

STATEMENT OF COMMITMENT TO ADDRESSING CLIMATE CHANGE RISKS AND IMPACTS

INTRODUCTION

The issue of climate change is regarded as a material topic of significance for MY E.G. Services Berhad (“MYEG”) and its subsidiaries (the “Group”) due to its ability to significantly impact the environment, community and other valued stakeholders in a negative manner.

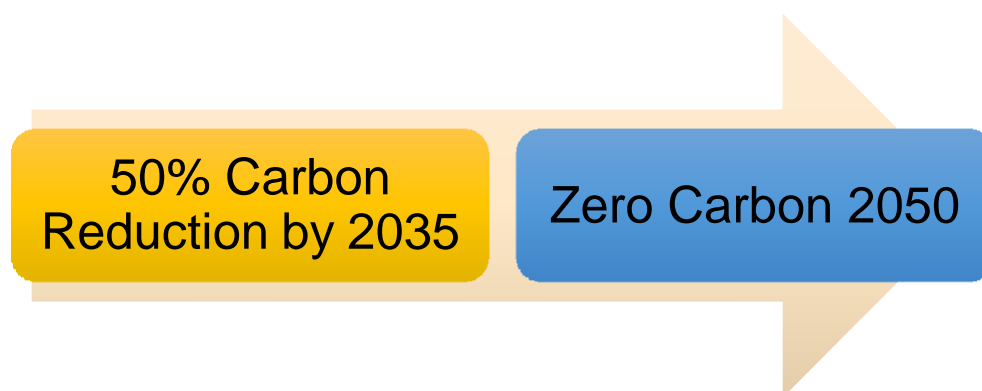
The Group remains committed to monitor, mitigate and reducing its environmental footprint to reduce the actual impacts and potential threats of climate change, in particular when it comes to the Group’s consumption of electricity and production of emissions.

Furthermore, MYEG recognises the risks and opportunities posed by climate change and environmental factors, even for technology-based businesses with less extensive exposure to physical inputs and raw materials. Rising temperatures, flash floods and other adverse weather conditions can impact MYEG’s physical presence in its operating markets, including potential disruptions to movement of personnel, which in turn may affect service delivery levels.

In view of the above, MYEG’s Board of Directors (“Board”) and Senior Management are cognisant of the increasing risks posed by climate change and the importance of monitoring, managing, mitigating and reducing such risks in a strategic and orderly manner. Therefore, the Group is structured in a way that gives the Board key oversight over policies and management of the climate change considerations.

Since 2022, MYEG has committed to achieving a target of Zero Carbon by 2050. In line with its Zero Carbon commitment, MYEG is reviewing all aspects of its business model and operations towards realising the set target.

The realisation of Zero Carbon by 2050 will be guided by the following frameworks and policies:



- United Nations Sustainability Development Goal 13: Climate Action
- Bank Negara Malaysia: Climate Change and Principle-based Taxonomy
- Global Compact Malaysia (MYClimateAction Guide)

- Malaysian Government's National Policy on Climate Change
- Task Force on Climate-Related Financial Disclosures ("TCFD")

The Group is committed to further aligning its management approach to the aforementioned going forward.

APPROACH TO CLIMATE CHANGE BASED ON TCFD

MYEG's main approach towards tackling climate change and related impacts is based on the TCFD.

The four pillars of the TCFD are as follows:



CLIMATE CHANGE IN RELATION TO THE BUSINESS MODEL

MYEG's business model, which is the delivery of electronic government and commercial services is for the most part, not directly impacted by climate change issues. Similarly, the Group's business model is also not resource-intensive in terms of the consumption of energy and other natural resources.

Digital services reduce, if not eliminate, the need for traveling and consequently, contribute to a reduced environmental footprint.

However, we understand that the expansion of the Group's foreign worker hostel business can lead to an expansion in energy and resource consumption and consequently emissions. Nevertheless, the Group intends to incorporate green building standards that pay attention to air quality and waste

management for its hostel projects, contributing toward the reduction of environmental impacts.

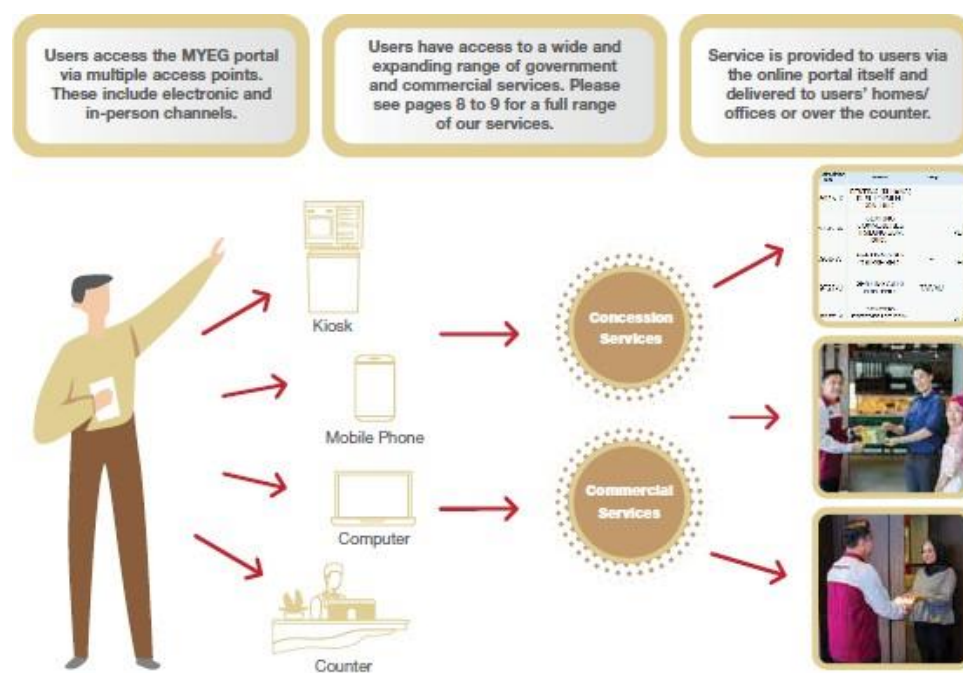
Meanwhile, an increasing acceptance of digital documents among stakeholders – be it the government, businesses or individuals -- in place of conventional paper documents suggests that fulfilment of physical deliveries by the Group's fleet of cars and motorcycles can be reduced overtime, which in turn bodes well for the Group's aspirations to progressively reduce vehicle emissions.

Toward this end, in the medium to long-term, MYEG's application of blockchain will enable more services to become 100% digital and thus reduce the requirements for physical delivery to complete the last mile loop.

Improved processes in turn lead to increased efficiency and productivity, which will translate into reduced energy consumption, reduced waste produced and other ecological benefits

Hence, the Group is focussed on developing strategies, notably through the adoption of blockchain technologies (see below on page 4 for more information) to deliver fully digitalised services.

The Group's business model is depicted in the diagram below (extracted from page 40 of the MYEG FY2022 Annual Report).



ADDRESSING CLIMATE CHANGE THROUGH BLOCKCHAIN TECHNOLOGY

As mentioned above, a key strategy for MYEG in its management approach to achieving Zero Carbon by 2050 is through blockchain technological solutions.

The Group views blockchain not just as being instrumental in realising its own Zero Carbon aspirations, but also in enabling more companies and economic

sectors to realise their aspirations of carbon neutrality and in supporting Malaysia's drive to become carbon neutral by as early as 2050.

The focus on blockchain is strategic as the technology serves as an enabler for MYEG's Zero Carbon aspirations, and it also enables entire industries and value chains to realise their ambitions of Zero Carbon or carbon neutrality. In essence, MYEG views its blockchain technologies to be a catalyst that contributes to the realisation of Malaysia's aspirations of becoming a Zero-Carbon nation as early as 2050.

Since FY2021, MYEG has progressively brought to market various blockchain solutions. The most significant breakthrough has been the deployment of MYEG's own Zetrix layer-1 blockchain in 2022, which is significantly more energy efficient compared with first generation blockchain deployments. (See UNSDG Target 13.2 on page 12)

Zetrix paves the way for the emergence of a decentralised applications platform that supports full supply chain traceability, decentralised resource management, sustainable finance, sustainability monitoring and verification, transformation of carbon markets and more.

For a start, Zetrix sets the foundation for the development of a decentralised applications platform that supports supply chain traceability and financing. The Group's deployment of decentralised supply chain and trade financing solutions such as ZTrade, a dedicated green lane for priority processing of trades between China and the rest of the world, and TradeFi, a supply chain financing offered in partnership with financial institutions, are cases in point.

These services illustrate the vast potential for blockchain technology to enable not only faster and more secure processing of global trades, but also facilitate the verification of claims of sustainability and product certifications from the source right to the consumer. Consumers can then make more informed choices when purchasing products and services, which can translate into greater demand for ethically-produced and climate-friendly products.

Zetrix blockchain solutions are designed to reduce operational time and cost through enhanced efficiency and productivity across all industries given the technology's capacity to simplify and digitalise conventional, manual business processes, which can often be inefficient and tedious.

Improved processes in turn lead to increased efficiency and productivity which will translate into reduced energy consumption, reduced waste produced and other ecological benefits.

MYEG's Zetrix layer-1 blockchain supports the digitalisation of transactions, services, assets, and identities. Zetrix will accelerate the adoption of paperless, fully digital interactions and transactions, thus contributing to global climate change mitigation and carbon reduction.

In addition, Zetrix enables many of MYEG's present services to be fully digitalised from start to end, thereby reducing physical last-mile connections as consumers can access their digital products completely online. This will

contribute to reduction in energy consumption for both MYEG and end consumers.

The decentralised and open nature of the Zetrix platform can be leveraged easily by industries and nations to derive the aforementioned strategic advantages.

The Group ultimately sees innovation as critical to unlocking solutions towards decarbonisation and therefore also aims to leverage on Web3 technologies as a key enabler towards realising a carbon-free future, not just in its own businesses, but at the wider national and global level as well.

CLIMATE CHANGE AND THE SUPPLY CHAIN

The Group is cognisant that there are environmental impacts that occur outside of its direct control, arising from the operations of its suppliers and business partners across its value chain.

Among steps being taken by the Group to ensure greater attention is paid to foster sustainable practices along its supply chain are:

- Sourcing environmentally-friendly products and services,
- Using energy-saving or inverter electrical appliances,
- Using bio-degradable packaging materials,
- Engaging certified professionals with recognised qualifications in relation to environmental matters, e.g. regulatory-approved IT, clinical or solid waste disposal service providers.

MYEG commits to establishing a policy to prioritise vendors who offer Green Technology (“Greentech”) solutions and offer certified sustainable products and services.

MYEG acknowledges the importance of engaging like-minded third parties going forward, toward delivering a larger, cumulative impact in addressing climate change and other Environmental, Social, and Governance (ESG) issues. Aside from existing stringent policies formulated to guide the conduct of third parties, the Group will continue to explore strategies to facilitate effective engagement with its value chain.

ELECTRICITY CONSUMPTION: POTENTIAL CONTRIBUTORY IMPACTS TO CLIMATE CHANGE

MYEG acknowledges that its consumption of energy may be a contributory factor in Greenhouse Gas (GHG) emissions. Electricity consumption is the Group’s largest energy source. MYEG shall pursue increased energy efficiency as well as outright reduction in electricity consumption sourced from the national grid.

At present, the largest consumers of energy within the Group are its data centres. MYEG has in place various energy-efficient features at on-premises data centres within its servers and cooling systems that aim to reduce overall energy consumption.

The Group is committed to reducing electricity consumption as this is the primary source of energy consumed by the Group. A wide range of measures are being introduced toward driving energy efficiency. This includes introducing energy-saving measures / practices among staff, such as replacing lighting with LED-based variants and using energy-saving lower power consumption units for most of our servers.

In particular, for the on-premises Data Centre under MYEG, energy efficiency had been factored in during the initial design back in 2016. Some of the items that are already put in place include the use of In-Row Cooling system instead of Computer Room Air Conditioning (CRACS) unit, which requires higher fan power to keep the entire room cooling. Our In-Row cooling system's temperature is maintained at 21-23 degree Celsius, unlike hosting providers' 18-19 degree Celsius, which consumes more energy.

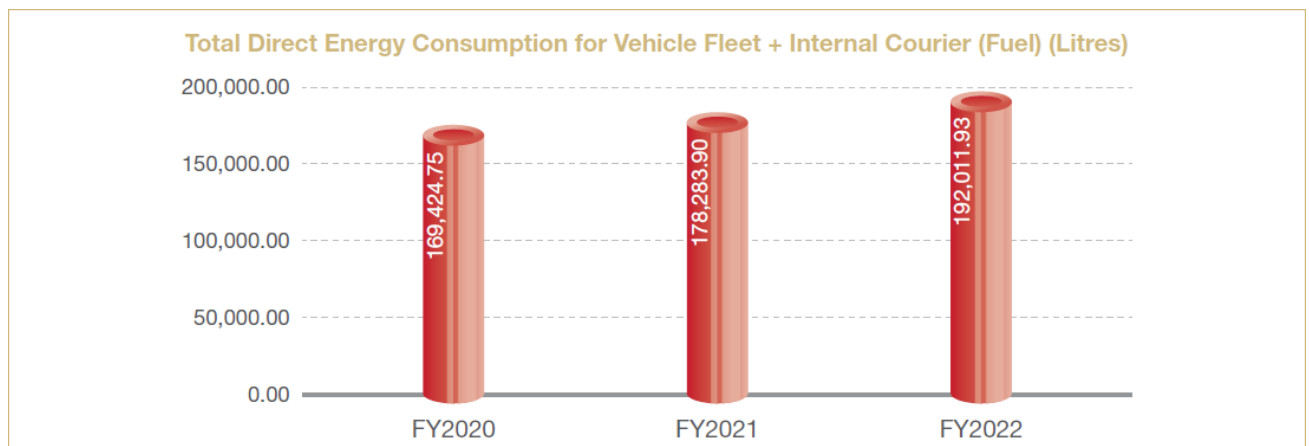
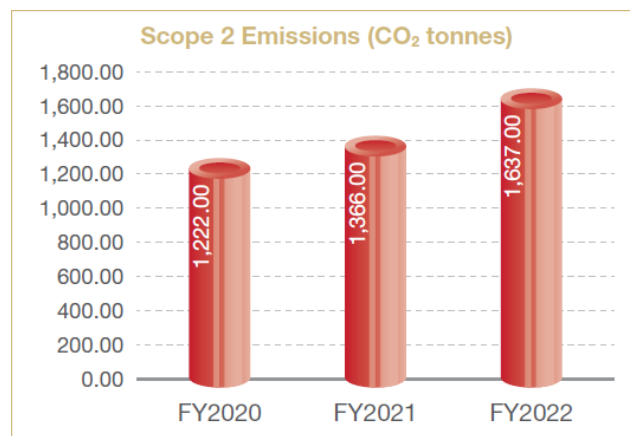
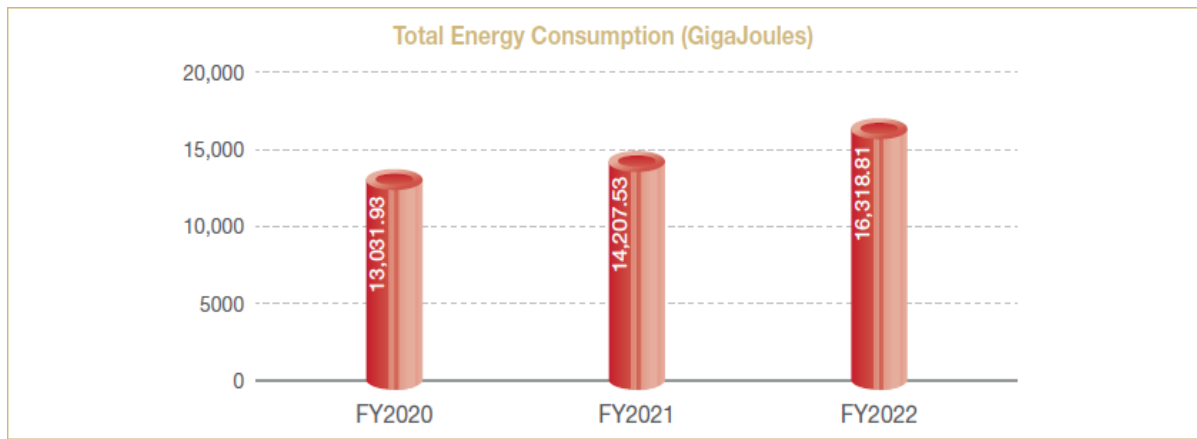
Our Data Centre is also designed based on Hot-Aisle Containment solutions. Hot air released by servers and equipment are contained within the hot aisle and not released into the open air, thus maintaining the data centre's temperature and requiring less energy to cool it down.

Other methods include transitioning to renewable energy ("RE") for its operations, where possible. The use of e-vehicles as substitutes for conventional motorcycles may also be considered going forward, if feasible. In this regard, in 2023, MYEG signed a memorandum of understanding with Oyika Green Technologies Sdn Bhd to collaborate on the use of electric motorcycles and placement of battery swapping stations at designated locations for a trial period.

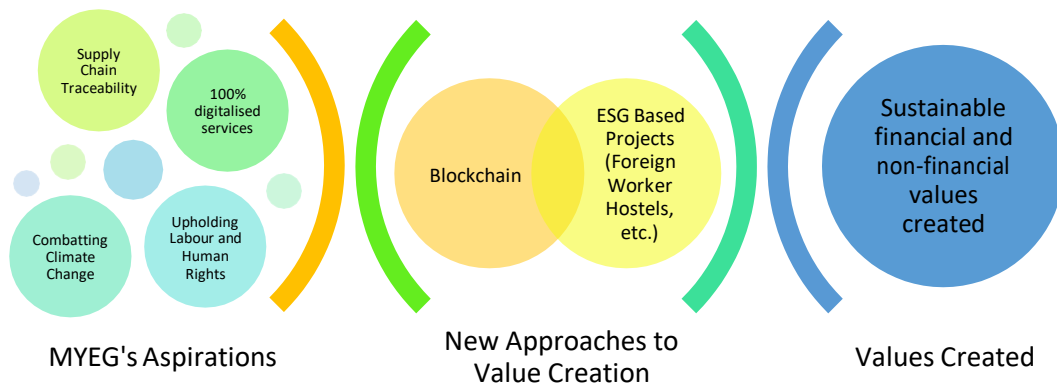
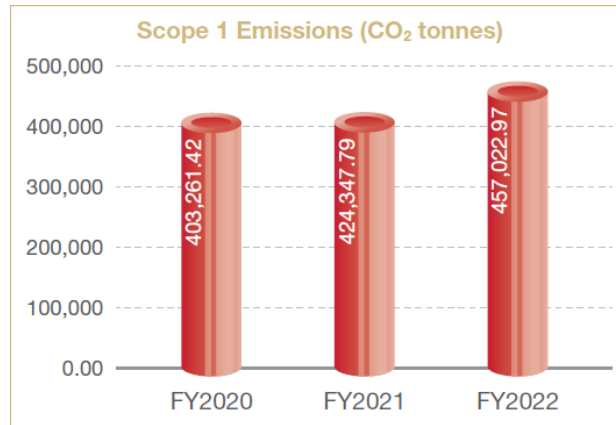
In developing a comprehensive approach to manage energy consumption, MYEG is studying the feasibility of adopting an energy management system or energy efficiency standards suitable for its industry and business model.

Since FY2021, MYEG has been disclosing its fuel and electricity consumption data for a 3-year period on a rolling basis.

Going further, MYEG shall commit to collecting data for the calculation of Scope 3 emissions.



Note: Scope One Energy is calculated from the usage of diesel, petrol etc in litres.




KPIS AND TARGETS



Going forward, the Group is committed to further aligning its management approach towards setting up and accomplishing the relevant climate change Key Performance Indicators (KPIs). These include:

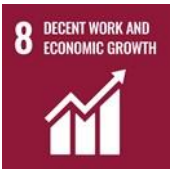
KPI	METRIC	RATIONALE
Fuel Consumption Intensity	Total direct fuel consumption (in litres) per annum / Group revenue per annum	Fuel consumption results in the production of vehicle emissions that include air pollutants and GHG which contribute to climate change. The Group with its expansion of delivery fleets needs to set KPIs to limit and monitor the overall fuel consumption, and at the same time, reduce MYEG's negative impact on the environment.
Electricity Consumption Intensity	Total electricity consumption (in MWh) per annum excluding electricity generated from RE / revenue per annum	MYEG's primary source of energy consumption is electricity and that is why it is deemed the most material to the Group. By setting targets for electricity consumption and implementing energy efficiency initiatives, the Group can reduce the fossil fuels burned to generate electricity and limit GHG emissions.



Scope One Emissions Intensity	Emissions attributed to fuel consumption (Tonnes CO _{2e}) / revenue	By setting targets for Scope 1 emissions, the Group can collectively work towards reducing direct emissions from sources owned by the Group which includes emissions produced from our facilities and vehicles. Additionally, to minimise the risk from carbon pricing mechanism.
Scope Two Emissions Intensity	Emissions attributed to electricity consumption (Tonnes CO _{2e}) / revenue	By setting targets for Scope 2 emissions, MYEG can focus on reducing the indirect emissions produced by the Group. This involves forms of purchased energy. For MYEG this would primarily involve electricity but also focus on other indirect energy consumed by the Group.


MYEG commits to the following objectives that are in line with UNSDG targets with ongoing and upcoming projects aligned to the realisation of these objectives:


UNSDG	UNSDG DESCRIPTION	GROUP ACHIEVEMENTS AND HIGHLIGHTS	UPCOMING PLANS
	Ensure healthy lives and promote wellbeing for all at all ages.	<p>For the Group:</p> <ul style="list-style-type: none"> Remained invested in affordable medicine and healthcare insurance for all employees. <p>For employees and the community:</p> <ul style="list-style-type: none"> Organised multiple blood donation campaigns to inculcate the culture of helping others. Provided posters / e-mail notifications / health tips on practising personal hygiene to better prevent COVID-19 infections. Ensured legal compliance for safe and healthy work procedures. Employees could choose to work from home when necessary. 	<ul style="list-style-type: none"> Maintain existing healthcare services while exploring potential services and systems to be introduced through our platform to the public, via partnerships and collaborations. Continue working closely with Komuniti MYEG (MYEG's CSR arm) to engage in health-related CSR initiatives.

	<p>Achieve gender equality and empower all women and girls.</p>	<ul style="list-style-type: none"> Continued upholding fair labour recruitment practices. Remained proactive in bolstering equal opportunity in the workplace, particularly granting equal opportunities in leadership roles for women in MYEG's workforce. Maintained a zero-tolerance approach to bullying, sexual harassment and unethical behaviour. Employees are encouraged to report ethical misconduct cases without being exposed or dismissed. Took appropriate actions to address proven cases. 	<ul style="list-style-type: none"> Introduce new effective safety measures for women in the workplace. Further enhance the grievance mechanism's accessibility. Ensure MYEG's female employees' full and effective participation, granting them equal workplace opportunities, including opportunities to assume leadership roles at all decision-making levels. Enhance the workplace's support structure for pregnant female employees beyond maternity leave provision.
	<p>Ensure inclusive and equitable Quality education and promote lifelong learning opportunities for all.</p>	<ul style="list-style-type: none"> Continued the Group's internship programme for various departments. Contributed RM612,249.30 in levy for Human Resource Development Funds in FY2022. Provided relevant job-related skills and motivational trainings to selected employees (please refer to the Talent Training and Development section for more data). Provided training and education for sustainable development to all employees. 	<ul style="list-style-type: none"> Expand the employee training and development budget and include more training modules to foster a more holistic workforce. Collaborate with government entities and higher education institutions to better align our internal training and education directives as related to MYEG's business and CSR goals, including responsible management. Introduce more training initiatives (e.g. internships, work-study programmes, traineeships, etc.) that give students earlier access and exposure to the corporate working environment. Provide employees with continuous on-the-job opportunities to improve their job-related skills for their current and future employment and promotion. Develop cost-effective education products and

			services that eliminate barriers to access and improve quality learning experiences (e.g. ICT solutions to improve training delivery, innovative measurement tools, etc.).
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<ul style="list-style-type: none"> • Bolstered business sustainability by entering new sectors via new services that provide more accessibility and convenience to citizens and governments. These new services leveraged on socioeconomic trends, such as healthcare and blockchain. • Consistently delivered financial and non-financial values to stakeholders, such as healthy earnings, shareholder dividends and more. • Contributed indirect economic values such as statutory payments to the government, employees' salaries, repayments to financiers and development of local supply chains. • Continued practising non-discrimination in employment. • Maintained equal remuneration, including benefits for work of equal value. • Continued to pay employees a living wage. 	<ul style="list-style-type: none"> • Explore potential new sectors to enter through innovative services and provide timely and consistent value to MYEG's platform and its consumers. • Invest in or mentor young entrepreneurs to inculcate an entrepreneurial culture. • Review MYEG's services and products continuously to retain efficiency and timeliness. • Propagate blockchain utilisation across operating markets, especially Malaysia, through possible governmental collaboration. • Introduce commercial services on MYEG-owned Zetrix blockchain, which is accessible globally. • Remain on the lookout for land / properties to build worker hostel facilities to aid foreign workers' housing initiatives in the country.

	<p>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</p>	<ul style="list-style-type: none"> • Successfully launched the Sukuk Wakalah Programme which would, in some capacity, help finance the groundwork for more foreign hostels to be built with green infrastructure capacities in mind. 	<ul style="list-style-type: none"> • More foreign worker hostels will be built based on the relevant green building standards, such as being equipped with specific models of refrigerant gas that has a lower impact on global warming, adoption of rainwater harvesting and storage systems to increase resource-use efficiency.
	<p>Reduce inequality within the workforce.</p>	<ul style="list-style-type: none"> • Bolstered accessibility of healthcare and financial services through relevant e-services to pivot MYEG as a platform that aims to reduce inequality in key spaces. • Launched the government organised PROTÉGÉ ready-to-work programme at MYEG in FY2022. The programme focuses on creating job opportunities by giving candidates on-the-job training with multiple job skills within six months to reduce inequality in candidates' skill sets. • Implemented and participated in various CSR activities designed to provide socio-economic improvement for targeted community segments. • Continued to provide balanced employment opportunities as an equal opportunity employer, including providing opportunities to those with physical disabilities. 	<ul style="list-style-type: none"> • Align future partnerships with charitable organisations and donation drives to better tackle timely matters such as COVID-19, flood disasters, etc. • Provide consistent support to the government-organised PROTÉGÉ programme at MYEG. • Actively seek to make accessible and inclusive hybrid work communication channels permanent, with digital or face-to face communication available to all employees, to foster a cohesive and equal work environment.

		<ul style="list-style-type: none"> • Maintained the availability of products and services for all income levels via BELI e-Mart by providing accessible and affordable groceries and other daily essentials. • Continued to progressively close the gap in equality when it comes to remuneration for male and female employees based on their job positions in the company. • Ensured relevant internal employee training modules remained accessible to as many employees as possible. 	
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> • In the medium to long-term, MYEG's blockchain application enables more services to become 100% digital, and thus reduces the requirements for physical delivery in communities to complete the last-mile loop. • MYEG's holistic digital services reduce, and in some instances, eliminate the need for people traveling using vehicles, which contribute to a sustainable society. 	<ul style="list-style-type: none"> • Incorporation of green building standards that pay attention to air quality and waste management in foreign worker hostels, and/ or refurbishment projects that will contribute to the reduction of environmental impact.

	<p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Fortified MYEG's holistic climate change commitments via drafting and enacting the MYEG Climate Change Commitment Statement, which follows the Statement of Commitment to Addressing Climate Change Risks and Impacts enacted earlier. • Maintained alignment of climate change initiatives with key governmental and international organisations, including adopting UNSDG 13 that is related to climate change. • Ensured climate change is a material topic under the oversight of the Board and Senior Management. • Continued Scope 1 and 2 carbon emissions monitoring. 	<ul style="list-style-type: none"> • Look into Scope 3 emissions tracking, including monitoring and disclosing fuel consumption data of our vehicle fleet along with the related emissions. • Strengthen governance and policy driven approaches when it comes to setting the pace of climate change commitment within the organisation. • Consider setting meaningful emissions intensity / efficiency targets to enhance climate change impact management and mitigation. • Potentially link remuneration to climate change and related sustainability targets. • Explore the innovation of tokenising carbon credits. • Zetrix blockchain is designed to use a Proof of Stake consensus mechanism, which ensures extensive energy savings (of up to 99%) compared with many other existing Proof of Work platforms.
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LINKAGE OF KPIS AND TARGETS TO BOARD AND SENIOR MANAGEMENT REMUNERATION

The Board may also consider implementing the best practice of linking remunerations to the achievement of climate change and other sustainability targets. These would be additional incentive-based remunerations and the matter is to be further deliberated by the Board.

PERIODIC REVIEW

This statement shall be updated as required on an annual basis.

It was reviewed and approved by the Board on 20 November 2023.