

MMCS GROUP Sustainability Policy

1. Introduction

This policy is intended to address MM Computer Systems Berhad and its subsidiary companies (MMCS Group). We are committed to sustainable growth that balances economic success with environmental responsibility and social well-being. This Sustainability Policy outlines our approach to integrating sustainability principles into our business operations, decision-making, and stakeholder engagement. This policy applies to all MMCS Group employees, contractors, suppliers, and business partners across all locations and operations.

2. Objective

The objective of this policy is to:

- Establish a structured approach for managing **Environmental, Social, and Governance (ESG)** factors across the organization.
- Align MMCS Group's business practices with globally accepted sustainability standards.
- Minimize our environmental footprint, maximize social impact, and strengthen governance to create long-term value for all stakeholders.
- Ensure our decisions and actions support a more resilient, responsible, and inclusive business environment.

3. Commitment

As part of our effort to develop informed and accountable sustainability practices, the MMCS Group carried out its first stakeholder engagement exercise to identify ESG topics most relevant to our operations. This initiative helped us better understand various stakeholder groups' priorities, expectations, and concerns, allowing us to incorporate their input into our sustainability planning.

Recognising the importance of aligning stakeholder perspectives with our business objectives, we aim to strike a thoughtful balance between both.

The following table provides an overview of our key stakeholder groups, their primary areas of interest, the engagement methods used, and the frequency of these interactions.

Stakeholder	Key Topics & Interests	Engagement Channels	Frequency
Employees	Workplace environment, career development, job security, health & safety	<ol style="list-style-type: none"> 1. Employee surveys; 2. Internal memos; 3. Town halls; 4. Employee trainings. 	Quarterly or as needed
Suppliers	Ethical procurement, payment terms, business continuity, compliance	<ol style="list-style-type: none"> 1. Supplier assessments; 2. Contract reviews; 3. Performance evaluations. 	Annually
Customers	Service quality, data privacy, pricing, technical support	<ol style="list-style-type: none"> 1. Feedback forms; 2. Customer support; 3. Privacy policy communications. 	Ongoing
Shareholders	Business performance, risk management, governance practices	<ol style="list-style-type: none"> 1. Annual General Meetings; 2. Financial reports; 3. Direct communication. 	Annually
Government & Regulator	Legal compliance, tax obligations, industry-specific regulations	<ol style="list-style-type: none"> 1. Internal audits; 2. Compliance reports; 3. Compliance submissions; 4. Official correspondence. 	Quarterly or as required

4. Materiality Assessment

Identifying key sustainability issues that are significant to our business is crucial for driving value and making a meaningful impact in our community. Conducting a materiality assessment enables us to align our priorities with emerging trends, global developments, and industry standards. In FYE 2024, the MMCS Group conducted its first materiality assessment to identify and prioritise key environmental, social, and governance (ESG) issues that are most relevant to our stakeholders and potentially impact our business operations. This assessment reflects our response to the evolving regulatory landscape and growing expectations for transparent and accountable sustainability reporting.

The process and methodology are detailed below.

4.1 Identification of Material Matters

The MMCS Group identified key material matters based on its importance to the Group's sustainability strategy, with a focus on the three pillars of ESG. This process involved industry best practices and our operational context.

4.2 Stakeholder Engagement and Prioritisation

In 2024, we engaged our employees in the materiality assessment through surveys, gathering their perspectives on the issues most relevant to their roles and the company's ESG impacts. This participation helped us prioritise the material matters based on their significance to the company and their potential influence on stakeholders' assessments and decisions. Moving forward, we plan to broaden our stakeholder engagement by including our external stakeholders, to ensure a more comprehensive understanding of the most important issues.

4.3 Development and Validation

The results from the materiality surveys were mapped onto a materiality matrix, helping us determine which issues are most critical from both a business and stakeholder standpoint. Based on the results of our first materiality assessment, the MMCS Group has identified the following topics as most relevant to our operations and stakeholders:

- 1. Anti-corruption
- 2. Customer privacy
- 3. Training and development
- 4. Non-discrimination

The result of the materiality assessment was reviewed and validated by the management team to ensure the relevance and accuracy of the findings.

5. Implementation & Responsibility

At MMCS Group, we understand that sustainability is a long-term commitment that requires structured governance, clear accountability, and continuous engagement across the organization. As we begin formalizing our approach to Environmental, Social, and Governance (ESG) matters, we are taking active steps to integrate sustainability into our business operations and corporate culture.

We acknowledge that our sustainability governance framework is in its formative stage. While we have not yet established a dedicated sustainability committee at the Board or management level, we recognize the importance of having the right structure in place to support our ESG commitments. In 2025, we began laying the foundation by identifying priority ESG topics, raising internal awareness, and initiating preliminary stakeholder engagement.

General Responsibilities of All Position Levels in ESG Implementation

Position Level	Responsibility
Board of	<ul style="list-style-type: none"> ● Provide strategic oversight and accountability for sustainability

<p>Director</p>	<p>matters.</p> <ul style="list-style-type: none"> ● Review and approve the company’s sustainability strategy, targets, and reporting. ● Receive regular updates from management on sustainability performance, stakeholder concerns, and regulatory developments. ● Approve the Sustainability Statement for Bursa Malaysia disclosures.
<p>Senior Management</p>	<ul style="list-style-type: none"> ● Facilitate cross-departmental collaboration for data gathering, goal setting, and ESG reporting. ● Oversee the preparation and quality of the Sustainability Statement and ESG disclosures. ● Support staff awareness and training on sustainability best practices.
<p>General Employee</p>	<ul style="list-style-type: none"> ● Participate in ESG-related training and awareness programmes. ● Contribute to data collection efforts by providing accurate operational or departmental inputs. ● Support company-wide sustainability initiatives, such as energy conservation, waste reduction, and responsible resource use.

Currently, overall oversight of sustainability-related matters rests with our senior management team, under the guidance of the Board of Directors. As part of our early efforts, a member of our management team has been assigned to coordinate ESG-related activities across departments. This includes collating sustainability data, benchmarking practices, and supporting the development of our first ESG disclosures.

We have started to engage internal departments to raise awareness of sustainability issues and identify opportunities for improvement. Functional teams have begun working together to explore how ESG considerations can be embedded in day-to-day decision-making.

We are also working towards formalizing internal roles and responsibilities related to ESG. As we move forward, our objective is to ensure that sustainability becomes an integral part of our governance and accountability structures, reflecting both stakeholder expectations and our responsibility as a technology solutions provider operating in a dynamic and rapidly evolving market.

Code of Conduct

The MMCS Group maintains a Code of Conduct applicable to all employees and management, emphasizing integrity, compliance, and anti-corruption practices. The MMCS Group maintains an Employee Handbook that contains the Employee Code of Conduct, which outlines clear guidelines on expected behavior and professional standards. The code covers areas such as

ethical conduct, respect in the workplace, confidentiality, and compliance with internal policies and legal requirements. All employees are required to understand and adhere to these standards as part of their employment. Regular communication and training are conducted to ensure employees remain informed about the code and its application in daily operations.

Whistleblowing Mechanism

The MMCS Group maintains a confidential whistleblowing channel that allows employees and stakeholders to report suspected violations of the Code, unethical behaviour, or improper conduct without fear of retaliation. Reports can be made anonymously and are handled with strict confidentiality. This mechanism strengthens transparency and accountability across our operations.

Disciplinary Actions

Any breach of the Code of Conduct may result in disciplinary action, including warnings, suspension, demotion, or termination, depending on the nature and severity of the violation. In cases involving legal non-compliance, the matter may be escalated to appropriate authorities.

Governance Oversight

While the sustainability governance structure is still evolving, oversight of ethics-related matters, including adherence to the Code of Conduct and whistleblowing concerns, currently resides with senior management under the supervision of the Board of Directors. As part of our ESG governance roadmap, we will continue to assess the need for a dedicated ethics or audit oversight function to strengthen internal controls and integrity culture.

Anti-bribery and Anti-corruption

The Group is committed to maintaining the highest ethical standards in our operations. We do not tolerate corruption, bribery, or any form of unethical conduct in any aspect of our business activities. We understand the importance of transparency and integrity in fostering long-term success and trust within our industry. This commitment is in line with:

- (1) Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which introduces corporate liability for corruption offences
- (2) Our internal Code of Conduct, which outlines ethical expectations, including the prohibition of bribery and facilitation payments

As an implementation of our commitment, we have laid the groundwork of anti-bribery and anti-corruption culture within the Company by:

- (1) Embedding anti-corruption clauses in the Employee Handbook
- (2) Communicating the importance of ethical behaviour during onboarding
- (3) Ensuring management oversight of procurement and vendor engagement processes

- (4) Encouraging the use of our whistleblowing channel to report any suspected misconduct confidentially

Environmental Management

Tracking Our Carbon Footprint

The Group monitors greenhouse gas (GHG) emissions to better understand the environmental impact of its operations. The calculation covers Scope 2 emissions from purchased electricity and Scope 3 emissions from business travel and employee commuting.

Emission factors used for Scope 2 are based on the Grid Emissions Factor published by Suruhanjaya Tenaga (Malaysia's Energy Commission). For Scope 3, methodologies are guided by the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions and incorporate factors from the UK Government GHG Conversion Factors for Company Reporting.

Energy Use

Energy management remains a key focus in the MMCS Group's sustainability journey as we continue to monitor and evaluate our operational energy consumption.

Moving forward, we remain committed to identifying innovative ways to reduce our energy intensity to support a more sustainable and resilient future for the MMCS Group. Some of the initiatives we prioritise to do onwards are on awareness and behavioural changes, such as:

- (1) Launch internal energy-saving campaigns to build employee awareness
- (2) Display real-time energy usage dashboards in common areas to encourage conservation

Moving forwards, monitoring and enhancement on a regular basis will be on our sustainability peripheral. By implementing these initiatives, the MMCS Group aims to minimise energy waste, lower emissions, and align our operations with national and global environmental targets, including Malaysia's Low Carbon City Framework and the UN Sustainable Development Goals (SDGs).

Minimising Waste

Our MMCS Group's waste primarily comprises paper and packaging materials, a common by-product of daily office activities. In line with our sustainability strategy, we have implemented initiatives to recover and recycle carton boxes used during equipment and supply deliveries. These used cartons are collected and sold to local recycling facilities.

People And Community

Workforce Diversity and Equal Opportunity

The MMCS Group prioritises fairness and equal treatment for all employees. Discrimination, including harassment, involves treating individuals unequally based on characteristics such as race, gender, religion, age, sexual orientation, disability, or any other factor unrelated to their job

performance or qualifications. We are committed to ensuring that all employees are evaluated based on their abilities and contributions.

Investment in Training and Development

Training and development strengthen employees' essential skills and improve their ability to perform effectively. These efforts support the MMCS Group's operational goals and enable adaptation to changing work demands.

Employee Benefits and Well-being

The MMCS Group provides employee benefits that comply with applicable legal requirements and internal guidelines. These benefits are designed to support employees' basic welfare and work-related needs.

Employee Engagement

Employee engagement is essential for maintaining a productive work environment and supporting effective communication within the MMCS Group. Understanding employee satisfaction helps identify areas that require attention and improvement.

Occupational Health and Safety

The MMCS Group implements fundamental safety and health measures within office spaces to ensure a safe working environment. Regular evacuation and fire drills are conducted to prepare employees for emergency situations. To further formalise our approach, a comprehensive Occupational Health and Safety (OHS) policy specific to office-based activities is currently under development. This policy will outline clear procedures, responsibilities, and preventive measures tailored to administrative environments, distinguishing them from field or project site safety protocols.

Supplier Management

At MMCS Group, effective supplier management is integral to ensuring the reliability, efficiency, and sustainability of our operations.

Data Privacy and Security

At MMCS Group protecting customer data and maintaining high service standards are fundamental to our operations. We are committed to handling customer information responsibly, and we actively monitor feedback and complaints to address any issues promptly.

Moving forward, we will continue to prioritise digital security, transparency, and customer satisfaction as core elements of our ESG strategy, supporting long-term business resilience and stakeholder trust.

ESG Departmental Responsibility Matrix

ESG Pillar	Responsibility	Responsible Department(s)
Environmental	Reduce paper usage and implement digital workflows	IT, Admin, All Departments
	Manage recycling and waste disposal	Admin, Facilities
	Track energy, water, and paper usage	Facilities, Admin, Finance
	Maintain energy-efficient systems	Facilities, Maintenance
	Conduct annual environmental data recording and reporting	Admin, ESG Team, Compliance
	Promote green office practices	Admin, HR, ESG Team
Social	Conduct employee engagement and well-being surveys	HR
	Organize training (e.g., safety, data privacy, ethics)	HR, Compliance, IT
	Promote diversity, equity, and inclusion (DEI)	HR, Management
	Coordinate community outreach and CSR initiatives	HR, Corporate Communications, ESG Team
	Ensure safe working conditions and health policies	HR, Safety & Health Committee
	Maintain grievance and whistleblowing mechanisms	HR, Compliance, Legal
Governance	Implement policies (Code of Conduct, Anti-Corruption, etc.)	Legal, Compliance, HR
	ESG oversight and strategic coordination	Management, Board of Directors, ESG Committee
	Risk management and internal controls	Finance, Risk, Compliance
	Data privacy and cybersecurity protection	IT, Compliance
	Ensure regulatory compliance and audit readiness	Compliance, Legal, Finance
	ESG data monitoring and sustainability reporting	ESG Team, Compliance, Finance

6. Report & Disclosure

The MMCS Group is committed to setting both **long-term and short-term sustainability targets** to guide our Environmental, Social, and Governance (ESG) efforts. These targets will be accompanied by clearly defined **metrics for measurement, tracking, and reporting**, which will be integrated into the Company's performance management framework as part of our overarching sustainability strategy.

To support transparency and accountability, the MMCS Group will **compile and disclose sustainability performance reports on a periodic basis** to internal stakeholders and the public, where applicable.

To strengthen this commitment, the Company will:

1. **Establish baseline data** beginning from the year **2024**, serving as a reference point for measuring progress across environmental, social, and governance areas.
2. **Set realistic and measurable targets** that reflect the Company's effectiveness in implementing ESG initiatives. These targets will help shape a more balanced and accurate ESG report, avoiding the risk of **greenwashing or overstatement**.

7. Review & Continuous Improvement

The MMCS Group will consolidate feedback annually and integrate it into the **Sustainability Policy**. **Any deviation or non-reporting by subsidiaries** shall be disclosed to the Board of Directors along with the justification. This regular review ensures the policy remains relevant, effective, and aligned with the Company's sustainability goals.

Stakeholder feedback will be actively sought to enhance the policy and deepen the Company's commitment to sustainability. Stakeholders include:

- **Internal stakeholders:** Employees, management, board members, shareholders
- **External stakeholders:** Customers, suppliers, local communities, regulators, and industry partners

The MMCS Group will actively engage stakeholders through various methods, including:

- Annual Employee surveys & town halls
- Annually Customer satisfaction surveys and feedback forms
- Annually Supplier evaluations and performance reviews
- Periodic consultations as required with local communities and relevant authorities.

The MMCS Group will consolidate this feedback annually and integrate it into the ESG performance review and policy update process.

“At MMCS Group, we believe that moving forward together means growing responsibly protecting the planet, empowering people, and delivering value with integrity.”