.51

Note: The emission factor is obtained from the Grid Emission Factor (GEF) in Malaysia 2017-2022 https://meih.st.gov.my/. The factor used for Peninsular Malaysia is 0.774 kgCO$_2$e/GWh.

ELECTRICITY USAGE at VTT (kWh)

	FPE 2023	FYE 2024	FYE 2025
	4,393,362	2,905,650	3,099,570
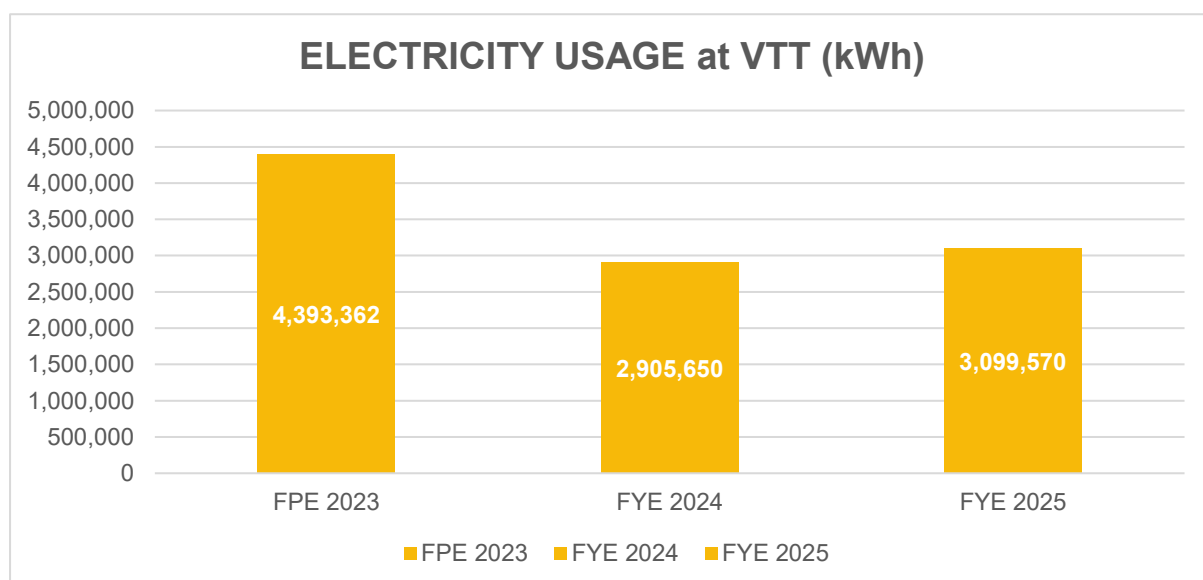
Year	Electricity Usage (kWh)	Total CO₂ Emission (tonnes)
FPE 2023	4,393,362	1,933.52
FYE 2024	2,905,650	1,278.78
FYE 2025	3,099,570	1,364.12

Note: The emission factor is obtained from Thailand Greenhouse Gas Management Organization 2018-2021. https://ghgreduction.tgo.or.th/en/premium-t-ver-download/download/6966/3801/32.html. The factor used for Thailand is 0.4401 kg CO₂ e/GWh.

SOLAR

In FYE 2025, our commitment to renewable energy remained a key focus, with our solar facilities at VNP and VTT continuing to power our operations. These installations are integral to our sustainability strategy, enabling us to significantly reduce our reliance on grid electricity and lower our operational carbon footprint. As we look ahead, any expansion to our solar portfolio will align with our core goals of lowering GHG emissions while improving both energy and cost efficiency.

Solar Panel at VNP

OUR PERFORMANCE

Solar at VNP
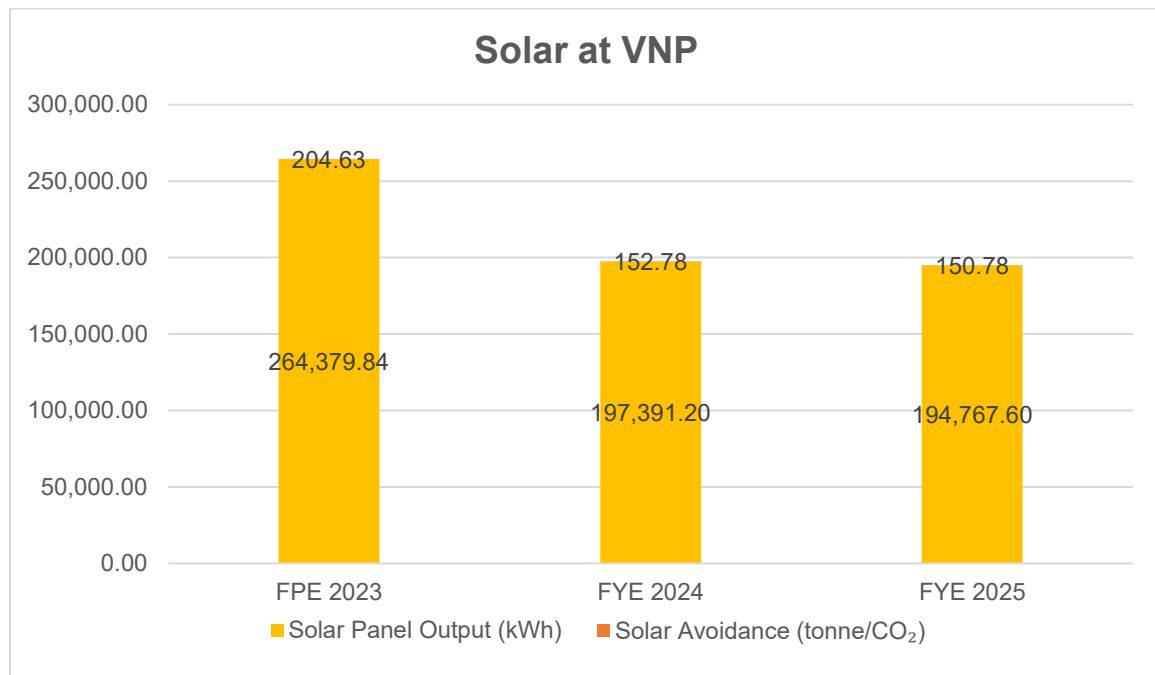
Solar Usage in VNP

Year	Solar Panel Output (kWh)	Solar Avoidance (tonne/CO$_2$)
FPE 2023	264,379.84	204.63
FYE 2024	197,391.20	152.78
FYE 2025	194,767.60	150.78

In FYE 2025, VNP's solar arrays performed with high efficiency, achieving an annual solar yield of 12.21%. This performance translated into a total generation of solar panel output 194,767.60 kWh. This direct contribution resulted in the avoidance of approximately 150.78 tonnes of CO$_2$ avoided by using the emissions. This calculation is based on the Malaysian grid emission factor of 0.774 kg CO$_2$ /kWh. Across, reflecting a tangible reduction in our Scope 2 emissions. Over the two-year reporting period, VNP's solar we observed a marginal decrease in solar generation of 1.3%.

Solar at VTT
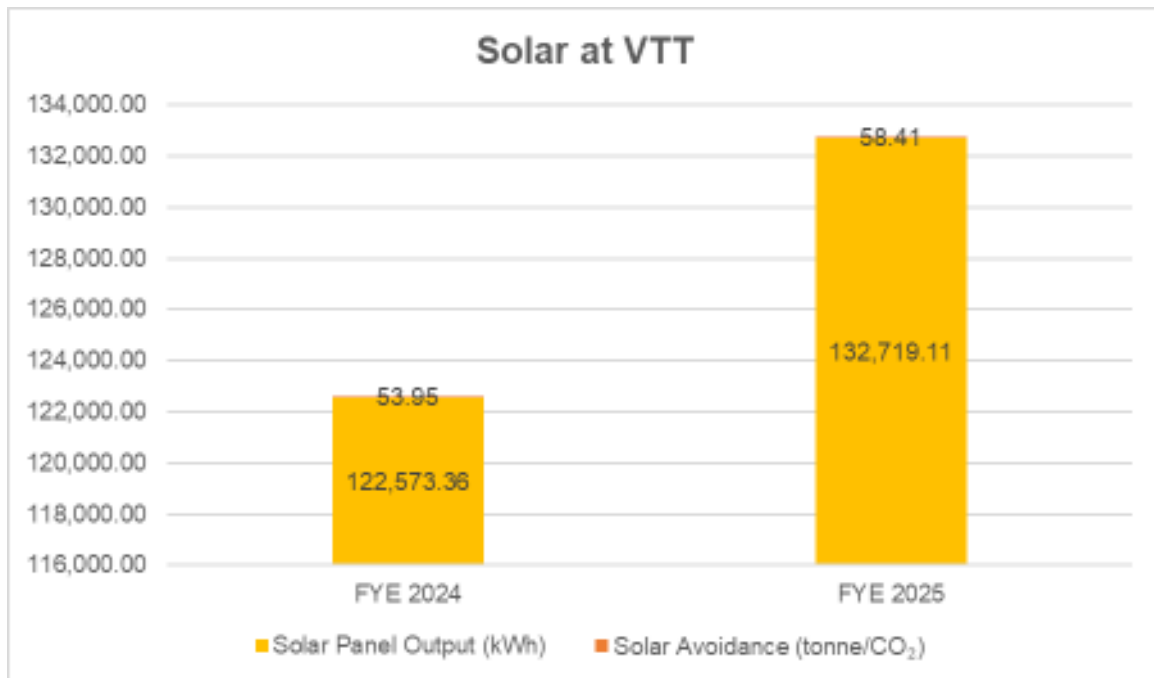
Solar Usage in VTT

Year	Solar Panel Output (kWh)	Solar Avoidance (tonne/CO$_2$)
FYE 2024	122,573.36	53.95
FYE 2025	132,719.11	58.41

In FYE 2025, VTT's solar panel system generated 132,719.11 kWh of renewable electricity, resulting in an estimated carbon avoidance of 58.41 tonnes of CO$_2$. This reflects the continued contribution of on-site solar energy towards reducing the Group's reliance on grid electricity and lowering Scope 2 emissions.

This minor fluctuation is consistent with expected operational variables and year-on-year climatic variations, such as changes in solar irradiance and weather patterns. VNP remains steadfast in its dedication to leveraging renewable energy generation decreased by 1.33%. Our commitment to several factors. renewable energy remains a vital part of our strategy to minimise our environmental footprint and reduce dependence on the national grid.

WATER USAGE

We are dedicated to addressing the global water crisis, with the goal of enhancing the efficiency of our water resource consumption. Our efforts are focused on consistently reducing the water footprint across all operations.

OUR PERFORMANCE

Malaysia

In our Malaysia operations, water consumption data for the reporting periods is as follows: During the extended FPE 2023 period, water usage was 21,229 cubic meters. In FYE 2024, total consumption decreased to 19,607 cubic meters. In FYE 2025, water usage increased to 31,343 cubic meters. We remain committed to strengthening water efficiency initiatives to optimise water usage in the future.

Water Usage at VNP

WATER USAGE at VNP (m³)
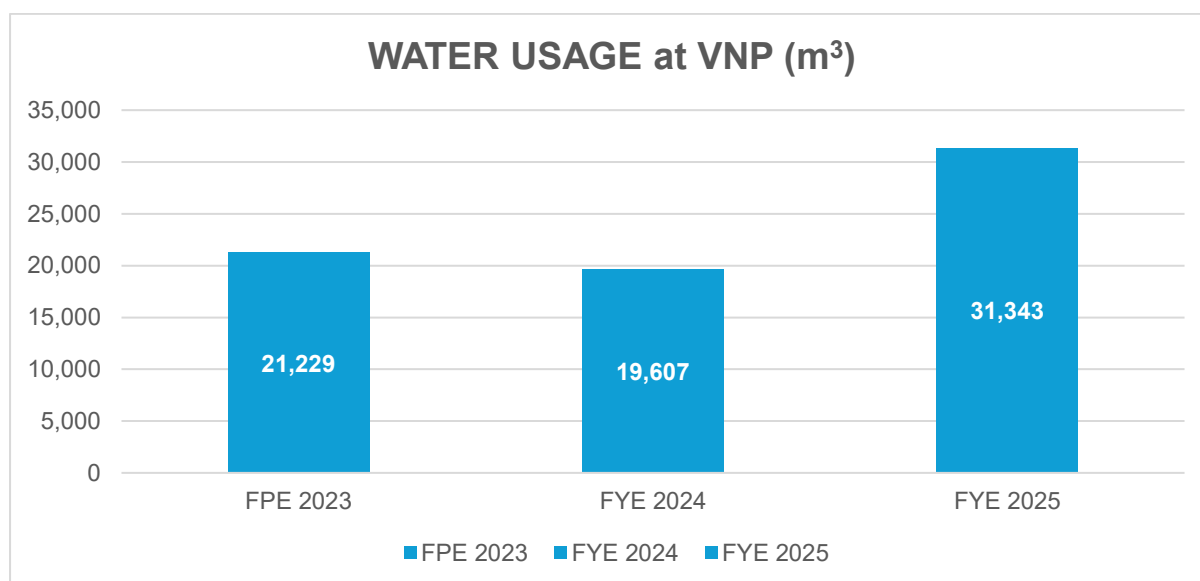
Year	Water Usage (m³)
FPE 2023	21,229
FYE 2024	19,607
FYE 2025	31,343

Thailand

Water consumption data for the reporting periods is as follows: In FYE 2025, water usage increased slightly to 11,654 cubic meters, representing a 6.4% increase compared to the prior year. While consumption increased compared to the previous year, we continue to focus on strengthening water efficiency initiatives to ensure responsible water management across our operations.

Water Usage at VTT

WATER USAGE at VTT (m³)
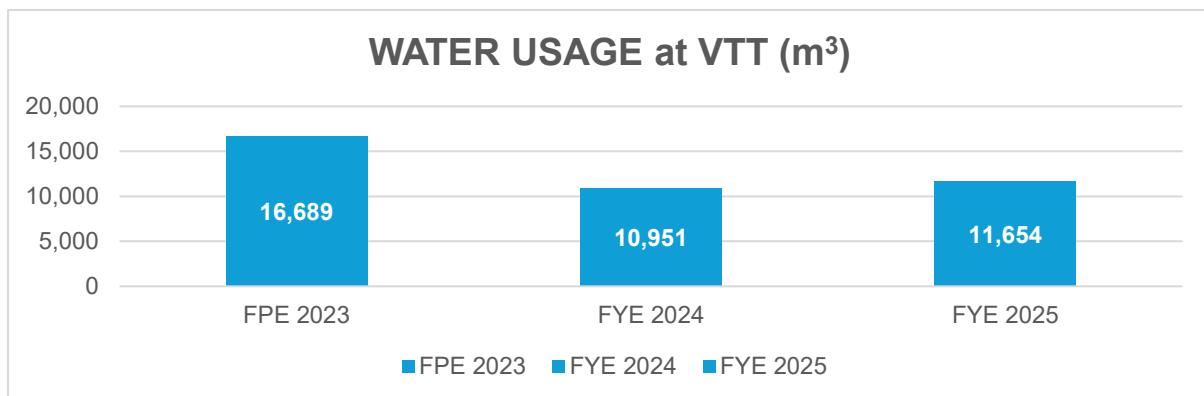
Year	Water Usage (m³)
FPE 2023	16,689
FYE 2024	10,951
FYE 2025	11,654

Moving forward, we will continue to emphasise water consumption reduction as part of our overall water resource management strategy. Our approach ensures that our business activities align with our water policies and commitments, supporting responsible water stewardship across operations.

WASTE MANAGEMENT

Volcano Group manages waste generated at its business sites in Malaysia (VNP) and Thailand (VTT) through a structured approach that emphasises source reduction, recovery, recycling, and responsible disposal. We implement green management practices to improve waste sorting and recycling efficiency, while maintaining strict controls to track waste from generation to final disposal.

Our waste management practices are designed not only to meet regulatory requirements but also to support responsible environmental management by prioritising recycling and minimising disposal. This approach is a key part of our commitment to responsible environmental management.

OUR PERFORMANCE

Waste Management at VNP

At VNP, scheduled waste such as contaminated cloth and rags, used containers, and spent mineral oil are managed through licensed recovery services. These practices embrace the principles of a circular economy, working towards a circular value chain that supports sustainable growth and long-term transformation.

In FYE 2025, we generated 12.7 tonnes of scheduled waste that managed by licensed schedule waste contractors, ensuring it was treated, repurposed, or disposed of safely, completely diverting it from landfills. This practice is a critical component of our compliance framework and our commitment to preventing pollution.

Type of waste	FPE 2023 Quantity (tonnes)	FYE 2024 Quantity (tonnes)	FYE 2025 Quantity (tonnes)	Type of disposal
Contaminated cloth & rags	1.14	1.20	2.03	Recovery
Contaminated containers	0.07	0.28	0.80	
Waste inks, paints, pigments, lacquer, dye or varnish	0.56	0.20	4.69	
Spent mineral oil-water emulsion	6.00	1.00	5.04	
Uncured resin waste	0.03	0.17	0.14	
Total schedule waste (for DOE)	**7.80**	**2.85**	**12.70**	

Type of waste	FPE 2023 Quantity (tonnes)	FYE 2024 Quantity (tonnes)	FYE 2025 Quantity (tonnes)
Aluminium	3.69	3.62	5.54
Stainless steel	6.55	12.58	1.65
Carton	10.86	3.92	1.72
PC/PET/PMMA	26.47	21.00	6.00
Iron	0	1.81	0.89
Total general waste	**47.57**	**42.93**	**15.80**

Thailand

In FYE 2025, VTT generated a total of 343.13 tonnes of waste from its operations. Out of this, 136.19 tonnes (39.7%) was recycled, demonstrating efforts to divert waste from disposal and promote resource recovery. Meanwhile, 40.82 tonnes (11.9%) was disposed of via landfill, and 20.30 tonnes (5.9%) was classified as hazardous waste, which was managed in compliance with local regulations to ensure safe treatment and disposal. The Company remains committed to reducing its environmental footprint by seeking ways to increase recycling rates and minimise the volume of waste sent to landfill.

Waste Management at VTT

Type of waste	FPE 2023 Quantity (tonnes)	FYE 2024 Quantity (tonnes)	FYE 2025 Quantity (tonnes)
Recycled waste	207.42	46.78	136.19
Landfill	129.77	29.40	40.82
Hazardous waste disposed	40.99	7.97	20.30
Total waste generated	**378.18**	**84.15**	**197.31**

DUST CONCERNTRATION

Dust Concentration at VPN

Year	Chimney 1 (mg/m³)	Chimney 2 (mg/m³)	Scrubber 3 (mg/m³)
FPE 2023	2.21	2.25	1.81
FYE 2024	2.19	1.82	1.67
FYE 2025	4.88	0.45	1.47

2023 Dust Concentration:

- **Chimney 1**: The dust concentration dropped to **2.27 mg/m³** from its 2022 levels. The linear trend for Chimney 1 remained relatively stable at **2.25 mg/m³**, suggesting minor improvement.
- **Chimney 2**: Maintained consistency, with dust concentration reducing slightly from **2.25 mg/m³** to **1.82 mg/m³** by the end of the year, reflecting a downward trend.
- **Scrubber 3**: Improved performance, with a dust concentration of **1.81 mg/m³**, continuing its efficient dust reduction process.

2024 Dust Concentration:

- **Chimney 1**: The dust concentration for Chimney 1 further reduced to **1.75 mg/m³**. The linear trend for the year shows a positive improvement, suggesting ongoing efforts to control emissions.
- **Chimney 2**: The dust concentration improved marginally from **1.82 mg/m³** to **1.81 mg/m³**, demonstrating stability in dust control.
- **Scrubber 3**: The concentration saw a further reduction to **1.67 mg/m³**, marking continuous progress in dust filtration.

2025 Dust Concentration:

- **Chimney 1**: The dust concentration for Chimney 1 increased to **4.88 mg/m³**. This indicates a significant rise, indicating the importance of maintaining regular monitoring.
- **Chimney 2**: The dust concentration improved markedly, reducing from 1.82 mg/m³ to **0.45 mg/m³**, demonstrating enhanced control over dust emissions.
- **Scrubber 3**: The concentration decreased slightly from 1.67 mg/m³ to **1.47 mg/m³**, reflecting steady progress in dust filtration.

Overall, while Chimney 1 recorded an increase in dust concentration in FYE 2025, both Chimney 2 and Chimney 3 showed improvements. The Group remains committed to strengthening dust emission controls to ensure consistent environmental performance across all facilities.

SCOPE 3 EMISSIONS

Scope 3 emissions for Volcano Group are generated from indirect sources, specifically business travel (Category 6) and employee commuting (Category 7). These activities represent important focus areas in managing the Group's overall carbon footprint, and we continue to explore measures to mitigate their environmental impact.

At Volcano, the use of flexible work arrangements and virtual meetings reduces the overall requirement for employee commuting and its associated greenhouse gas emissions. These practices help lower transportation-related emissions while supporting productivity and flexibility. In addition, we encourage carpooling among employees, which not only offers benefits to participants such as cost savings and reduced travel time but also contributes to the environment by alleviating traffic congestion, lowering energy consumption, and reducing carbon emissions.

SCOPE 3.6 BUSINESS TRAVEL

Business travel, particularly when it involves flying, consists of long trips necessary for professional obligations such as attending meetings, conferences, or conducting business transactions. It is important to note that this type of travel, just like an employee's daily commute, contributes to carbon emissions.

Malaysia

In the reporting years, VNP recorded the following Scope 3 emissions from air travel. During FPE 2023, employees travelled a total of 58,873 km, resulting in 9.30 tonnes CO_2 emissions. In FYE 2024, air travel increased to 92,073 km, generating 14.55 tonnes CO_2 emissions. For FYE 2025, business travel by flight decreased to 50,846 km, with associated emissions of 3.97 tonnes CO_2.

Business Travel at VNP

Business Travel at VNP (km)
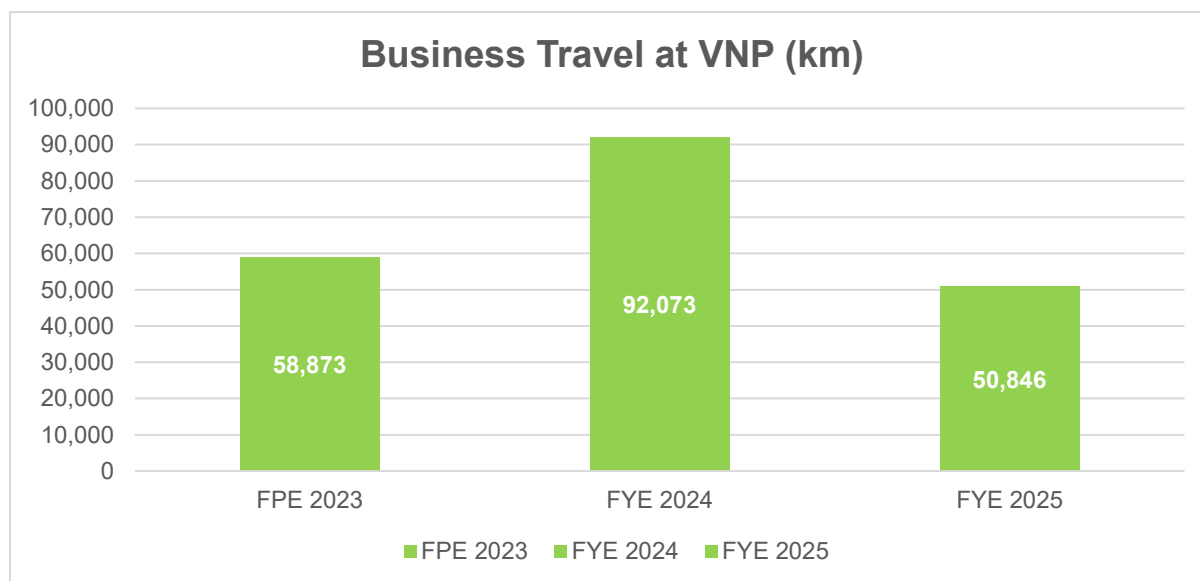
Year	Mode of Transport	Total Distance (km)	Total CO₂ Emission[4] (tonnes)
FPE 2023	Airplane	58,873	9.30
FYE 2024	Airplane	92,073	14.55
FYE 2025	Airplane	50,846	3.97

Thailand

In FPE 2023, air travel covered a total distance of 80,026 km, resulting in 12.60 tonnes of CO_2 emissions. In FYE 2024, business travel increased significantly to 168,037 km, with associated emissions rising to 26.73 tonnes of CO_2. In FYE 2025, travel distance declined to 138,166 km, with corresponding emissions of 12.12 tonnes of CO_2.

Business Travel at VTT

Business Travel at VTT (km)
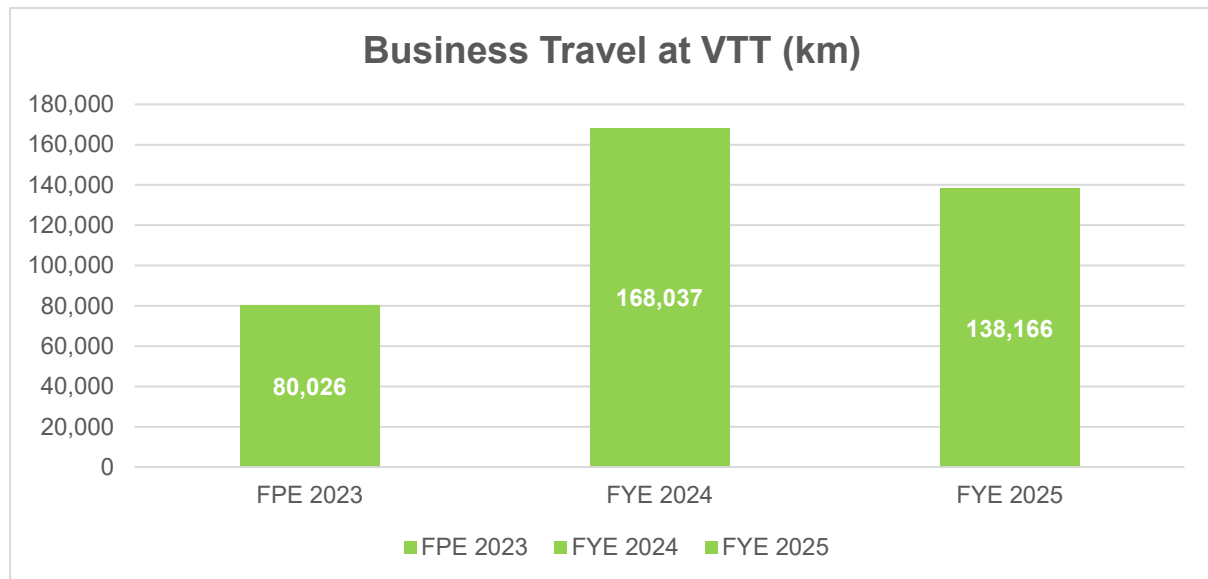
Year	Mode of Transport	Total Distance (km)	Total CO$_2$ Emission[4] (tonnes)
FPE 2023	Airplane	80,026	12.60
FYE 2024	Airplane	168,037	26.73
FYE 2025	Airplane	138,166	12.12

[4] *To estimate CO$_2$ emissions for business air travel was estimated using the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator (ICEC).*

SCOPE 3.7 EMPLOYEE COMMUTING

Employee commuting involves the daily trip workers take to travel between their home and their workplace. This journey is a fundamental part of the workday, relying on various transportation methods such as driving, taking public transport, carpooling, walking, or cycling.

Employee Commuting at VNP

In FYE 2025, employee commuting at VNP was recorded across various modes of transport, were recorded at 56.73 tonnes CO$_2$ from cars, 86.68 tonnes CO$_2$ from factory bus or van, 46.98 tonnes CO$_2$ from motorcycles, and 0.55 tonnes CO$_2$ from carpool. For FYE 2024, emissions were initially calculated on a daily basis but have since been recalculated on an annual basis to ensure consistency and comparability with FYE 2025 data.

Mode of Transport	Total Distance (km) - FYE 2024	Total CO$_2$ Emission [5] (tonnes)- FYE 2024	Total Distance (km) - FYE 2025	Total CO$_2$ Emission [5] (tonnes)- FYE 2025
Car	171,195.5*	28.16	344,885.8	56.73
Factory Bus/Van	863,583.0*	77.72	963,079.6	86.68
Motorcycle	181,010.9*	20.58	413,273.0	46.98
Carpool	4,305.0*	0.18	13,364.4	0.55

*Emissions and distance for FYE 2024 have been recalculated on annual basis

Employee Commuting at VTT

In FYE 2025, employee commuting emissions were recorded at 166.08 tonnes CO$_2$ from cars, 187.24 tonnes CO$_2$ from motorcycles, and 0.17 tonnes CO$_2$ from electric motorcycles (EV). For FYE 2024, emissions were initially calculated on a daily basis but have since been recalculated on an annual basis to ensure consistency and comparability with FYE 2025 data.

Mode of Transport	Total Distance (km) - FYE 2024	Total CO$_2$ Emission [5] (tonnes)- FYE 2024	Total Distance (km) - FYE 2025	Total CO$_2$ Emission [5] (tonnes)- FYE 2025
Car	467,033.9*	76.83	998,071.60	166.08
Motorcycle	743,581.4*	84.52	1,647,191.20	187.24
EV Motorcycle	843.5*	0.03	5,556.00	0.17

*Emissions and distance for FYE 2024 have been recalculated on annual basis

[5]*Source: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 DEFRA 2024 Greenhouse Gas Reporting Conversion Factors*

- *Petrol Car: 0.1645 kgCO$_2$e/km (The emission factor for motorcycles can vary significantly depending on engine size and fuel type. For this analysis, we based on an average emission factor)*
- *Diesel Car: 0.16984 kgCO$_2$e/km*
- *Motorcycles: 0.11367 kgCO$_2$e/km (The emission factor for motorcycles can vary significantly depending on engine size and fuel type. For this analysis, we based on an average emission factor)*
- *EV Motorcycles: 0.02996 kgCO$_2$e/km*

In FYE 2025, we analysed employee commuting emissions to understand the of different transport modes. The data reveals that while conventional vehicles are the primary source of emissions, low-carbon alternatives show significant potential for future reductions.

TCFD
FRAMEWORKS

CO₂

ALIGNING WITH THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Board provides oversight of Volcano's climate-related and sustainability matters, supported by the Group Sustainability Committee and plant-level Sustainability Task Forces in VNP and VTT. The Board reviews climate risks and opportunities, approves targets, and monitors progress quarterly. The Sustainability Committee is responsible for implementing climate strategies and reporting to the Board, ensuring data integrity and alignment with IFRS S2 and TCFD requirements.

Internal Audit periodically reviews controls and assurance over climate data and governance processes. This multi-tiered structure ensures climate oversight is embedded throughout the organisation and linked to strategic and financial decision-making.

It has been three years since Volcano has embarked on its journey towards sustainability. In determining the TCFD Framework for Volcano, the Board have set up the Climate Risk related Sub-Committee within its Group Sustainability Committee ("GSC") to address climate related risk within its operations.

The GSC has embedded its climate risk objectives accountability for climate-related and sustainability-related matters within Volcano's corporate governance system so that oversight, decision-making, and disclosure are consistent with IFRS S1 & S2 requirements and the TCFD Governance Pillar. The table below depicts the Corporate Governance Framework for Volcano and its governance processes and accountabilities.

CLIMATE GOVERNANCE STRUCTURE (IFRS S2 / TCFD GOVERNANCE ALIGNMENT)

Governance Framework Overview

Governance Level	Composition / Leadership	Core Responsibilities for Climate & Sustainability	IFRS / TCFD Reference
Board of Directors	Chaired by Chairman with independent directors and executive members.	• Provides overall oversight of EESG and climate-related strategy. • Reviews and approves the Sustainability Policy and climate targets. • Monitors progress on GHG performance, energy efficiency, and solar expansion. • Ensures that climate risk considerations are integrated into strategic and financial planning.	IFRS S2 (TCFD Governance Pillar 1)
Group Sustainability Committee ("GSC")	Senior executives with sustainability competencies reporting to the Board.	• Translates the Board's strategy into policies and operational plans. • Reviews climate risk register and mitigation actions for VNP and VTT. • Oversees EESG performance data integrity and IFRS S2 reporting compliance. • Coordinates cross-site alignment for GHG Protocol and carbon accounting.	IFRS S2 (TCFD Management Role)

Governance Level	Composition / Leadership	Core Responsibilities for Climate & Sustainability	IFRS / TCFD Reference
Plant-level Sustainability Task Forces — VNP (Malaysia) & VTT (Thailand)	Cross-functional representatives from Operations, Finance, Human Resources, Marketing, and Purchasing. Each team led by a Sustainability Task Force who reports to the GSC.	• Implement climate and EESG programmes on-site (e.g., GHG inventory, energy efficiency, waste management). • Collect and validate Scope 1, 2, 3 data for reporting. • Monitor physical and transition risk indicators (flooding, heat stress, energy costs). • Report to the GSC and the Board annually.	IFRS S1 (Governance disclosures)
Internal Audit & Compliance	Independent unit within the Group's Corporate Governance function.	• Reviews control effectiveness over climate and sustainability data. • Verifies alignment with Bursa Malaysia and IFRS S2 requirements. • Recommends continuous improvement to data governance and assurance practices.	IFRS S2 (Data control & assurance)

GOVERNANCE PROCESES & ACCOUNTABILITIES

Board Oversight

- Reviews annual Sustainability Report and approves climate targets and energy efficiency plans.

- Discusses climate and ESG performance as a standing agenda item at each Board meeting.

- Mandates integration of climate risk and opportunity assessment into strategic and budget reviews (for both Penang and Rayong).

Management Responsibility

- Group Sustainability Committee meets annually to evaluate progress on GHG targets, solar performance, and IFRS S2 disclosures.

- Sustainability Task Force submit quarterly dashboards on Scope 1–3 emissions and energy intensity metrics.

- Findings are escalated to the Board through the Group Sustainability Committee ("GSC") Chairman.

Integration with Risk Management

- The Group Risk Register now includes climate risks (physical and transition) identified for both Penang and Rayong.

- Each risk is rated for likelihood and financial impact and reviewed annually in line with IFRS S2 : 10–13 requirements.

- Mitigation plans are monitored by GSC.

Performance and Remuneration Link

- Management key performance indicators include GHG intensity reduction, energy efficiency, and compliance with IFRS S2 disclosure timelines.

- ESG results are considered in annual performance appraisals.

In terms of sustainability performance and remuneration link to pay and bonuses, the Remuneration Committee has approved on 8th October 2025, to adopt the key metrics and performance targets as outline in the section of "OBJECTIVE OF VOLCANO'S METRICS AND TARGETS".

STRATEGY INTEGRATION AND SCENARIO LINKAGE (IFRS S2 / TCFD STRATEGY ALIGNMENT)

The Board has further strategized its climate related risk in identifying the physical and transition risk and to ensure climate-related opportunities and risks are fully embedded into Volcano's strategic planning, capital allocation, and operational decision-making, consistent with IFRS S2 requirements for identifying and assessing climate-related risks and evaluating their effects on financial position, performance, and cash flows as illustrated in the table below.

Strategy Integration and Scenario Linkage (IFRS S2 / TCFD Strategy Alignment)

Strategic Theme	Integration Mechanism	Time Horizon	Expected Outcome
Operational Resilience	Climate risk register for VNP and VTT updated annually; feeds into the Group's Enterprise Risk Management ("ERM").	Short (1–3 yrs)	Operational continuity and reduced downtime from heat and flood events.
Low-Carbon Transition	Solar expansion roadmap, energy-efficiency retrofit program for moulding lines, fleet optimisation.	Medium (3–7 yrs)	Lower Scope 2 emissions and exposure to carbon pricing.
Sustainable Supply Chain	Supplier code of conduct & local supplier engagement on emission data.	Medium (3–7 yrs)	Enhanced customer retention and alignment with Original Equipment Manufacturer ("OEM") net-zero targets.
Innovation & Market Expansion	R&D into eco- materials and lightweight components for automotive clients.	Long (>7 yrs)	New product lines with low-carbon attributes to meet future market demand.
Financial Planning & Capital Allocation	GHG data integrated into budget forecast; climate-related capital expenditure ("capex") classified in investment planning.	All horizons	Improved cost forecast accuracy and resilience to carbon cost fluctuations.

Risk Management Climate Related Prioritisation

Volcano has integrated climate-related risk management into its Group Enterprise Risk Framework. Physical and transition risks are identified at plant level (VNP and VTT) and reviewed by the Group Sustainability Committee annually. Risks are assessed for likelihood and financial impact using a standardised matrix and are escalated to the Audit and Risk Management Committee for oversight. Material climate risks, including flooding, heat stress, carbon pricing, and market decarbonisation pressures, are and linked to financial planning and mitigation initiatives.

Internal Audit monitors control effectiveness and data accuracy to ensure transparency and compliance with IFRS S2 and TCFD requirements. To establish a structured, auditable process for identifying, assessing, prioritising, and mitigating climate-related risks, both physical and transition across the Group's operational boundaries in VNP and VTT, Volcano has developed its processes to integrate with the TCFD Pillars that is risk identification, risk assessment, integration with ERM, response and control and continuous review.

The process ensures that all material climate risks are integrated into the Group's enterprise risk management (ERM) framework and decision-making cycle and as shown in the chart below:

| Indentification | Assessment | Prioritisation and Integration | Migration and Adaptation | Monitoring and Reporting |

Stage	Description	Responsible Entity	Frequency	TCFD Pillar
Identification	Detect and classify climate-related risks (physical / transition) and opportunities relevant to each site. Uses operational data, weather statistics, regulatory reviews, and stakeholder inputs.	Plant Sustainability Task Forces (VNP & VTT)	Quarterly update / annual review	Risk Identification
Assessment	Evaluate likelihood and magnitude (financial / operational / reputational) using standard risk-scoring matrix (Low 1–3, Medium 4–6, High 7–9).	GSC	Annually	Risk Assessment
Prioritisation & Integration	Integrate climate-risk results into the Corporate Risk Register and capital-planning process; highlight high-priority risks to the Board Audit & Risk Committee.	GSC → Audit and Risk Management Committee → Board	Annual	Integration with ERM

Stage	Description	Responsible Entity	Frequency	TCFD Pillar
Mitigation & Adaptation	Develop and implement site-specific mitigation measures (e.g., flood-proofing, solar expansion, supplier screening, policy engagement).	GSC + Plant Managers + Finance	Ongoing	Response & Control
Monitoring & Reporting	Monitor key risk indicators (KRIs) and metrics (energy intensity, GHG per revenue, carbon cost exposure). Report quarterly to the Board.	GSC / Internal Audit	Annually review	Continuous Review

PROJECTED SEA LEVEL RISE ACROSS SHARED SOCIOECONOMIC PATHWAYS ("SSP") SCENARIOS AND WARMING PATHWAYS

The extent of future sea level rise will be shaped by the success of global climate mitigation efforts. Each scenario presents distinct implications for coastal infrastructure, supply chain resilience, and economic stability.

In a Low-Impact (Optimistic) Scenario, where robust global climate action curbs emissions effectively, sea level rise is expected to remain below 0.5 meters by 2100. Under these conditions, coastal infrastructure would only require minor adaptations, with minimal risk of flooding. Businesses could maintain operations with modest enhancements in energy efficiency and logistics monitoring.

A Moderate-Impact (Realistic) Scenario reflects partial progress in mitigation efforts, resulting in a projected sea level rise between 0.51 and 0.61 meters by 2100. This would likely lead to intermittent disruptions at ports and transport hubs due to storm surges and coastal flooding. Companies would need to build greater resilience by diversifying supply chains, improving flood defences, and establishing alternative logistics pathways.

In the High-Impact (Pessimistic) Scenario, little to no climate action drives global temperatures above 3°C, leading to sea level rise exceeding 0.84 meters by 2100. This would significantly disrupt coastal operations, causing frequent port closures, rising logistics costs, and potential labour shortages. To adapt, businesses may need to relocate key operations inland, localize supply networks, and invest in renewable energy infrastructure to sustain long-term resilience.

SCENARIO ANALYSIS - VNP (MALAYSIA)

The scenarios below consider three possible futures based on the severity of sea-level rise and associated risks in the Straits of Melaka (Pulau Pinang) and surrounding regions.

Our Group Sustainability Committee Members has conducted a climate-related risk assessment on our VNP (Malaysia) plant's business location with reference to several Socioeconomic Pathway ("SSP") scenarios prescribed by the Intergovernmental Panel on Climate Change ("IPCC") 6th Assessment Report (AR6), particularly SSP5 – 8.5:
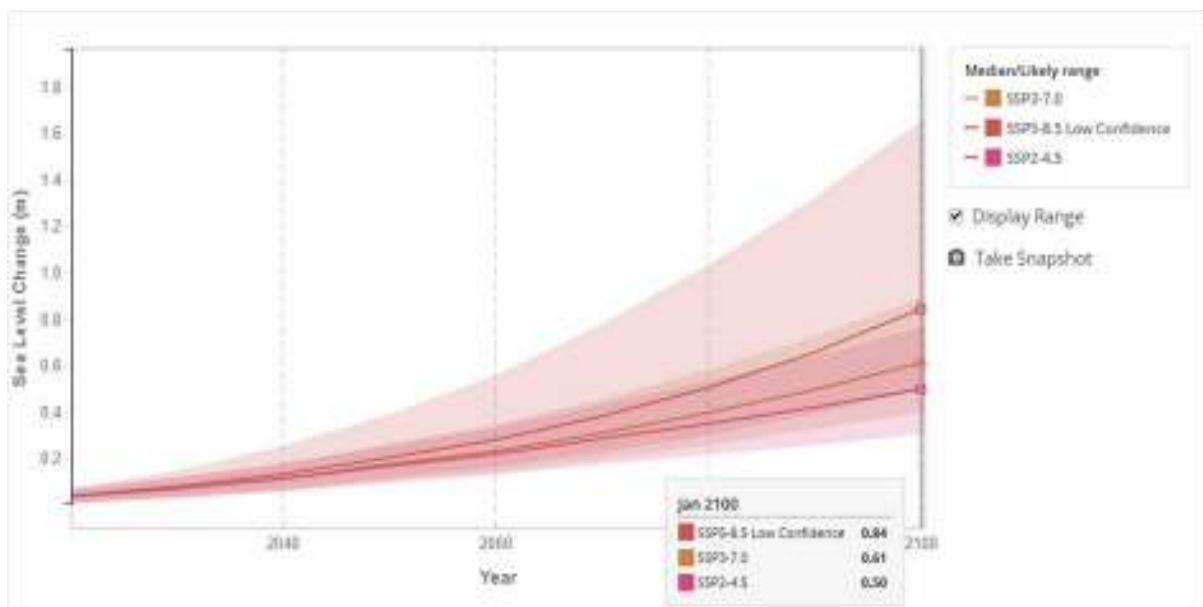
Source : IPCC AR6

Effects of Climate change	2021-2040	2041-2060	2061-2080	2081-2100
Rising Sea Level	0.13m	0.28m	0.50m	0.83m

Taking the VNP (Malaysia) plant's business location into review:

- Distance from coast – it is less than 0.9 KM from the coast
- Land elevation above current sea level – approximately 10.00 m – 12.00 m above sea level.
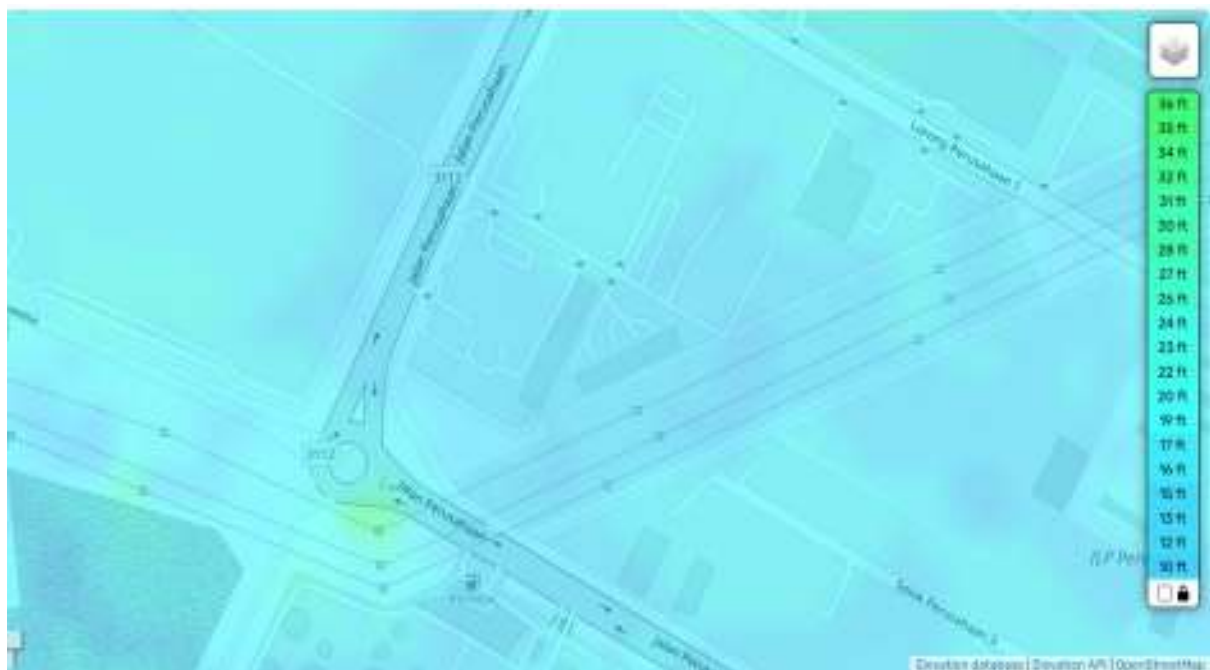
Source: Google Maps

Source : Elevation data can be viewed on topographic-map.com which uses TessaDEM as the data source

SCENARIO ANALYSIS - VTT (THAILAND)

The scenarios below consider three possible futures based on the severity of sea-level rise and associated risks in the Indian Ocean (Ko Sichang) and surrounding regions.

Our Group Sustainability Committee Members has conducted a climate-related risk assessment on our VTT (Thailand) plant's business location with reference to several Socioeconomic Pathway ("SSP") scenarios prescribed by the Intergovernmental Panel on Climate Change ("IPCC") 6th Assessment Report (AR6), particularly SSP5 – 8.5:
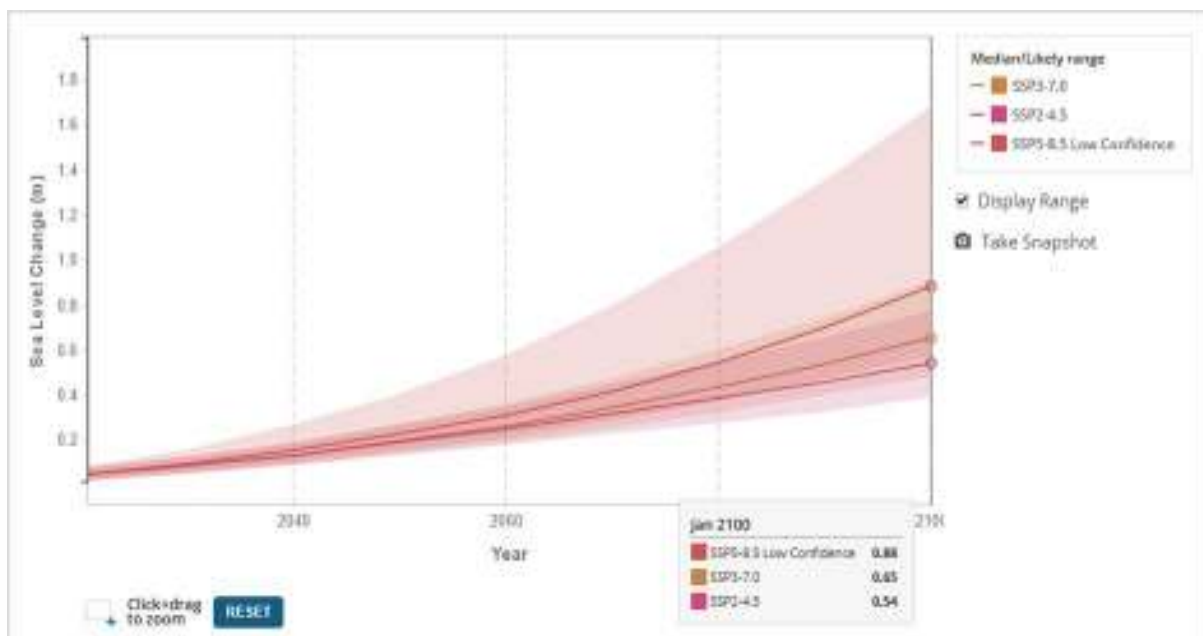
Source : IPCC AR6

Effects of Climate change	2021-2040	2041-2060	2061-2080	2081-2100
Rising Sea Level	0.15m	0.31m	0.54m	0.88m

Taking the VTT (Thailand) plant's business location into review:

- Distance from coast – it is less than 20.44 km from the coast.
- Land elevation above current sea level – approximately 334.00 m – 367.00 m above sea level.
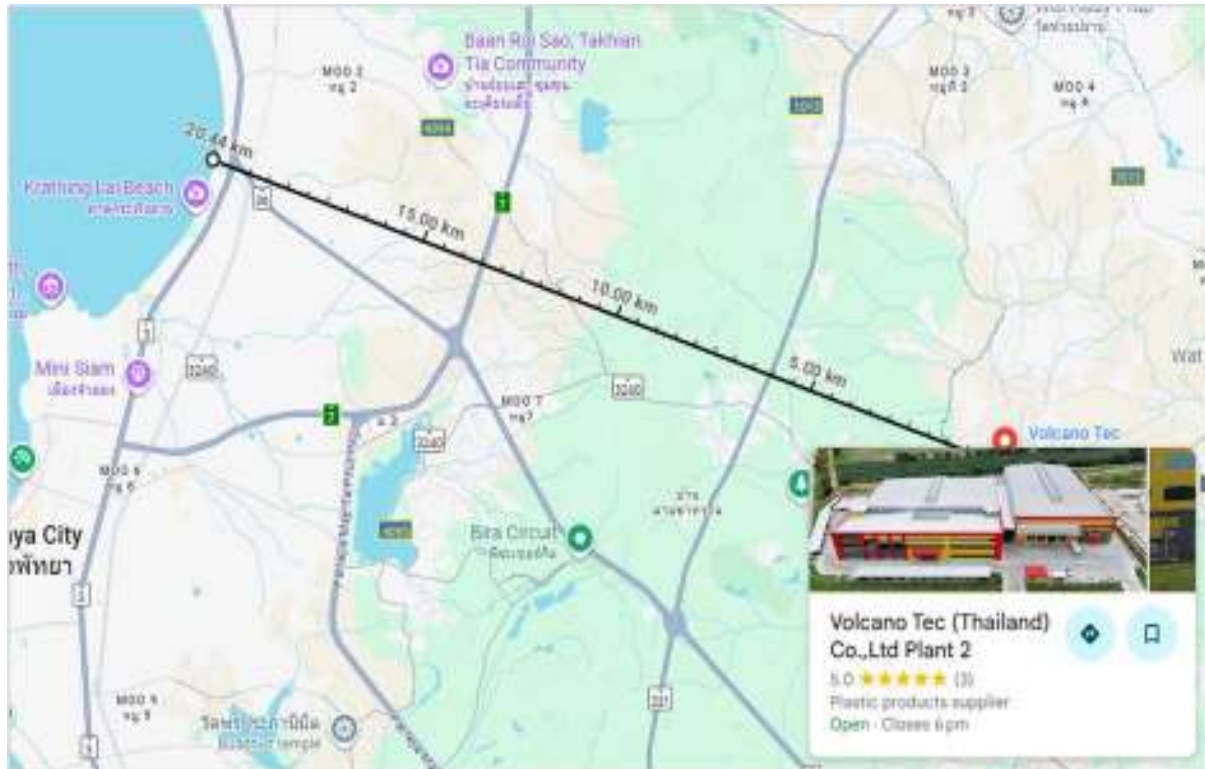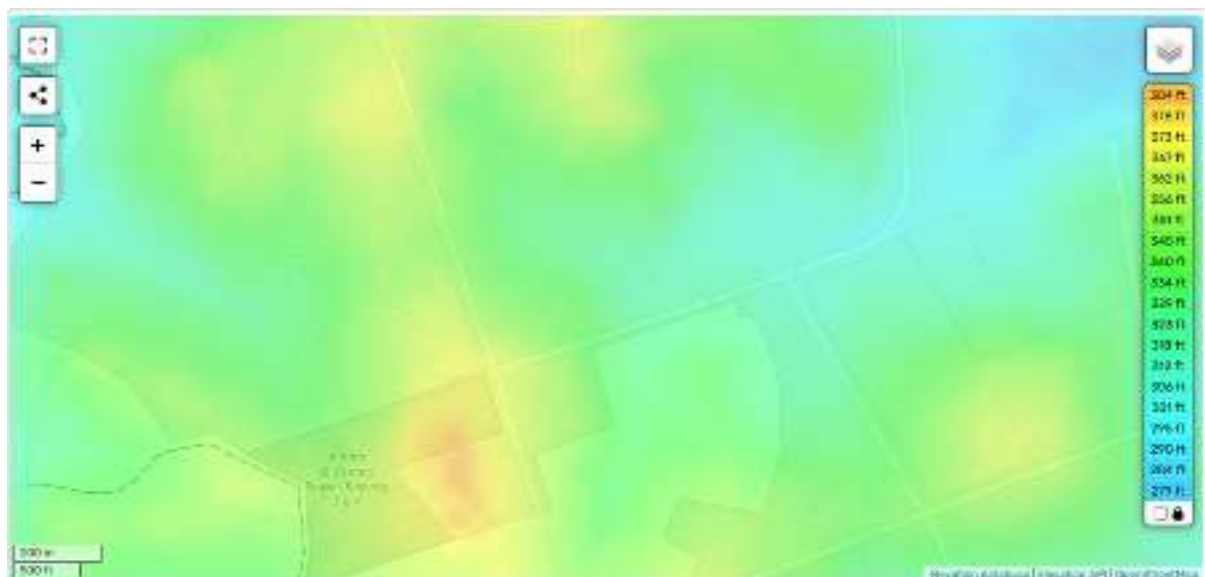
Source: Google Maps

Source : Elevation data can be viewed on topographic-map.com which uses TessaDEM as the data source

CLIMATE RISK CATEGORIES AND MATERIALITY MATRIX

The analysis identifies six specific climate-related risks, assessing their potential impact, materiality, and corresponding mitigation strategies. The Likelihood for most risks is assessed as High (H), particularly for Transition risks, indicating an urgent need for action, whereas a longe term approach can be used for Moderate (M) or Low (L). Both sites face significant exposure, though the severity of specific risks varies between Perai and Rayong.

| Category	Specific Risk	Site	Likeli hood	Financial Impact	Materiality Assessment	Mitigation Measure
Physical – Acute	Flooding / Extreme Rainfall	VNP (High) VTT (Medium)	H	M–H	Material – potential asset damage & downtime.	Elevated equipment, storm-drain upgrades, insurance.
Physical – Chronic	Heat Stress / Water Scarcity	Both sites (VTT higher)	H	M	Material – energy cost, production efficiency.	Solar & cooling retrofits, water recycling.
Transition – Policy	Carbon Tax / Energy Regulations	VTT (High), VNP (Medium)	H	H	Highly Material – potential > 5 % Operational Expenditure increase.	Energy efficiency, carbon accounting, Renewable Energy Certificates.
Transition – Market	Low-Carbon Supply Chain Pressure	Both	H	H	Material – revenue retention risk.	Scope 1–3 reporting, supplier EESG engagement.
Transition – Technology	Capex for process upgrades	Both	M	M	Emerging Materiality – capital exposure over 10 yrs.	Green R&D, equipment retrofit plan.
Transition – Reputation	Stakeholder and investor scrutiny	Both	M	M	Material – affects brand and valuation.	Transparency & third-party assurance.

Materiality threshold: A risk is classified material if potential financial impact ≥ 2 % of Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") or if reputational or operational impact affects > 10 % of annual production capacity.

MATERIALITY ASSESSMENT METHOD

Dimension	Criteria	Description
Financial Materiality	Impact ≥ 2 % of EBITDA or ≥ RM500,000 annual loss potential.	Captures costs from flood damage, carbon tax exposure, and energy price volatility.
Operational Materiality	> 10 % capacity loss or ≥ 3 days production downtime.	Measures resilience of production operations to climate events.
Reputational Materiality	Loss of Original Equipment Manufacturer contract or negative media/investor coverage.	Evaluated qualitatively via stakeholder engagement surveys.
Strategic Materiality	Impacts that threaten long-term market position or license to operate.	Assessed through scenario analysis outputs and the Board's review.
All material climate risks are escalated to the Board and disclosed in the Sustainability Report in line with IFRS S2		

METRICS & TARGETS (IFRS S2 / TCFD METRICS ALIGNMENT)

Volcano monitors and reports its climate-related performance through a structured metrics and target framework aligned with IFRS S2 and the TCFD recommendations. The Group measures Scope 1, Scope 2, and material Scope 3 emissions across its operations in Malaysia and Thailand. Key metrics include carbon intensity, energy and water efficiency, and renewable energy adoption. Based on FYE 2024 as the baseline year, the Group targets a 30% reduction in operational emissions and a 50% renewable energy share by FYE 2050. These targets are integrated into the Group's financial planning and investment decisions to ensure long-term climate resilience and value creation.

OBJECTIVE OF VOLCANO'S METRICS AND TARGETS

To establish clear, auditable climate-related metrics and performance targets that allow Volcano to measure, manage, and report its progress toward emission reduction, energy efficiency, and resilience goals across its operations in VNP and VTT.

The table below shows the metric category and boundaries covered in this report and its reporting frequency.

Metric Category	Description	Boundary (Operational Control)	Data Source / Methodology	Reporting Frequency
GHG Emissions – Scope 1	Direct emissions from fuel combustion (gensets, forklifts, vehicles).	VNP & VTT	GHG Protocol Corporate Standard (ISO 14064-1 framework).	Quarterly internal / Annual external disclosure
GHG Emissions – Scope 2	Indirect emissions from purchased electricity.	VNP & VTT	Utility bills, emission factors from International Energy Agency/GRID Emission Factors.	Quarterly internal / Annual report
GHG Emissions – Scope 3	Upstream and downstream emissions (purchased goods, transport, waste).	Group-wide (supply chain & logistics)	Supplier data, spend-based estimation.	Annual update
Energy Intensity	Total energy use per production output (kWh/unit).	VNP & VTT	Enterprise Resource Planning energy monitoring system .	Quarterly

Metric Category	Description	Boundary (Operational Control)	Data Source / Methodology	Reporting Frequency
Water Intensity	m³ water per production output.	VNP & VTT	Water metering.	Quarterly
Renewable Energy Ratio	% of total electricity from solar and Renewable Energy Certificates ("REC").	Group-wide	Metered data and REC certification.	Quarterly
Carbon Intensity (tCO$_2$e / RM Revenue)	Group-level carbon intensity indicator.	Group-wide	Consolidated GHG & revenue data.	Annual
Climate Risk Exposure Index	Composite index tracking operational days affected by climate events.	VNP & VTT	Site downtime records & weather data.	Quarterly

Following the review of the baseline, Volcano has identified key performance indicators based on it's the data provided below.

Metric	VNP (Malaysia)	VTT (Thailand)	Group Total
Scope 1 (tCO$_2$e)	8.34	103.79	112.13
Scope 2 (tCO$_2$e)	1,071.51	1,364.12	2,435.63
Scope 3 (tCO$_2$e)	194.91	365.61	560.52
Total Emissions (tCO$_2$e)	1,274.76	1,833.52	3,108.28
Energy Intensity (kWh/unit)	-	-	0.163
Renewable Energy Share (%)	14.07%	4.28%	9.18% Group average
Water Intensity (m^3/unit)	-	-	0.0016

(Figures derived from internal estimates based on 2025 operational data and GHG inventory.)

CLIMATE TARGETS

Target Category	Target Description	Baseline Year	Target Year	Reduction / Achievement	Alignment & Commentary
GHG Emission Reduction (Absolute)	Reduce total Scope 1 & 2 emissions by 30% by FYE 2030 from FYE 2024 baseline.	2024	2030	Increased 11.38 tCO$_2$e	Supports Malaysia's Nationally Determined Contribution ("NDC") & Thailand's Long-Term Low Greenhouse Gas Emission Development Strategy ("LT-LEDS") goals; consistent with 1.5°C pathway.

Target Category	Target Description	Baseline Year	Target Year	Reduction / Achievement	Alignment & Commentary
Energy intensity	Improve energy efficiency by 20% per production unit by 2030.	2024	2030	Increased 0.0096 kWh/unit	Driven by equipment retrofits and process automation.
Renewable Energy	Achieve 50% renewable energy share (solar + RECs) by 2030.	2024	2030	+40 percentage points	Expansion of solar installations and green energy procurement.
Water Use Efficiency	Reduce water intensity by 15% by 2030	2024	2030	Increased 0.00045 m^3/unit	Addressing chronic drought risk (Rayong, Thailand).
Scope 3 Engagement	Obtain GHG data from 70% of Tier-1 suppliers by 2027.	2024	2027	Ongoing	Aligned with OEM supply-chain decarbonisation targets.
Carbon Neutrality (Operational)	Achieve carbon-neutral operations for Scope 1 & 2 by 2040.	2024	2040	Net-zero within operational boundaries.	Aligned with global net-zero trajectory (IFRS S2).

KPI MONITORING AND INTEGRATION INTO FINANCIAL PLANNING

KPI	Linked Financial Indicator	Integration Mechanism
GHG Reduction	Energy cost savings, carbon tax avoidance.	Modelled into Operational Expenditure ("OPEX") forecast and budget planning.
Renewable Energy Ratio	Electricity expenditure.	Reduces dependency on volatile grid energy prices.
Energy Intensity	Production margin and EBITDA.	Improved efficiency increases operational profitability.
Scope 3 Supplier Coverage	Procurement cost and contract retention.	High coverage reduces risk of OEM contract loss.

At Volcano, our management approach involves considering sustainability as a component of our broader business strategy and risk management framework. We have established processes to link key environmental performance indicators with our financial planning and operational management. This approach is intended to align our sustainability objectives with relevant financial considerations, reflecting our commitment to methodical and integrated governance.

Our performance in reducing Scope 1 and Scope 2 Greenhouse Gas emissions is an area of ongoing focus. We recognise a relationship between these reductions and our operational expenditures, particularly through potential energy cost savings and the management of costs related to carbon pricing. In line with this, our operational expenditure forecasts and budget planning processes include considerations for the potential financial impacts of our carbon footprint and related reduction efforts.

Similarly, our energy procurement strategy includes evaluating the proportion of electricity we consume from renewable sources. We also monitor our energy intensity, measured as energy consumption per unit of production. As such, efficiency

targets are incorporated into our operational programs to manage production costs and support our financial performance.

Within our value chain, we assess the extent of our suppliers' engagement in sustainability and decarbonisation. We understand that sustainability performance in the supply chain is an area of increasing focus for some of our key customers. Our supplier management and risk assessment processes therefore include sustainability as a consideration. We view this engagement as a component of maintaining strong, long-term customer relationships and managing potential risks related to procurement.

SOCIAL
MATTERS

SOCIAL IMPACT AND HUMAN CAPITAL

We believe that a responsible business looks after its people and its communities. This section explained how we approached our social responsibilities, starting with our employees. We aimed to create a workplace that supports their well-being and growth. We also want to be a positive part of the communities where we operate.

PUTTING OUR PEOPLE FIRST

At Volcano, putting our people first is important to us. In this Social Matters section, we showed how we did this. We covered our Fair Labour Practices, ensuring all employees are treated fairly, and our commitment to Diversity, where all backgrounds are valued. We also support Employee Development through learning opportunities and prioritise Health and Safety in the workplace. Beyond that, we contribute to our communities through Community Engagement and Donations. Lastly, we focus on Employee Engagement to ensure a supportive work environment.

Fair Labour Practices	Health and Safety	Employee Development

Diversity, Equity & Inclusions	Employee Engagement	Community Engagement & Donations
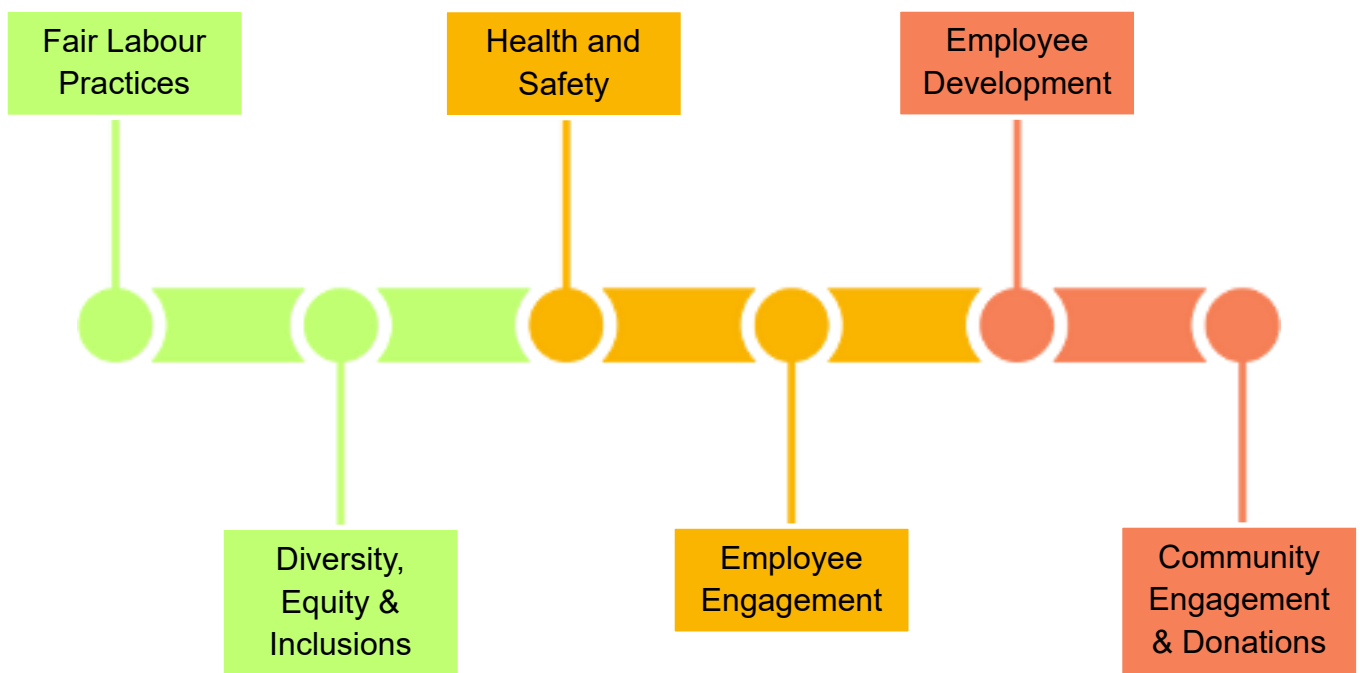
FAIR LABOUR PRACTICES

We are dedicated to fair labour practices. We believe in treating every employee with dignity and respect, and our policies are designed to promote equal opportunity and comply with all relevant laws.

We ensure fair wages, reasonable working hours, and a safe workplace, and we strictly prohibit forced or child labour in all our operations. This approach empowers every individual to thrive and contribute to Volcano's shared success

OCCUPATIONAL SAFETY AND HEALTH (OSH)

The safety and health of our employees are fundamental to our operations. We are committed to maintaining a secure working environment by implementing OSH management systems. Our approach focuses on preventing risks, complying with regulatory standards, and promoting a proactive safety culture across all levels of the organisation. We conduct annual risk assessments, provide thorough safety training, and ensure the proper use of protective equipment. Our dedication to OSH not only protects our people but also enhances productivity and morale.

Automated External Defibrillator ("AED") Awareness Training

Emergency Response Team, Firefighting & Chemical Spillage Control Training

Occupational First Aid Awareness Training

Type of training conducted related to OSH

- Safe Forklift Training

- Understanding OSHA (Amendment) Act 2022

- CPR & First Aid in Workplace

- Kursus Asas Keselamatan Kebakaran Untuk "Organisasi Keselamatan Kebakaran" (OKK)

- Chemical Handling & Spillage Training

- Method of using Earmuff & Earplug

- Method of using Fire Extinguisher

- Introduction to First Aid Basics & First Aid Kit Training

- Sesi Libat Urus SOHELP di Tempat Kerja Berisiko Tinggi Tahun 2025

- ERT, Fire Fighting & Chemical Spillage Control Training

- (MC) Occupational First Aid, CPR and AED Awareness

- AED Awareness Training

- Bengkel "UP-Skilling OSH – Coordinator"

- Safety Working with chemical

- Fire Extinguishing

SAFETY MANAGEMENT SYSTEM (SMS)

To identify, assess, and mitigate potential hazards, ensuring that risks are effectively managed.

Key components of our SMS include:

- Risk Assessments: Regular and thorough risk assessments are conducted to identify potential hazards in the workplace. These assessments help us to implement appropriate control measures and ensure a safe working environment.

- Safety Policies and Procedures: We have established clear and comprehensive safety policies and procedures that guide our operations. These documents are regularly reviewed and updated to reflect best practices and regulatory changes.

Incident Reporting and Investigation: Incident reporting and investigation process is in place to promptly address any safety concerns. This allows us to learn from incidents and prevent future occurrences

OUR PERFORMANCE

Malaysia (VNP)

Occupational Safety and Health	Unit	FPE 2023	FYE 2024	FYE 2025
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0

*The safety training number excludes fire drill and declared by Human Resources

Thailand (VTT)

Occupational Safety and Health	Unit	FPE 2023	FYE 2024	FYE 2025
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	16.13	0

DIVERSITY, EQUITY, AND INCLUSION

At Volcano, we believe that having a diverse workforce is important for our success. We aim to create a workplace where everyone feels valued and can share their unique perspectives.

This section shows our efforts to build an inclusive environment where diverse backgrounds, including gender, age, and ethnicity, are recognised. We are committed to fair treatment and equal opportunities for all employees.

GENDER DIVERSITY

Volcano is committed to fostering a workplace that reflects gender diversity at all levels. We recognise the value that diverse perspectives bring to our innovation and overall business success.

For FYE 2025, the employee gender distribution in VNP shows significant variation across categories. Management is male dominated with 60% male and 40% female. Conversely, the Executive and Non-Executive categories are heavily female represented, with females making up 72% and 67%, respectively. The General Worker category is also male dominated, with 60% male and 40% female.

However, the employee gender distribution in VTT shows a mix of male and female dominated categories. The Management category is predominantly male, with 64% male and 36% female. Conversely, the Executive and Non-Executive categories are female dominated, with females representing 68% and 58%, respectively. The most significant female concentration is in the General Worker category, where females account for the vast majority at 83%, compared to only 17% male.

This shows our efforts include promoting equal opportunities for all genders in career advancement, leadership roles, and daily operations. We strive to create an inclusive environment where individuals of all genders feel empowered to contribute their skills and expertise, ensuring fair treatment and respect across the organisation.

GENDER DIVERSITY POLICY

Building a diverse and equitable workplace is crucial to our success. We are committed to fostering an inclusive environment where everyone can thrive. The following strategies are designed to ensure we attract, develop, and retain talent from all genders, leading to a stronger and more innovative organisation.

The Group's gender diversity strategies include:

The strategies outlined here represent our current focus. We will continue to review and adapt these efforts to ensure they remain effective and aligned with our commitment to diversity.

OUR PERFORMANCE

> Recruiting from a diverse pool of candidates for female positions.

> Reviewing training and development, compensation and benefits, promotions for female position.

> Reviewing succession plans to ensure an appropriate focus on gender diversity

> Identifying specific factors to take into accounts the recruitment and selection processes to encourage gender diversity

> Any other strategies to be developed from time to time in a manner that promotes gender diversity.

Malaysia (VNP)

Gender Distribution at VNP (FPE 2023)

Category	Male	Female
General Worker	49	51
Non-Executive	35	65
Executive	30	70
Management	57	43

Male ■ Female

Gender Distribution at VNP (FYE 2024)

Category	Male	Female
General Worker	49	51
Non-Executive	35	65
Executive	30	70
Management	60	40

■ Male ■ Female

Gender Distribution at VNP (FYE 2025)

Category	Male	Female
General Worker	60	40
Non-Executive	33	67
Executive	28	72
Management	60	40

■ Male ■ Female

Year	Employee category	Male percentage (%)	Female percentage (%)
FPE 2023	Management	57.00	43.00
	Executive	30.00	70.00
	Non-Executive	35.00	65.00
	General Worker	49.00	51.00
FYE 2024	Management	60.00	40.00
	Executive	30.00	70.00
	Non-Executive	35.00	65.00
	General Worker	63.00	38.00
FYE 2025	Management	60.00	40.00
	Executive	28.00	72.00
	Non-Executive	33.00	67.00
	General Worker	60.00	40.00

Thailand (VTT)

Gender Distribution at VTT (FPE 2023)

Gender Distribution at VTT (FYE 2024)

Category	Male	Female
General Worker	20	80
Non-Executive	45	55
Executive	33	27
Management	73	27

Legend: ■ Male ■ Female

Gender Distribution at VTT (FYE 2025)

Category	Male	Female
General Worker	17	83
Non-Executive	42	58
Executive	32	68
Management	64	36

Legend: ■ Male ■ Female
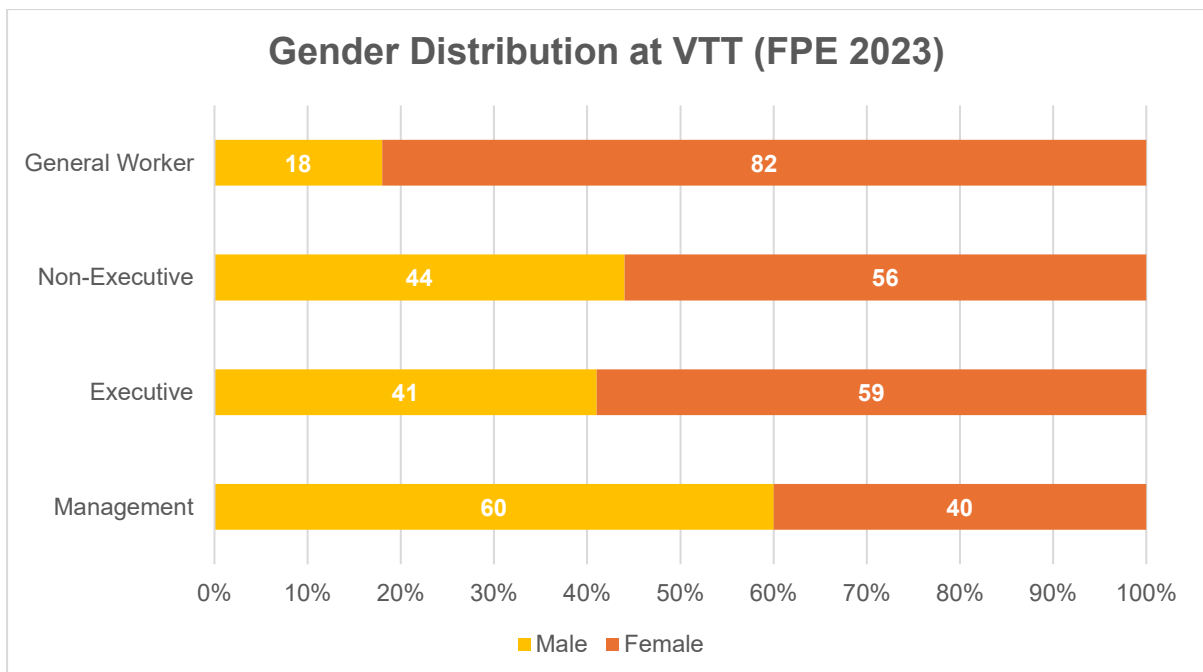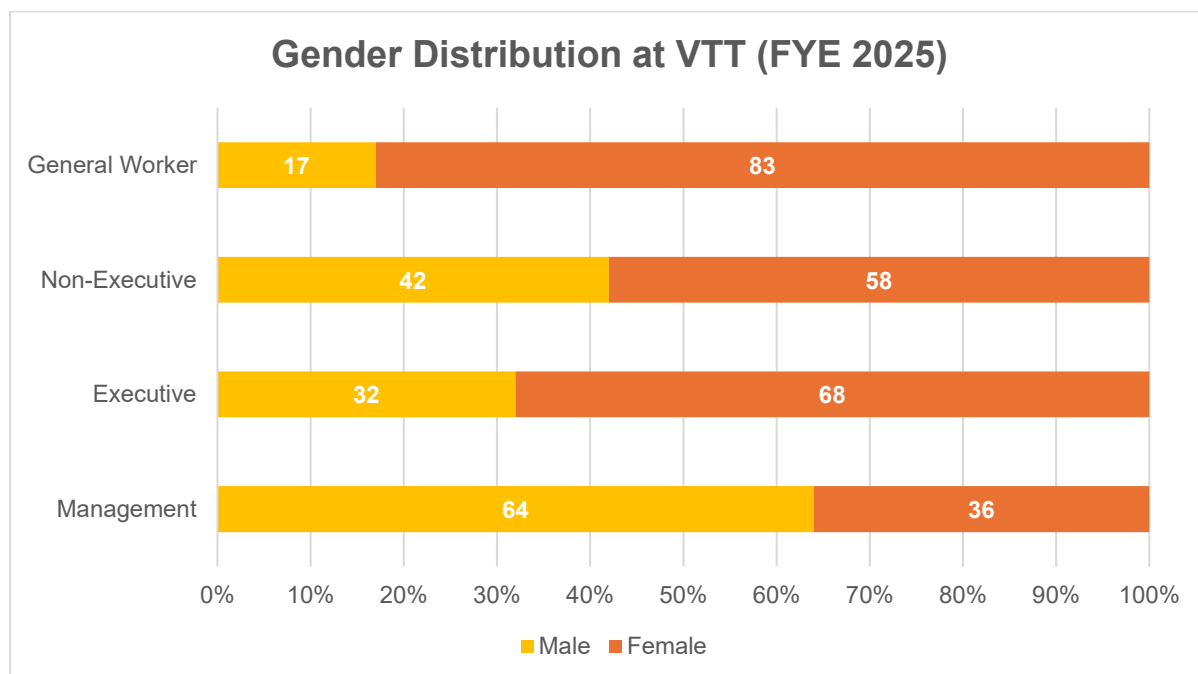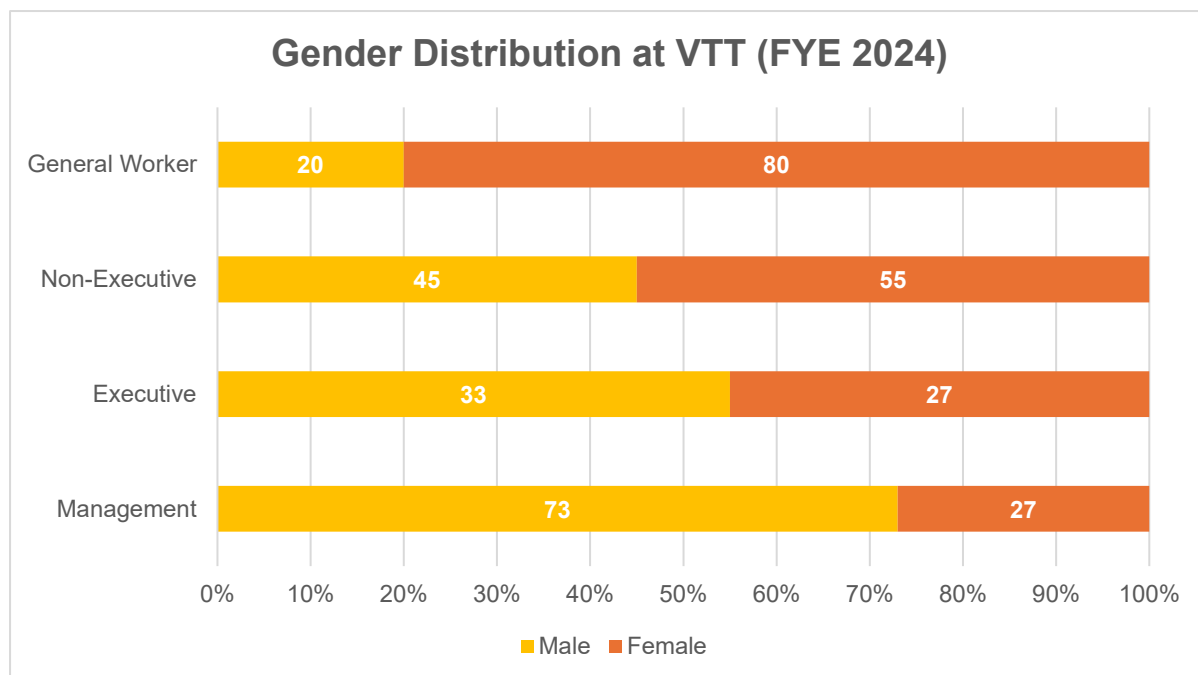
Year	Employee category	Male percentage (%)	Female percentage (%)
FPE 2023	Management	60.00	40.00
	Executive	41.00	59.00
	Non-Executive	44.00	56.00
	General Worker	18.00	82.00
FYE 2024	Management	73.00	27.00
	Executive	33.00	67.00
	Non-Executive	45.00	55.00
	General Worker	20.00	80.00
FYE 2025	Management	64.00	36.00
	Executive	32.00	68.00
	Non-Executive	42.00	58.00
	General Worker	17.00	83.00

AGE DIVERSITY

Volcano recognised the value of age diversity within its workforce. The Company aimed to create a balanced environment where the experience of seasoned professionals was combined with the fresh perspectives of younger talent.

For FYE 2025, the employee age distribution in VNP showed a clear distinction across categories. The Management team was heavily concentrated in the older bracket, with 67% of employees above 50 years old and the remaining 33% falling between 30 and 50 years old; there were no employees below 30. The Executive category had the largest group in the 30 to 50 years old bracket at 67%, followed by 28% below 30, and only 7% above 50. The non-executive category showed a notable concentration in the middle age group (54% in the 30 to 50 years old bracket) but also a significant portion above 50 (29%). Finally, the General Worker category was dominated by younger staff, with 54% being below 30 years old and another 44% between 30 and 50 years old.

As for VTT, the employee age distribution in FYE 2025 showed that the 30 to 50 years old bracket was the largest in most categories. Specifically, Management had the

highest concentration in this middle-age group at 79%, with the remaining 21% being above 50 years old and none below 30. Similarly, the Executive category was heavily weighted towards the 30 to 50 years old group at 81%, followed by 16% below 30, and only 3% above 50. The non-executive category showed a nearly even split between the below 30 years old and 30 to 50 years old groups (49% for each), with a minimal 2% above 50. The General Worker category was predominantly younger, with 53% below 30 years old, 45% in the 30 to 50 years old bracket, and 2% above 50.

Volcano's policies supported opportunities for employees across all age groups, promoting knowledge sharing and continuous learning. We believe that this blend of different generations contributed to a dynamic and innovative workplace.

OUR PERFORMANCE

Malaysia (VNP)

Age Distribution at VNP (FPE 2023)

Category	Below 30 years old	30 to 50 years old	Above 50 years old
General Worker	54	45	1
Non-Executive	20	60	20
Executive	26	70	4
Management	0	57	43

Legend: Below 30 years old · 30 to 50 years old · Above 50 years old

Age Distribution at VNP (FYE 2024)

Category	Below 30 years old	30 to 50 years old	Above 50 years old
General Worker	60	39	1
Non-Executive	20	60	20
Executive	26	70	4
Management	0	33	67

Legend: ■ Below 30 years old ■ 30 to 50 years old ■ Above 50 years old

Age Distribution at VNP (FYE 2025)

Category	Below 30 years old	30 to 50 years old	Above 50 years old
General Worker	54	44	2
Non-Executive	17	54	29
Executive	28	67	7
Management	0	33	67

Legend: ■ Below 30 years old ■ 30 to 50 years old ■ Above 50 years old

Year	Employee category	Below 30 years old percentage (%)	30 to 50 years old percentage (%)	Above 50 years old percentage (%)
FPE 2023	Management	0.00	57.00	43.00
	Executive	26.00	70.00	4.00
	Non-Executive	20.00	60.00	20.00
	General Worker	54.00	45.00	1.00
FYE 2024	Management	0.0	33.00	67.00
	Executive	26.00	70.00	4.00
	Non-Executive	20.00	60.00	20.00
	General Worker	60.00	39.00	1.00
FYE 2025	Management	0.00	33.00	67.00
	Executive	28.00	67.00	7.00
	Non-Executive	17.00	54.00	29.00
	General Worker	54.00	44.00	2.00

Thailand (VTT)

Age Distribution at VTT (FPE 2023)

Age Distribution at VTT (FYE 2024)

Category	Below 30 years old	30 to 50 years old	Above 50 years old
General Worker	54	45	1
Non-Executive	53	45	2
Executive	17	80	3
Management	0	64	36

Legend: ■ Below 30 years old ■ 30 to 50 years old ■ Above 50 years old

Age Distribution at VTT (FYE 2025)

Category	Below 30 years old	30 to 50 years old	Above 50 years old
General Worker	53	45	2
Non-Executive	49	49	2
Executive	16	81	3
Management	0	79	21

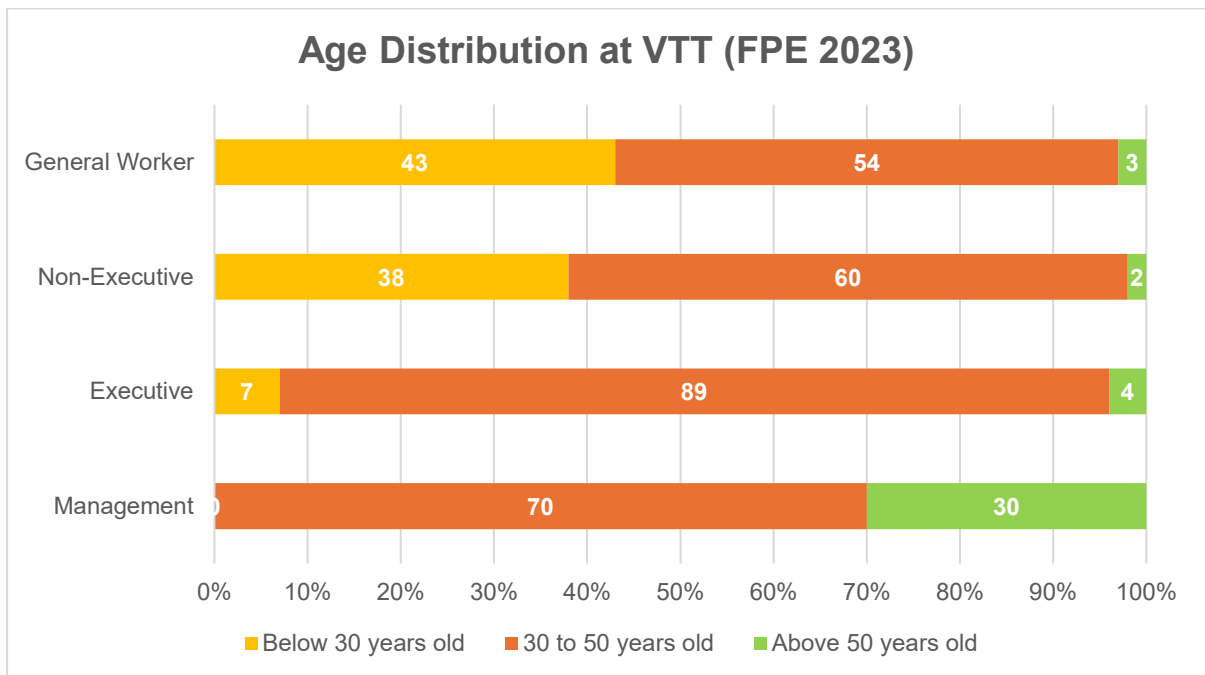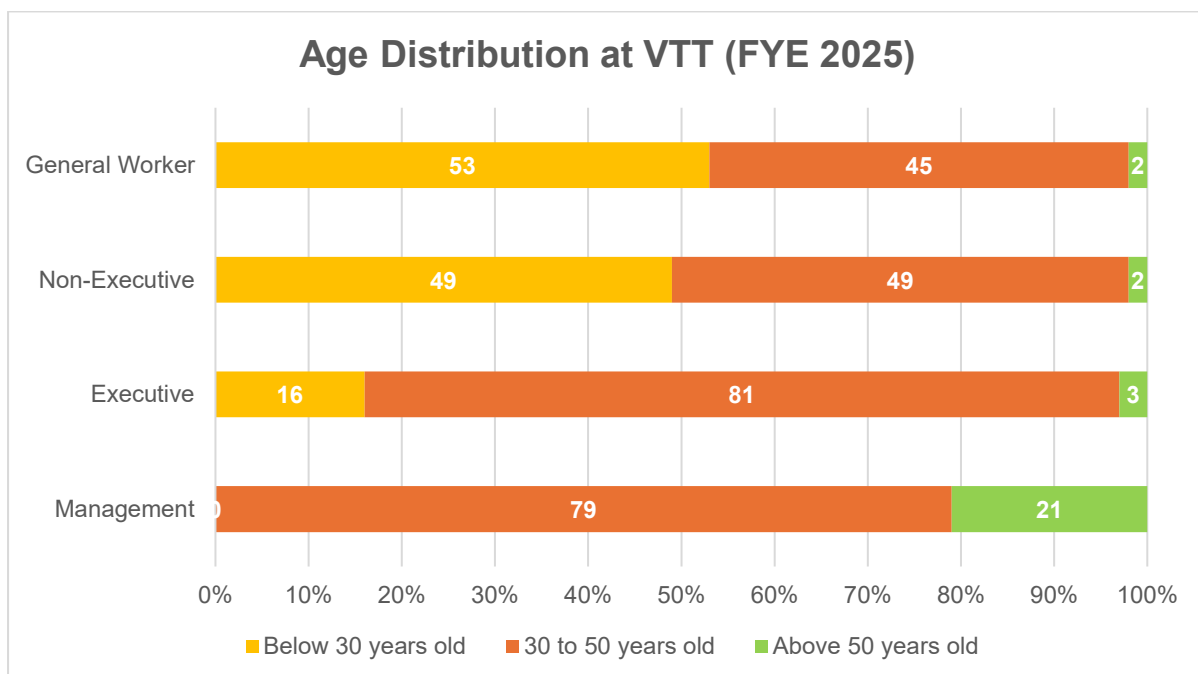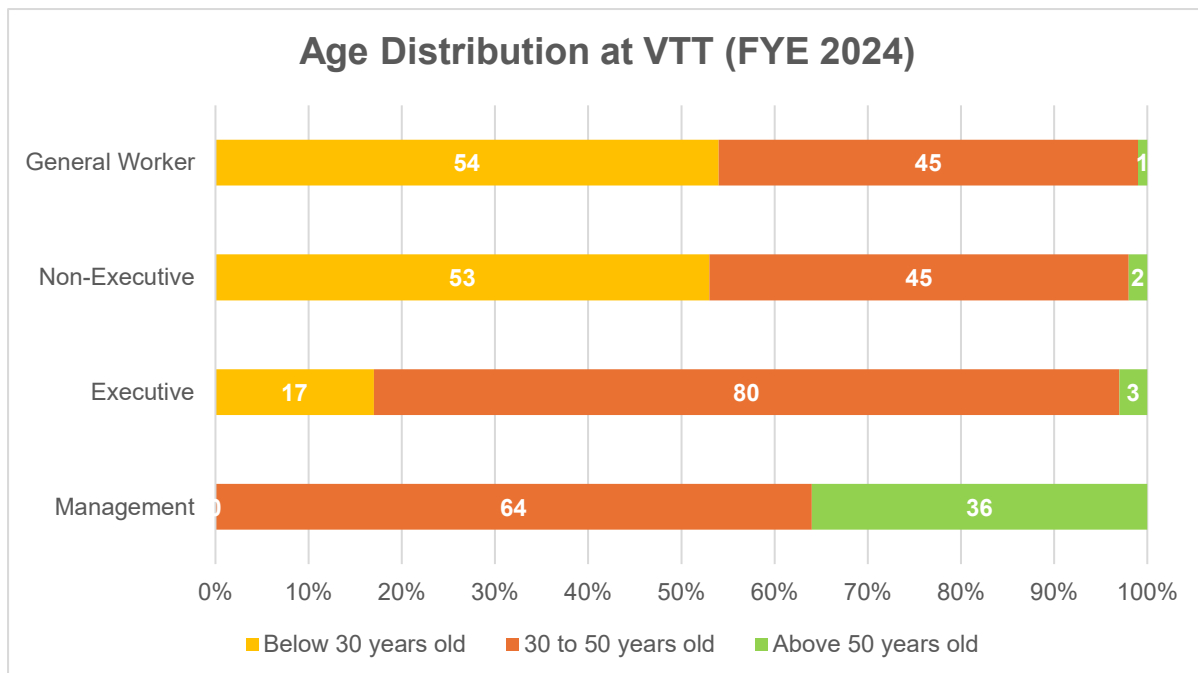Legend: ■ Below 30 years old ■ 30 to 50 years old ■ Above 50 years old

Year	Employee category	Below 30 years old percentage (%)	30 to 50 years old percentage (%)	Above 50 years old percentage (%)
FPE 2023	Management	0.00	70.00	30.00
	Executive	7.00	89.00	4.00
	Non-Executive	38.00	60.00	2.00
	General Worker	43.00	54.00	3.00
FYE 2024	Management	0.00	64.00	36.00
	Executive	17.00	80.00	3.00
	Non-Executive	53.00	45.00	2.00
	General Worker	54.00	45.00	1,00
FYE 2025	Management	0.00	79.00	21.00
	Executive	16.00	81.00	3.00
	Non-Executive	49.00	49.00	2.00
	General Worker	53.00	45.00	2.00

RACE AND ETHNICITY

We understood that our long-term success is closely tied to our ability to create a sustainable and inclusive organisation. While we have a specific focus on gender diversity, our commitment extends to all aspects of a fair and representative workforce.

As a company operating in Malaysia and Thailand, we recognised the importance of creating a workplace that reflects the diverse racial and ethnic backgrounds of our community.

OUR PERFORMANCE

Malaysia (VNP)

*Race and Ethnicity	Total Number of Employee
Malay	71
Chinese	39
Indian	6
Others**	69

*FPE 2023 and FYE 2024 does not include figures from VNP and VTT. Data was tracked since FYE 2025

**Mainly consists of foreign workers from Nepal

Race and Ethnicity at VNP
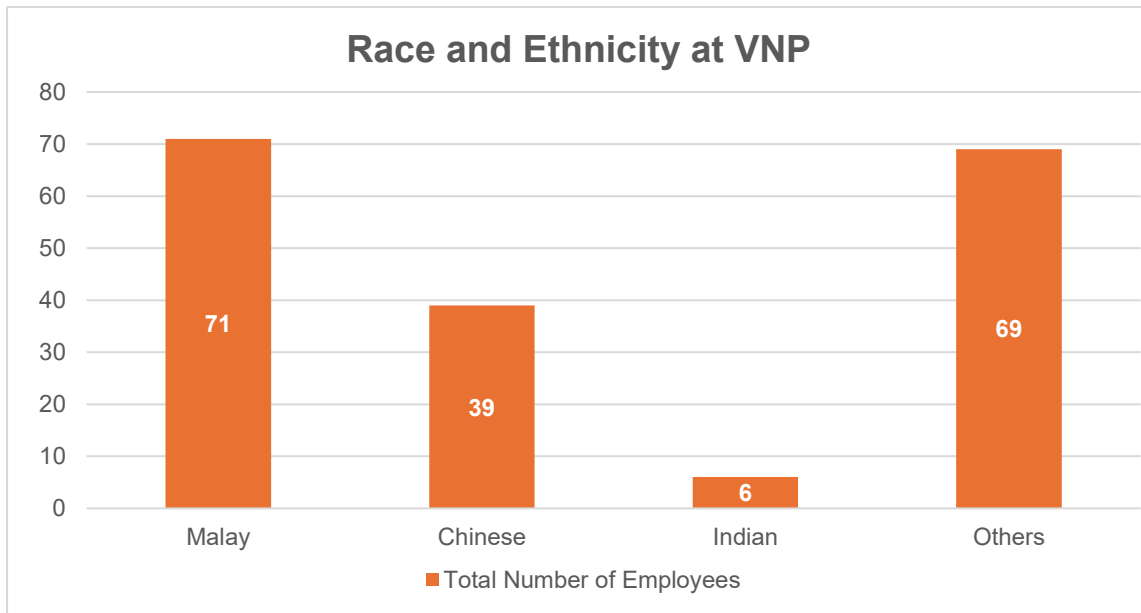
Thailand

*Race and Ethnicity	Total Number of Employee
Malaysian	3
Thai	297
Vietnamese	2
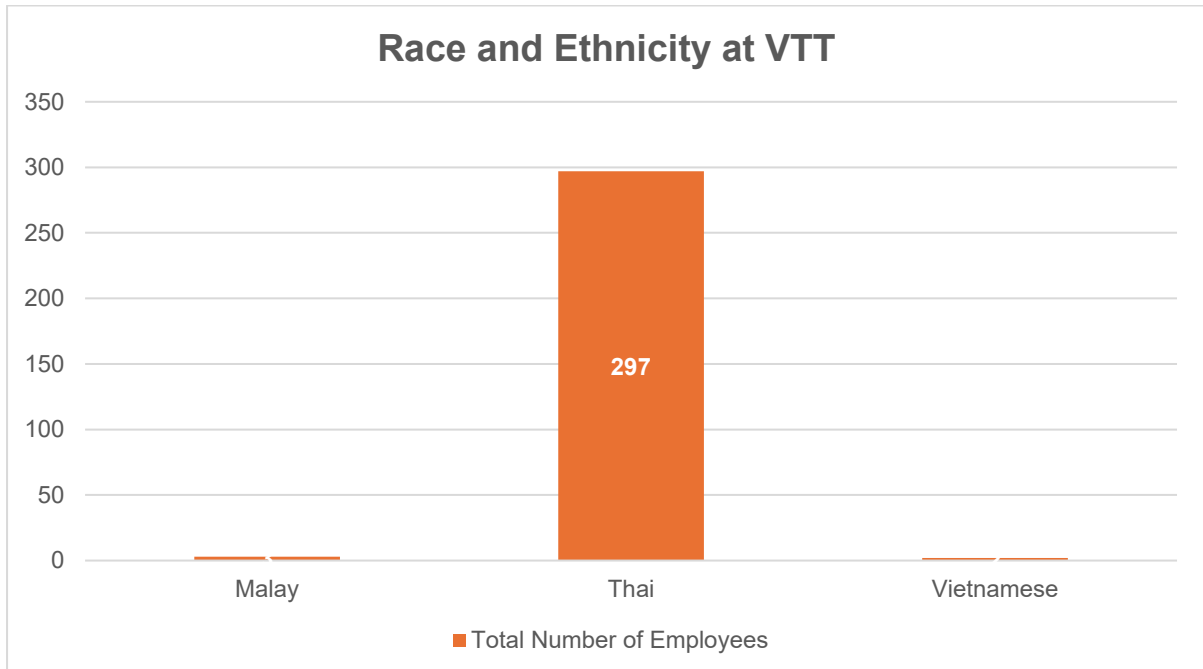
Race and Ethnicity at VTT

FPE 2023 and FYE 2024 does not include figures from VNP and VTT. Data was tracked since FYE 2025

We strived to attract and develop talent from all backgrounds, fostering a culture of meritocracy where individuals are judged on their skills, experience, and contributions. Our approach is to create an environment where every employee feels valued and can reach their full potential, contributing to our collective growth and innovation.

EMPLOYEE MANAGEMENT

At Volcano, our people are our most valuable asset. We are committed to fostering a workplace that supports their growth, well-being, and professional development. Our approach to employee management is built on principles of fairness and respect, ensuring that we create a positive and productive environment where everyone can thrive. The employee composition at Volcano is as follows.

OUR PERFORMANCE

Volcano Group (VNP & VTT)

Total Number of Employees at Volcano Group
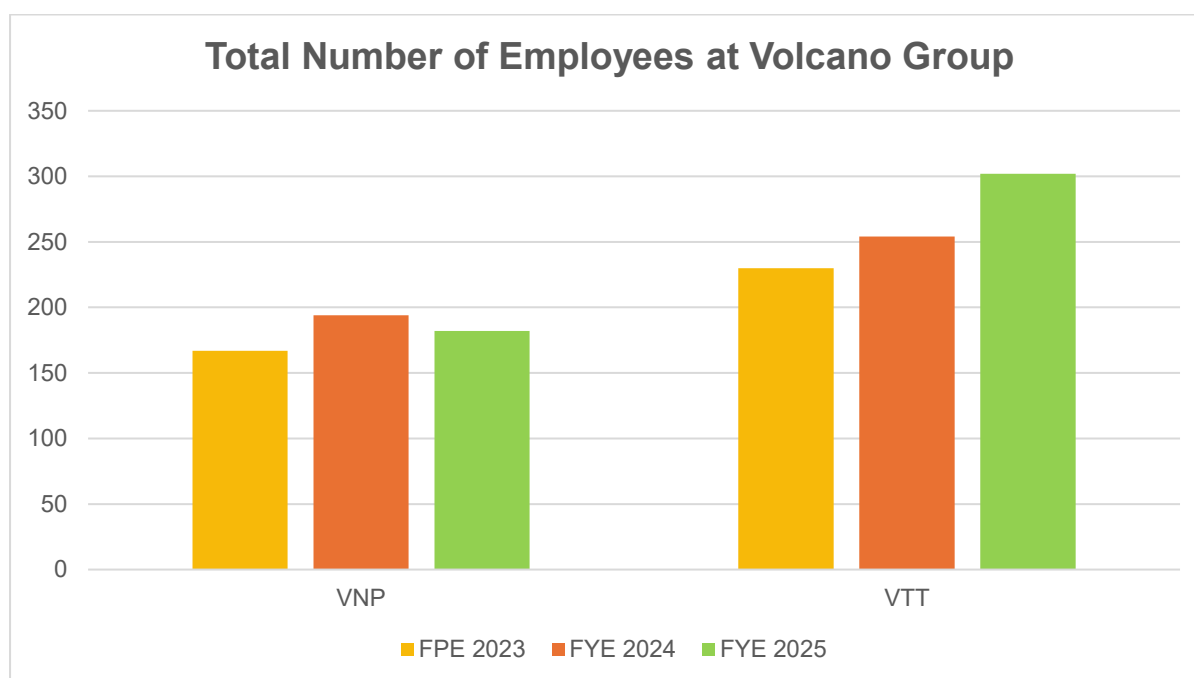
Year	Malaysia (VNP)	Thailand (VTT)	Total
FPE 2023	167	230	397
FYE 2024	194	254	448
FYE 2025	182	302	484

TEMPORARY AND CONTRACT EMPLOYEE PREVALENCE

This section details the proportion of our staff comprised of temporary workers and independent contractors within the total workforce. It offers a clear view of the reliance on a flexible, contingent workforce as opposed to our core, permanent workforce.

OUR PERFORMANCE

Malaysia (VNP)

The workforce is primarily contingent, with only 46.71% comprising permanent employees. Over half of the staff are non-permanent, specifically temporary employees and contract employees, suggesting the organisation prioritises flexibility and a lighter, non-core staffing model.

Thailand (VTT)

As for VTT, all of employee are 100% permanent.

EMPLOYEE TURNOVER AND NEW HIRES

Attracting and retaining talent is essential for our long-term success. We focused on creating a positive work environment and providing opportunities for growth to keep our employees engaged.

We tracked employee turnover and new hires as key indicators of our ability to build a stable and skilled workforce.

OUR PERFORMANCE

Volcano Group (VNP & VTT)

Employee Turnover			
Year	Employee Category	Malaysia (VNP)	Thailand (VTT)
FPE 2023	Management	1	1
	Executive	3	5
	Non-Executive	3	19
	General Worker	12	78
FYE 2024	Management	1	0
	Executive	2	4
	Non-Executive	0	5
	General Worker	25	69
FYE 2025	Management	0	1
	Executive	5	1
	Non-Executive	0	13
	General Worker	31	41

*New Hires			
Year	**Employee Category**	Malaysia (VNP)	Thailand (VTT)
FYE 2025	Management	**0**	**5**
	Executive	**0**	**3**
	Non-Executive	**4**	**14**
	General Worker	**19**	**89**

FPE 2023 and FYE 2024 does not include figures from VNP and VTT. Data was tracked since FYE 2025

Sustaining our workforce and attracting new talent are key to our long-term success. We will continue to monitor our employee turnover and new hire data to ensure we are building a stable and skilled team for the future.

TRAINING AND DEVELOPMENT

At Volcano, we believe in investing in our people. We provide a range of training and development opportunities to help our employees build new skills and advance their careers.

This is crucial for us as it directly supports our vision to be "*The Brand Behind All Brands*." By ensuring our team has the capabilities needed for continuous innovation and excellence, we can deliver the quality and solutions our global customers expect, which is essential for our success

Quality Awareness Training

Training conducted at VNP and VTT

Professional and Leadership Development

- Integrated Negotiation Techniques

- Mastering Leadership Communication

- Employees welfare fund

Financial and Administration

- Taxes for accountant and taxation all system

- Update the withholding tax salary, wages, welfare and others allowance of employees in Y2024 that accountant

- Beginner Guide to Deferred (Tax Webinar 3.0)

- Dissecting The Recent Amendments to the PDPA 2020 and Companies Act 2016

- Company Computer Usage, Rule & Cyber Security knowledge sharing

- Implementing Effective Corporate Governance Practices

- Supplier Code of Conduct

Economic, Environment, Social, and Governance (EESG)

- TCFD Scenario Analysis and Risk Assessment

- GRI Materiality and Stakeholder Engagement

- TCFD Disclosure and Reporting Process

- GRI Assurance and Verification

- Frameworks & Strategies for TCFD Governance & Implementation

- GRI & TCFD Integration & Reporting Synergies

- Understanding Corporate Governance in ESG Context

- Frameworks & Strategies for GRI & TCFD Future Trends & Emerging Issues

- Scheduled Waste: Environmental Ethics & Technologies Favouring Sustainability Agenda

> **Quality Management and ISO**
>
> - Controlling documents and records according to the ISO system
>
> - Understanding ISO 26000 - Social Responsibility in Organisation Based on ILO Standards
>
> - Leadership and Quality Management representative
>
> - Quality Awareness Training 2024
>
> - IATF Rules 6th Edition: Key Change

OUR PERFORMANCE

Malaysia (VNP)

Total Training Hours at VNP
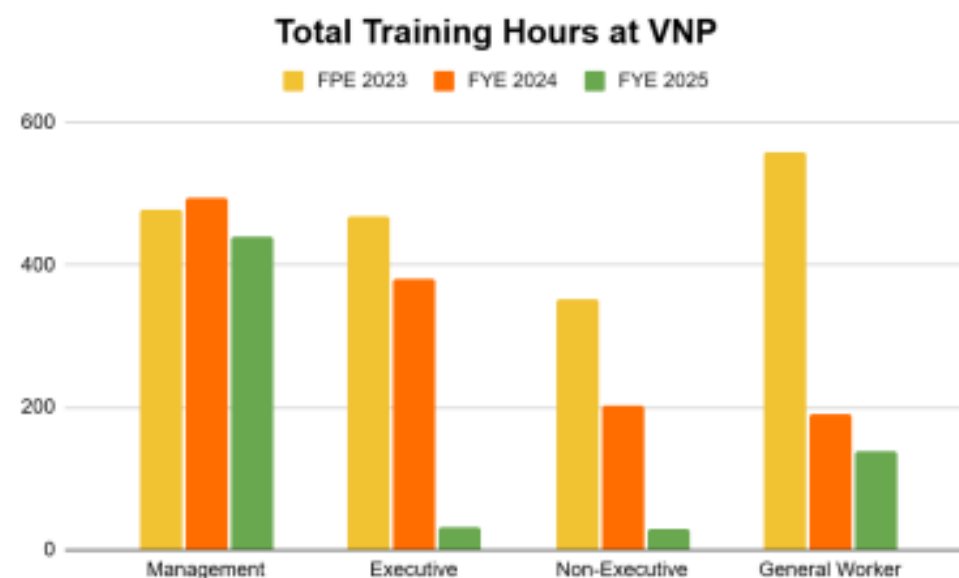
Year	Employee category	Total training hours
FPE 2023	Management	477
	Executive	467
	Non-Executive	352.5
	General Worker	557.5
FYE 2024	Management	493
	Executive	380.5
	Non-Executive	202.5
	General Worker	189.5
FYE 2025	Management	439
	Executive	32
	Non-Executive	30
	General Worker	138

Thailand (VTT)

Total Training Hours at VTT
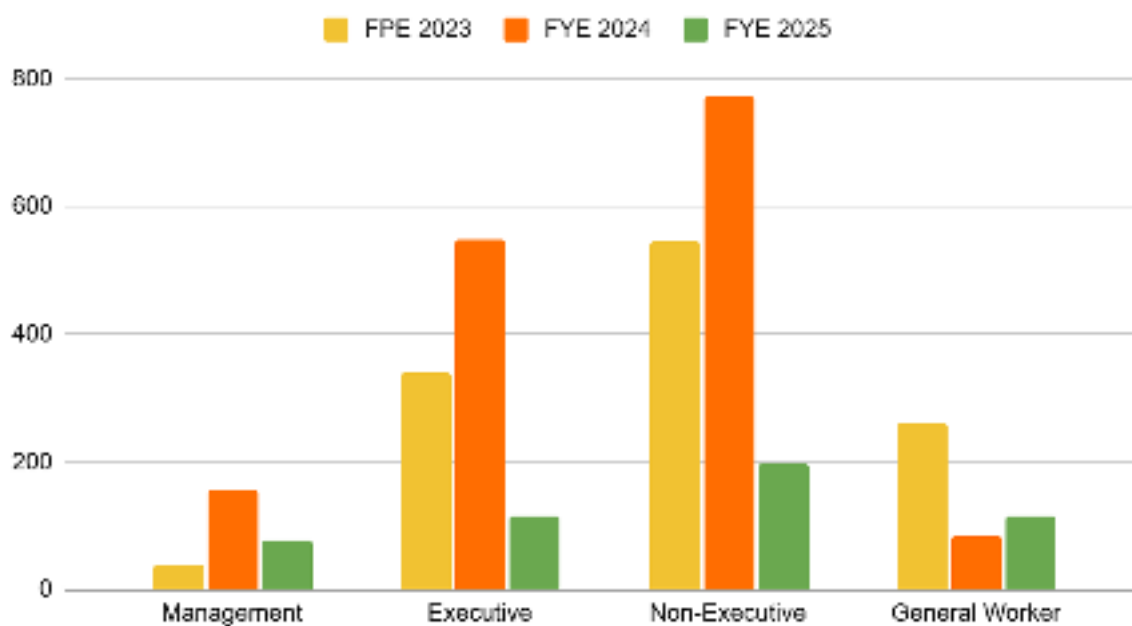
Year	Employee category	Total training hours
FPE 2023	Management	40
	Executive	341
	Non-Executive	544
	General Worker	259
FYE 2024	Management	156
	Executive	547
	Non-Executive	774
	General Worker	84
FYE 2025	Management	78
	Executive	114
	Non-Executive	198
	General Worker	114

EMPLOYEE ENGAGEMENT AND WELL-BEING

To support our team's well-being and foster a positive workplace culture, Volcano undertook several initiatives in 2025. This included an annual lunch gathering, which provide a platform for our management and VNP employees to connect. Additionally, we provide essential supplies like rice and cooking oil to our foreign workers and upgraded their accommodation to ensure a more comfortable living environment. These actions are part of our ongoing effort to show appreciation and care for our entire workforce.

Foreign Workers Accommodation

Annual Gathering

Annual Gathering

Rice and Cooking Oil Giveaway

COMMUNITY ENGAGEMENT AND DONATION

This section outlines how Volcano provide active support to local communities over the course of the reporting period. Specifically, it includes a comprehensive overview of our financial donations, the dedication shown in our employee volunteer efforts, and the tangible results of our community investment projects executed across both Malaysia and Thailand. We strategically focus our support on areas where our resources and expertise are best positioned to deliver a practical, meaningful, and positive difference.

OUR PERFORMANCE

Volcano Group (VNP & VTT)

In VNP, we actively supported its local communities by organising food drives and contributing essential donations to those in need. The initiative reflects a practical approach to addressing immediate challenges faced by vulnerable groups, with employees volunteering their time and effort to ensure the support reaches the right places. Rather than being a one-off gesture, the programme is part of VNP's broader commitment to being a responsible neighbour and strengthening the communities in which it operates.

In VTT, for Buddhist Lent Day, we visited local temple to take part in volunteering activities and to support a food drive for the monks and surrounding communities. The

initiative was carried out with the help of employees who contributed their time and resources to provide essential items and assistance. This effort reflects the Company's intention to give back in a meaningful way and to strengthen its connection with the people and places around it.

Together, we donated RM 22,109.43 as a Group for this financial year.

Volunteering and donation for Buddhist Lent Day

Xin Shan Le Donation

Orphanage Food Drive & Installed two Water Filter

One Hope Food Drive

APPENDIX

BURSA MALAYSIA SECURITIES BERHAD KEY PERFORMANCE INDICATOR LIST

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	**100.00**
Executive	Percentage	**100.00**
Non-Executive/Technical Staff	Percentage	**100.00**
General Workers	Percentage	**100.00**
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	**0.00**
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	**0.00**
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	**22,109.43**
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	**4.00**
Bursa (Diversity)		
Management Under 30	Percentage	**0.00**
Management Between 30-50	Percentage	**55.00**
Management Above 50	Percentage	**45.00**
Executive Under 30	Percentage	**20.00**

Indicator	Measurement Unit	2025
Executive Between 30-50	Percentage	76.00
Executive Above 50	Percentage	4.00
Non-Executive/Technical Staff Under 30	Percentage	40.00
Non-Executive/Technical Staff Between 30-50	Percentage	51.00
Non-Executive/Technical Staff Above 50	Percentage	9.00
General Workers Under 30	Percentage	53.00
General Workers Between 30-50	Percentage	45.00
General Workers Above 50	Percentage	2.00
Gender Group by Employee Category		
Management Male	Percentage	62.00
Management Female	Percentage	38.00
Executive Male	Percentage	31.00
Executive Female	Percentage	69.00
Non-Executive/Technical Staff Male	Percentage	40.00
Non-Executive/Technical Staff Female	Percentage	60.00
General Workers Male	Percentage	34.00
General Workers Female	Percentage	66.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	100.00
Female	Percentage	0.0
Under 30	Percentage	0.0
Between 30-50	Percentage	0.0

Indicator	Measurement Unit	2025
Above 50	Percentage	**100.00**
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	**4,483**
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	**0.00**
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	**0.00**
Bursa C5(c) Number of employees trained on health and safety standards	Number	**135.00**
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	**517.00**
Executive	Hours	**146.00**
Non-Executive/Technical Staff	Hours	**482.00**
General Workers	Hours	**228.00**
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	**253.00**
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	**1.00**
Executive	Number	**6.00**
Non-Executive/Technical Staff	Number	**13.00**
General Workers	Number	**72.00**
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	**0.00**

Indicator	Measurement Unit	2025
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	**52.85**
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	**0.00**
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	**42.99**
Bursa (Waste Management)		
Bursa C10(a) Total Waste Generated	Metric Tonnes	**225.80**
Bursa C10(a)(i) Total waste diverted from disposal	Metric Tonnes	**136.19**
Bursa C10(a)(ii) Total waste directed to disposal	Metric Tonnes	**89.61**
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO$_2$e	Metric Tonnes	**112.13**
Bursa C11(b) Scope 2 emissions in tonnes of CO$_2$e	Metric Tonnes	**2,435.63**
Bursa C11(c) Scope 3 emissions in tonnes of CO$_2$e (at least for the categories of business travel and employee commuting)	Metric Tonnes	**560.52**
(*) Restated		

GREEN REPORTING INITIATIVE INDEX

GRI Standard	Data Metric	Reference	
GRI 302-1	Energy consumption within the organization	SCOPE EMISSIONS	2
GRI 302-2	Energy consumption outside of the organization	-	
GRI 302-3	Energy intensity	SCOPE EMISSIONS	2
GRI 302-4	Reduction of energy consumption	SCOPE EMISSIONS	2
GRI 303-1	Water withdrawal by source	-	
GRI 303-2	Water sources significantly affected by withdrawal	-	
GRI 303-3	Water recycled and reused	-	
GRI 305-1	Direct (Scope 1) GHG emissions	SCOPE EMISSIONS	1
GRI 305-2	Energy indirect (Scope 2) GHG emissions	SCOPE EMISSIONS	2
GRI 305-3	Other indirect (Scope 3) GHG emissions	SCOPE EMISSIONS	3
GRI 305-4	GHG emissions intensity	EMISSION MANAGEMENT	
GRI 305-5	Reduction of GHG emissions	-	
GRI 306-1	Waste generation and significant waste-related impacts	WASTE MANAGEMENT	
GRI 306-2	Waste by type and disposal method	WASTE MANAGEMENT	
GRI 306-3	Significant spills	-	
GRI 307-1	Non-compliance with environmental laws	-	
GRI 308-1	New suppliers that were screened using environmental criteria	-	

GRI Standard	Data Metric	Reference
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	-
GRI 401-1	New employee hires and employee turnover	EMPLOYEE TURNOVER AND NEW HIRES
GRI 401-2	Benefits provided to full-time employees	-
GRI 401-3	Parental leave	-
GRI 403-1	Occupational health and safety management system	OCCUPATIONAL SAFETY AND HEALTH (OSH)
GRI 403-2	Hazard identification, risk assessment, and incident investigation	SAFETY MANAGEMENT SYSTEM (SMS)
GRI 403-3	Occupational health services	-
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	OCCUPATIONAL SAFETY AND HEALTH (OSH)
GRI 404-1	Average hours of training per year per employee	TRAINING AND DEVELOPMENT
GRI 404-2	Programs for upgrading employee skills	TRAINING AND DEVELOPMENT
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	-
GRI 405-1	Diversity of governance bodies and employees	GENDER DIVERSITY , AGE DIVERSITY
GRI 405-2	Ratio of basic salary and remuneration of women to men	EMPLOYEE ENGAGEMENT AND WELL-BEING

GRI Standard	Data Metric	Reference
GRI 406-1	Incidents of discrimination and corrective actions taken	EMPLOYEE ENGAGEMENT AND WELL-BEING
GRI 407-1	Operations with risks to freedom of association	-
GRI 408-1	Operations and suppliers at risk for child labour	EMPLOYEE ENGAGEMENT AND WELL-BEING
GRI 409-1	Operations and suppliers at risk for forced labour	EMPLOYEE ENGAGEMENT AND WELL-BEING
GRI 413-1	Operations with local community engagement	COMMUNITY ENGAGEMENT AND DONATION
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	-
GRI 414-1	New suppliers screened using social criteria	-
GRI 414-2	Negative social impacts in the supply chain and actions taken	-
GRI 205	Anti-Corruption Training	ANTI BRIBERY AND CORRUPTION POLICY
GRI 418	Customer Privacy Complaints	WHISTLEBLOWING POLICY

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LIMITED STATEMENT OF ASSURANCE ON VOLCANO BERHAD ("VOLCANO" OR "THE COMPANY") SUSTAINABILITY STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

To: Board of Directors, Stakeholders and Interested Parties of VOLCANO

Introduction and Objective

Visionwide Sustainability Sdn Bhd ("Visionwide") has been engaged by VOLCANO, in the capacity as an outsourced Internal Auditor, to conduct a limited review on the Sustainability Statement of VOLCANO for the financial year ended 30 June 2025 ("FYE 2025") ("Statement").

Visionwide is providing limited assurance on the accuracy and reliability of the specific social sustainability performance information on the subject matters narrated in the "Scope and Subject Matters" section below. This limited assurance statement applies to the related social information as described below.

Methodology

Our overall verification was conducted with reference to Bursa Malaysia Securities Berhad's Sustainability Reporting Guide 3rd Edition and the Ace Market Listing Requirements in relation to the sustainability statement. In addition, we have also referred to United Nation's Sustainability Development Goals as well as the Global Reporting Initiative for the evaluation on the overall presentation of the Statement. Furthermore, we have integrated the standards and principles set forth in the Institute of Internal Auditors' International Professional Practices Framework while conducting the review.

Our verification and evaluation works were planned and carried out to provide a limited, rather than an absolute assurance on the information/data disclosed in the Statement. We have conducted our verification and evaluation based on the following procedures:

- Interview and discussion with the key personnel who are responsible for collating relevant sustainability reporting information and writing various parts of the Statement.
- Review internal and external supporting documentation.
- Cross-reference and check on the qualitative and quantitative information collected from various sources.
- Verify the specific social sustainability performance data of the subject matters as narrated in the "Scope and Subject Matters" section below, on sampling basis.
- Review the overall presentation of the Statement.

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During the verification and evaluation process, issues noted on the accuracy of certain information disclosed in the draft Statement were raised and clarified with the Management of VOLCANO. Subsequent rectifications or amendments were properly incorporated in the final Statement.

Scope and Subject Matters

The following common social sustainability indicators relate to Volcano Berhad and all its subsidiaries, for the period from 01 July 2024 to 30 June 2025 ("Reporting Period").

The selected common sustainability indicators presented in the Statement, which are subjected to our verification, include:

No.	Common Social Sustainability Indicator	Areas Covered	
1.	Diversity & Inclusion	(ii)	Percentage of employees by gender and age group, for each employee category (by position level and function); and
		(ii)	Percentage of directors by gender and age group.
2.	Employee Health and Safety	(ii)	Total number of lost-time injuries (LTI) and Lost-Time Injury Frequency Rate (LTIFR); and
		(ii)	Policies on Occupational Safety and Health (OSH).
3.	Labour Practices	(ii)	Employee turnover rate; and
		(ii)	Total training hours per employee, broken down by employee category.
4.	Community/Social Investment	(i)	Total value of community investments/contributions (e.g., in cash or in-kind).

Collectively known as ("Subject Matters").

Limitation

Our responsibility to provide a limited assurance is subjected to the following limitations as our procedures exclude the verification and evaluation of the following:

- Information/data of the Subject Matters outside of the Reporting Period.
- Other information contained in VOLCANO Annual Report for the FYE 2025.
- Data from any contractor or third-party.

This limited assurance engagement relies on a risk-based sampling basis for data samples selection and hence this limited assurance statement should not be relied upon to detect all errors, omissions or misstatements that may potentially exist.

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Conclusion

Based on our methodology and the evidence that we have obtained on the matters covered in the Subject Matters as described above, Visionwide Sustainability Sdn Bhd is of the view that the Subject Matters as disclosed in the Statement are fairly stated, properly prepared and supported.

Yours faithfully,

Cheng Lai Chuan
Director
Visionwide Sustainability Sdn. Bhd.

Date: 14 October 2025

Agreed and accepted by:

For and on behalf of
Volcano Berhad

Date: 14 October 2025