

SAMURAI®

くろぶし 黒武士

SUSTAINABILITY
REPORT

MATCHING COLOURS. BREAKING RECORDS.



ASEAN
BOOK OF
RECORDS
ACHIEVEMENT

**30 CARS REPAINTED
IN 3 DAYS**

THROUGH ADVANCED
COLOUR-MATCHING
TECHNOLOGY



PRECISE
MATCH



CONSISTENT
QUALITY



PROFESSIONAL
RESULTS

EMPOWERING EVERY CAR OWNER
TO EXPRESS THEIR UNIQUE COLOUR



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This sustainability report has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**").

This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.

THE BOARD'S STATEMENT

Dear Valued Stakeholders,

At Samurai 2K Aerosol Limited ("**Samurai 2K**" or the "**Company**", and together with our subsidiaries, the "**Group**"), sustainability is a strategic priority and a core driver of long-term value creation. Our Board of Directors (the "**Board**") places strong emphasis on responsible governance, environmental stewardship, and social accountability to ensure resilient and future-ready operations.

Guided by the principles of the Global Reporting Initiative ("**GRI**") and the recommendations of the International Financial Reporting Standards S2 ("**IFRS S2**") Climate-related Disclosures, the Group is working towards alignment with the disclosures by FY2031 to meet the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") reporting requirements. The Board plays an active role in shaping and overseeing the Company's sustainability strategy. It is responsible for the identification and management of material environmental, social, and governance ("**ESG**") factors, the integration of climate-related risks and opportunities into our business decisions, and monitoring of key sustainability metrics and performance indicators.

Sustainability considerations are embedded across all levels of strategic planning, from the development of low-emission product innovations to the reduction of environmental impact across our value chain. To support effective oversight, a Sustainability Committee comprising senior management and department heads has been established to provide focused governance and strategic direction on the Company's sustainability initiatives, disclosures, and performance.

Our approach reflects a commitment not only to regulatory compliance but also to the proactive advancement of sustainable value creation for our customers, communities, investors, and employees.

We extend our appreciation to all stakeholders who support and contribute to our sustainability journey. Together, we are building a business that is both environmentally responsible and commercially resilient.

Sincerely,
The Board of Directors

ABOUT THIS REPORT

Reporting Period & Scope

This sustainability report ("**Report**") presents the Group's sustainability performance for the financial year from 1 April 2025 to 31 March 2026 ("**FY2026**"). Historical data has been included for comparison where relevant. Unless otherwise stated, the reporting scope covers all direct operations located in Johor, Malaysia, encompassing our main production facility, inventory storage warehouses, supplier collection point, and office premises which houses research and development ("**R&D**"), finance, and management functions. We do not have associates, joint ventures, or unconsolidated subsidiaries that are under our operational control.

Internal review on our sustainability practices has been conducted by our internal audit team. While this Report has not been subject to external assurance, we are progressively exploring external assurance for future reports as part of our ongoing commitment to enhancing transparency, reliability and credibility in future sustainability reporting.

Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative Standards 2021 ("**GRI Standards**"), IFRS S2, Rules 711A and 711B of the Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") of the SGX-ST with reference to the Practice Note 7F of the Catalist Rules. The GRI Standards were selected as a reference due to their international recognition in guiding the development of comprehensive and widely applicable sustainability reports.

Report Contact and Feedback

This Report is published on SGXNet at <https://www.sgx.com/securities/company-announcements>. Physical copies of the Report will not be printed as part of our commitment to environmental sustainability. We invite all stakeholders to provide us with feedback on this Report and our sustainability performance. Please address your suggestions, comments, and/or enquiries to <https://ir.samurai2kaerosol.com> or our headquarters at 21 Block C, Platino Avenue, Jalan Segenting, Taman Bukit Mewah, 81200 Johor Bahru, Johor

COMPANY PROFILE

With years of experience in the automotive repainting and aftermarket sector, Samurai 2K has firmly established itself as a market leader, with a comprehensive product portfolio that caters to both automotive restoration enthusiasts and custom paint professionals. We offer solutions which include the restoration of vehicles to their original condition or enhancements with unique finishes.

Proudly manufactured in Johor, Malaysia, our products are distributed across an extensive international network, including Malaysia, Indonesia, Thailand, Philippines, Vietnam, Cambodia, United Kingdom, United States, Singapore, and India. Known for our advanced spray paint formulations, Samurai 2K delivers exceptional surface finishes, complemented by a wide range of primers, putties, clear coats, and specialty coatings.

At the core of our innovation lie four proprietary technologies:

- **2K Technology – Professional-Grade Results Without an Air Compressor**
 - Our signature dual-component packaging system houses both resin and hardener in one can, separated by a breakable metal inner sleeve. This eliminates the need for a compressor, making professional-quality painting more accessible to DIY users.
- **TINTATEK – Manual Colour Matching and Filling Without Machinery**
 - TINTATEK empowers users to manually match or blend millions of colours using a compact, user-friendly kit. Ideal for localised repairs, this solution allows seamless colour blending with surrounding surfaces—offering an economical and practical alternative to traditional colour-matching machines.
- **MIRROTEK – Mirror-Like Chrome Coating Technology**
 - MIRROTEK enables a brilliant mirror-chrome finish with:
 - High reflectivity pigments for stunning visual effects
 - Easy and uniform application across diverse materials
 - Quick drying for faster turnaround
 - A durable, scratch- and fade-resistant coating
 - Customisable tinting options for full design flexibility
- **WATERTEK – High-Gloss, Low-VOC Water-Based Paint**
 - Our WATERTEK line reflects our commitment to sustainability, featuring:
 - Compliance with environmental regulations
 - Low Volatile Organic Compound (VOC) emissions
 - A fast-drying, high-gloss professional finish
 - User-friendly application and easy clean-up

In 2023, Samurai 2K launched a strategic Online-to-Offline ("O2O") initiative to respond to evolving needs of our customers, which bridges digital convenience with physical accessibility. Through the Samurai Paint Store (<https://samuraipaint.com/pages/samurai-service>), customers can browse and purchase products online, with convenient access to purchases at nearby retail touchpoints. This reflects our ongoing commitment to innovation, customer engagement, and an enhanced, seamless purchasing experience.

For more information on our product and service offerings, please visit our official website at www.samurai2kaerosol.com.

Our Philosophy

Our approach to sustainability is anchored in our mission, vision, and core values, which guide our decision-making and actions. We continuously reassess our sustainability focus areas to ensure they remain relevant and aligned with our strategic business direction. We strive to generate lasting value for our stakeholders while advancing meaningful progress within the aerosol manufacturing sector.

Our belief

- We change aerosol, aerosol changes the world

Our vision

- The world's respected aerosol technology company

Our mission

- To offer the best enjoyment and to create more job opportunities to the user

Core values

- Simply, focus, and continuous - We are professional at work
- Accountability - We take ownership of our words, actions, and results
- Mutual benefits - We benefit when our fans get benefits
- Unity - We unite to gain team strength and power
- Respect - We gain respect by achieving outstanding results
- Actions - We achieve goals with no excuses
- Innovation - We change for a better tomorrow

OUR SUSTAINABILITY APPROACH

Sustainability Governance and Principles

We acknowledge that sustainability presents ongoing long-term commitment for the organisation. To address these effectively, we adopt a structured top-down governance approach. The Board retains overall responsibility for the oversight of material ESG matters and is supported by the Sustainability Committee, which comprises senior management and department heads. Together, they drive the identification, implementation, and monitoring of sustainability initiatives across the Group's operations.

Our Sustainability Governance Structure is set out as follows:

The Board

- Examines the Group's approaches, guidelines, and financial accomplishments, with sufficiency and effectiveness of internal controls and risk management.
- Establishes values and principles of the Company (including ethical standards) and guarantees the fulfilment of responsibilities towards shareholders and other stakeholders.
- Offers strategic direction for Samurai 2K's sustainability policies and identifies risks and opportunities related to sustainability during the development of our sustainability plan.

Sustainability Committee

- Formulates and implements sustainability practices throughout various business divisions.
- Oversees the Group's advancement and achievements in each significant ESG material topic, and regularly informs the Board about noteworthy advancements.

Stakeholder Engagement

Maintaining regular and open engagement with key stakeholders is fundamental to the long-term success of the Group. We have identified various stakeholder groups that play a significant role in influencing and shaping our business and we actively gather feedback and leverage on stakeholder insights to improve our sustainability practices through multiple channels as outlined in the table below.

STAKEHOLDER GROUPS	ENGAGEMENT PLATFORMS	KEY CONCERNS	HOW WE ADDRESS THEIR CONCERNS
Customers/ End-users	• Customer service feedback forms • Social media channels • Workshops and exhibitions	• Business continuity • Good services and product quality • After-sales services • Ethical purchasing practices	We have implemented measures to guarantee that our products adhere to stringent quality standards, promote environmental sustainability, and ensure consumer safety.
Suppliers	• In-person meetings • Communication via our supplier management system • Supplier surveys	• Maintain ethical standards by adhering to the terms and conditions of purchasing policies and procedures	We frequently communicate with our suppliers on our code of conduct for procurement practices and our expectation for the timely delivery of high-quality supplies.
Employees	• Induction and orientation • Annual performance appraisals • Dialogue sessions with management	• Safe work environment • Foreign workers' rights • Child workers' policy • Employees' rights and welfare • Personal development • Inclusive working environment	We have a strict policy of completely rejecting forced labour practices and closely monitor the well-being and safety of our employees. Additionally, we are actively working on developing a talent management strategy to foster the professional growth and advancement of our staff.
Shareholders	• Annual general meeting • Annual reports • Circulars to shareholders	• Profitability • Transparency • Timely reporting • Fair purchasing practices • Dividend pay-outs	We establish annual growth objectives and offer prompt and transparent updates to shareholders regarding the Group's business progress.
Business Partners	• Regular meetings • Focus group discussions	• Business opportunities	We regularly engage with our business partners to explore potential avenues for collaboration.
Government & Regulators	• Discussions with and notices from government agencies and departments	• Environmentally friendly business approach • Regulatory compliance • Timely reporting and resolution of issues	We adhere rigorously to all applicable laws and regulations mandated by government agencies and departments.

Sustainability In Our Value Chain

We recognise the importance of actively monitoring, assessing, and managing the sustainability impacts associated with our operations. Our long-standing partnerships with suppliers, distributors, and wholesalers reflect our sustained commitment to responsible and sustainable business practices. Together with our partners, we adhere to stringent standards in environmental stewardship, health, and safety, while working to reduce our collective environmental footprint.

To ensure that engaged partners align with our sustainability principles, all suppliers undergo a thorough vetting process to ensure alignment with our sustainability principles while delivering quality products.

Our commitment to sustainability extends throughout the entire product lifecycle—from sourcing raw materials to end-of-life disposal. We continue to integrate recycled materials into our packaging as part of our approach to sustainable procurement.

We are committed to fostering meaningful collaborations with individuals, communities, ecosystems, and businesses worldwide to embed sustainable practices throughout every stage of our value chain.

Our Material ESG Topics

In FY2026, we carried out a materiality assessment to identify, evaluate and prioritise the ESG matters that are most relevant to our business performance and for stakeholders. This process involved evaluating the significance and potential impact of each ESG topic on both our operations and stakeholder interests.

Our ongoing goal is to create long-term value by proactively managing the Group's sustainability-related risks, opportunities, and overall impact. A summary of the Group's material ESG topics is presented below.

Material Topics	Our Targets
Governance and Economic	
Economic Performance and Business Resilience	- To achieve higher sales while tightening cost controls. - To enhance online and offline marketing activities. - To develop innovative products and maintain our market competitiveness.
Corporate Governance and Anti-Corruption	- To promote a corporate culture that emphasises transparency and accountability - To maintain a zero record of non-compliance with laws and regulations.
Environmental	
Climate Change and Carbon Transition	To maintain or reduce our total greenhouse gas emissions intensity in the financial year ended 31 March 2026 ("FY2026"), using 36.37 tonnes of carbon dioxide equivalent ("tCO₂e") per million cans in FY2024 as the baseline.
Energy Efficiency and Renewable Energy	- To implement energy and water efficiency improvements that also bring cost savings. - We also aim to have zero incidents of non-compliance with environmental laws and regulations.
Waste and Chemical Management	To ensure responsible waste disposal at the locations where we operate.
Social	
Occupational Health, Safety and Well-being	- To monitor all health and safety risks through effective risk mitigation management. - To achieve zero incidents of non-compliance with occupational safety and health regulations.

Material Topics	Our Targets
Talent Development and Workforce Transformation	• To prepare our employees for the evolution of digital economy, we continue to upskill and reskill our workforce so that their knowledge remains relevant and applicable in the industry.
Diversity, Equity and Inclusion	• To maintain zero reported issues of discrimination and continue promoting a culture of unity
Labour Practices and Human Rights	• To maintain zero incidents of non-compliance with employment regulations.
Product Quality, Customer Health and Safety	• To maintain zero incidents of non-compliance with regulations concerning the health and safety impacts of our products.

GOVERNANCE AND ECONOMIC

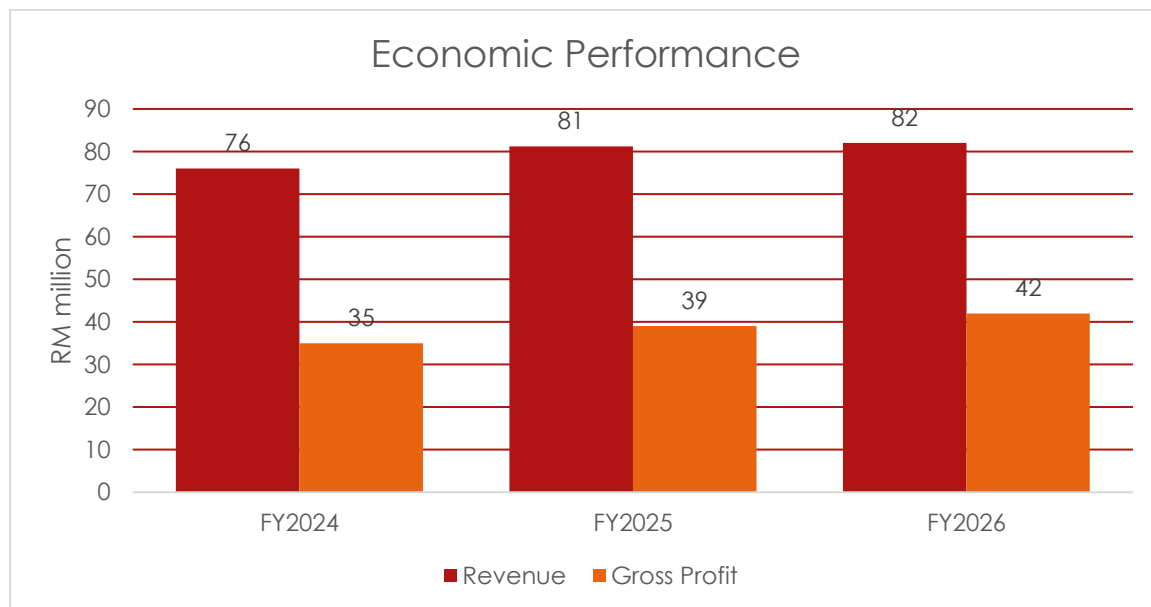
Economic Performance and Business Resilience

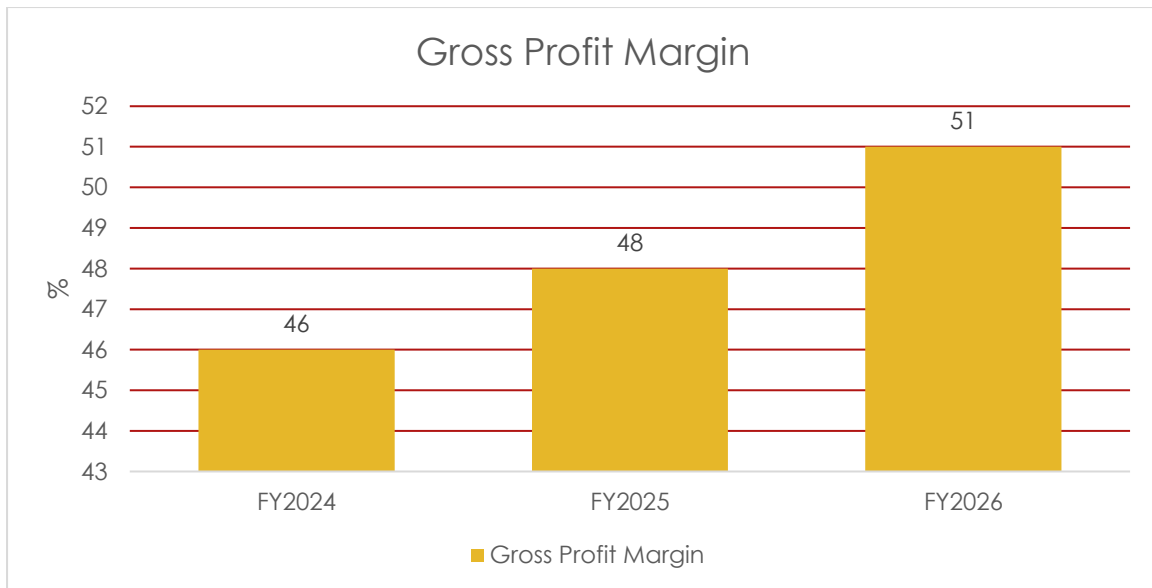
Achieving sustainable growth while delivering attractive returns to our stakeholders remains one of the Group's key priorities. We are committed to maintaining financial sustainability and generating consistent economic value to strengthen our resilience while contributing positively to the broader economy and society.

The Group delivered a positive financial performance in FY2026, recording revenue of RM82 million, a modest increase of 1% compared to the financial year ended 31 March 2025 ("FY2025"). Gross profit increased by 8% to RM42 million, with gross profit margin improving from 48% in FY2025 to 51% in FY2026. The year-on-year improvement in revenue and gross profit reflects the Group's continued focus on operational efficiency and value creation.

FY2026 Performance & Targets

Looking ahead, the Group continues to remain optimistic and is actively pursuing opportunities to strengthen its presence on the international platform. The Group will continue to adapt and innovate to meet growing global aerosol market demands, with goals of becoming a leading global aerosol spray service provider. The Group successfully met the FY2026 targets of driving revenue growth and enhancing cost efficiency, which was reflected in the increase in revenue, gross profit and margins recorded in FY2026.





Following the successful entry into the United States of America and India markets through the establishment of local subsidiaries, the Group is now focused on strengthening its market presence through expanding its e-commerce capabilities. Digital platforms across six key platforms: Shopify, TikTok, Lazada, Shopee, Flipcart, and Amazon, have already been established.

The Group continues to strengthen its online and offline marketing initiatives while driving product innovation to meet evolving customer needs. During FY2026, the Group achieved the launch of its flagship product, TINTATEK, in December 2025 and continued to enhance its features and functionality based on market feedback. Concurrently, the Group continued to refine other innovative solutions, including WATERTEK and MIRRORTEK, in preparation for their future commercial launch. To further enhance the customer experience, the Group also continued to offer the Samurai O2O service, enabling customers to conveniently book spray painting services through its digital platform.

Corporate Governance and Anti-Corruption

The Group is committed to fostering a culture of integrity and ethical behaviour throughout our operations. We uphold a zero-tolerance stance toward corruption, fraud, bribery, and any form of unethical conduct through establishing and regular communication of our comprehensive policies. Our Anti-Corruption Policy sets out clear guidelines for the prevention, detection, and management of potential misconduct, reinforcing our dedication to maintaining the highest standards of corporate governance and social responsibility. All employees are expected to comply with the Group's Code of Conduct, which strictly prohibits the acceptance of gifts, favours, or undue advantages from business partners, contractors, suppliers, customers, or any parties with business dealings with the Group.

In addition, our Whistleblowing Policy to provide a secure and confidential channel that encourages employees and stakeholders to report any suspected corruption or unethical behaviour at whistleblowing@samuraipaint.jp and/or grievances@samuraipaint.jp. Reports made in good faith are treated with strict confidentiality and identities of whistleblowers are protected from any form of retaliation, even if the investigation ultimately determines that the report is inaccurate. All reports are subject to appropriate investigation and oversight. Further details of our whistleblowing framework can be found on pages 38 to 39 of the Annual Report.

FY2026 Performance & Targets

We appointed a dedicated legal officer to oversee regulatory compliance across our operations to ensure that Samurai 2K operates within the boundaries of all applicable laws and industry best practices.

In FY2026, we successfully met our target of maintaining a clean compliance record, with no reported incidents of legal or regulatory breaches, corruption, bribery, fraudulent activities, or workplace misconduct. We aim to uphold these standards in the coming years and continue to foster a culture of transparency and accountability.

ENVIRONMENTAL

Climate Change and Carbon Transition

Governance

The Board is responsible for the oversight of sustainability matters, which includes consideration of climate-related risks and opportunities, shaping material ESG factors, monitoring and reviewing the effectiveness and relevance of the Group's sustainability practices. All Directors have attended the mandatory sustainability training prescribed by the SGX.

The Sustainability Committee supports the Board through preparing the Group for climate-related challenges and leveraging emerging climate-driven opportunities. The Sustainability Committee translates sustainability strategies into actionable objectives, evaluates and mitigates risks, and monitors and reports progress to the Board and management.

Strategy

To ascertain the resilience of our climate strategy and business model, we undertook a scenario analysis. This involved evaluating identified physical and transition risks, as well as opportunities, under two distinct pathways: a 2°C warming scenario (Representative Concentration Pathway ("RCP") 2.6, aligned with limiting warming) and a 4°C warming scenario (RCP 8.5, representing a high-emissions trajectory).

Our assessment of physical risks considered the potential operational impacts of both acute and chronic climate hazards, including extreme rainfall and rising temperatures. Transition risks were evaluated in relation to evolving ESG reporting requirements, increasing stakeholder expectations, potential increases in energy and water costs, as well as challenges associated with supply chain disruption and raw material availability.

Based on our analysis, the Group's major climate-related risks, as well as its corresponding mitigation measures are as follows:

Risk type	Time horizon	Potential impacts	Risk level		Mitigation measures
			Below 2°C	Above 4°C	
Physical risks					
Extreme rainfall	Long term	Increase in extreme rainfall may result in operational delays, increased costs, customer dissatisfaction, and revenue losses, thereby affecting profitability.	Low	Low to moderate	• Ensure business continuity plans, and extreme rainfall response plans are implemented. • Develop flood control measures, including rain gardens and permeable pavements to manage stormwater runoff where appropriate.
Extreme heat	Long-term	Hot days and extreme heat could become more common and/or severe, which could result in an increase in	Low	Low to moderate	• Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and

Risk type	Time horizon	Potential impacts	Risk level		Mitigation measures
			Below 2°C	Above 4°C	
		cooling demand and higher electricity costs			changing climate conditions. Implement health and safety initiatives to protect people from extreme heat risk, including special work arrangements during peak temperature hours and provision of reminders of staying hydrated and consequences of dehydration for employees, as required.
Transition risks					
ESG reporting obligations	Short term	Increased demand from governments and regulators for ESG information disclosure by enterprises, requiring greater transparency and detailed data	Moderate to high	Moderate	Ensure ESG information are disclosed in accordance with the latest requirements and reporting guidelines.

Beyond risk evaluation, we actively explore climate-related opportunities. Recognising growing client awareness on the importance of climate change and sustainability, we are integrating sustainability considerations into our core business operations. This includes enhancing energy efficiency and achieving cost savings through the adoption of advanced technologies, in alignment with our ISO 14001 certification.

Additionally, our commitment to sustainable procurement—such as the use of recycled packaging and engaging environmentally responsible suppliers—strengthens our brand reputation and fosters customer loyalty, while reducing our carbon footprint. These efforts not only reinforce our market position but also drive innovation and create new revenue streams.

Risk Management

The Group has established robust processes for identifying and assessing climate-related risks, incorporating these into its overarching Enterprise Risk Management (“**ERM**”) framework. This systematic approach ensures that both physical and transition risks with potential financial, reputational, and long-term strategic impacts are identified and managed. The framework also encompasses proactive measures to address safety and operational risks related to energy, water, and raw material supply through strict internal protocols and continuous employee training.

As part of the broader ERM review, the Sustainability Committee engages stakeholders annually to review the climate risk register. Any material financial implications are escalated through management channels to the Audit Committee and Board for further oversight.

Overall risk oversight resides with the Board, supported by robust internal controls that are regularly evaluated through independent audits. Climate-related considerations are embedded across key business functions, including strategic planning and investment decisions, ensuring a consistent and structured approach to managing potential climate impacts.

While the Group currently employs a qualitative approach to assessing climate-related risks, supplemented by ERM insights, we remain committed to enhancing transparency and resilience by progressively aligning with IFRS S2 recommendations.

Metrics, FY2026 Performance & Targets

The Group monitors Scope 1 (direct) and Scope 2 (indirect) greenhouse gas ("GHG") emissions in tCO₂e and intensity as key metrics to evaluate climate-related risks and opportunities within its strategic and risk management processes. Scope 1 and Scope 2 emissions stem from fuel consumption in vehicles and manufacturing processes and purchased electricity respectively.

The Group's GHG emissions and intensity can be found in the table below:

GHG emissions	FY2024	FY2025	FY2026
Direct (Scope 1) GHG emissions (tCO₂e)¹	73.14	66.45	73.96
Indirect (Scope 2) GHG emissions (tCO₂e)²	542.81	557.66	522.80
Total GHG emissions (tCO₂e)³	615.95	624.11	596.76
GHG emissions intensity (tCO₂e/can sold)³	0.000054	0.000051	0.000051

FY2026 Performance & Targets

Overall GHG emissions remained relatively stable in FY2026 compared to FY2025. While Scope 1 emissions increased due to higher consumption of Liquefied Petroleum Gas ("LPG") for LPG-powered forklifts, the effect was largely offset by the reduction in Scope 2 emissions resulting from improved operational efficiency and lower electricity consumption. As a result, the Group maintained a consistent GHG emissions intensity year-on-year.

With FY2024 as the baseline year, we aim to maintain or reduce our total GHG emissions intensity in FY2027. In our efforts to reduce emissions, measures include route planning for fuel optimisation and energy-saving initiatives which will be further detailed in the 'Water and Energy Management' section.

¹ FY2024 and FY2025 emission factors are taken from Greenhouse Gas Protocol Cross-sector Emission Factors Worksheet V2.0 <https://ghgprotocol.org/calculation-tools-and-guidance>. FY2026 emissions are taken from [Emission Factors for Cross-Sector Tools V2.0.0](https://ghgprotocol.org/calculation-tools-and-guidance) using latest updated values. FY2024 and FY2025 values have been restated due to latest updated data available.

² FY2024 and FY2025 grid emission factor of 0.774 kgCO₂e/kWh taken from <https://meih.st.gov.my/documents/10620/cdddb88f-aaa5-4e1a-9557-e5f4d77906b>. FY2026 grid emission factor of 0.74 kgCO₂e/kWh taken from <https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia-2022-2024-provisional>.

³ FY2024 and FY2025 values restated due to recalculation of Scope 1 emissions

Energy Efficiency and Renewable Energy

The Group is committed to complying with environmental regulations and reducing its environmental impact through the effective management of energy and water consumption. Since 2018, our production facility in Johor, Malaysia has implemented initiatives to regulate energy usage, including the installation of motion-sensor lighting in common areas, which automatically switches off after periods of inactivity.

In addition, we actively promote resource conservation among employees through signage placed throughout the factory and offices, encouraging the responsible use of electricity and water, such as switching off lights and air-conditioning units when not in use. These initiatives reinforce our ongoing commitment to efficient resource management and support the development of a culture focused on environmental stewardship.

Our operations are also certified under ISO14001: Environmental Management, which provides a robust framework for establishing, implementing, maintaining, and continually improving our environmental management practices. Adhering to ISO14001 enables us to identify, manage, and minimise our environmental impact while ensuring compliance with relevant environmental regulations. This approach supports reduced environmental footprint, improved resource efficiency, and cost savings through reduced waste and energy use, delivering both operational and environmental benefits.

FY2026 Performance & Targets

In FY2026, we are happy to report that we met our target of maintaining zero incidents of non-compliance with environmental laws and regulations. We remain committed to environmental protection through efficient water and electricity consumption as well as continuous monitoring to reduce our overall environmental footprint.

Resource	FY2024 ⁴	FY2025 ⁴	FY2026
Petrol consumption (kWh)	127,557	110,306	114,993
LPG consumption (kWh)	178,172	167,991	209,138
Electricity consumption (kWh)	701,306	720,485	706,493
Water consumption (litres)	3,812,000	3,662,000	3,489,060
Sales volume – cans (millions)	11.5	12.2	11.7
Energy intensity ratio (kWh/can)	0.0876	0.0815	0.0883
Water intensity ratio (litres/can)	0.331	0.300	0.299

In FY2026, petrol consumption saw a slight increase, while LPG consumption saw a more significant increase due to higher utilisation of LPG-powered forklifts to support increased operational activities. In contrast, electricity consumption decreased as a result of improved operational efficiency and effective energy management initiatives. These changes resulted in an overall increase in energy intensity to 0.088 kWh per can of product sold.

In terms of water management, total water consumption decreased, with a corresponding improvement in water intensity ratio. The Group remains committed to enhancing the efficiency of its daily electricity and water consumption. Moving forward, we will continue to

⁴ FY2024 and FY2025 values have been restated using latest updated data available.

monitor our environmental performance, and we remain dedicated to promoting eco-friendly, resource-saving practices throughout the organisation.

Waste and Chemical Management

Due to the nature of our manufacturing operations, the Group inevitably generates a significant volume of waste, making effective waste management and proper disposal essential to minimising environmental impacts across our activities.

The Group has established appropriate systems and infrastructure to ensure responsible waste handling. In compliance with the Malaysia Environmental Quality Council's Environmental Quality (Prescribed Conveyance) (Scheduled Wastes) Order 2005, a designated waste storage has been set up within our facility, and an authorised waste contractor is engaged to manage the recycling and disposal of waste on a bi-weekly basis.

Our manufacturing processes—including the research, development, and production of aerosol paints and coatings—involve the use of hazardous materials such as resins, pigments, additives, solvents, and propellants. To manage these risks, we adhere to industry best practices and implement stringent protocols to monitor the generation, treatment, and disposal of hazardous by-products.

We also partner with Ranama Resources Sdn Bhd., a certified third-party specialist responsible for the safe handling and disposal of hazardous waste, which reduces potential risks to both human health and the environment. Due to the outsourced nature of this process, quantitative data on waste volumes is not currently disclosed.

FY2026 Performance & Targets

All employees undergo comprehensive training on correct waste handling procedures, supported by external training sessions on waste management. We remain fully committed to adhering to all relevant environmental regulations concerning responsible waste disposal.

SOCIAL

In FY2026, the Group's employment structure was categorised into permanent and contractual roles. To mitigate labour cost and support business expansion, we introduced contractual employment which enables the Group to access specialised skills and expertise, particularly in areas such as digital marketing, which are critical to achieving its strategic objectives. These contracts are typically structured on a one-year basis, with employee performance closely monitored through quarterly key performance indicators ("KPI") evaluations.

Our employee breakdown by gender and region, encompassing both permanent and contractual staff, is presented in the table below.

Our Workforce			
	By Gender		By region
	Male	Female	Malaysia
FY2024	134	59	193
FY2025	131	45	176
FY2026	121	45	166

Diversity, Equity and Inclusion

Samurai 2K recognises the importance of workforce diversity and values the unique talents and perspectives that each employee brings. This diversity enhances our ability to drive innovation and achieve our business objectives. We are committed to fostering an inclusive and supportive workplace environment, reinforced through initiatives and activities such as Women's Day celebrations that promote engagement and inclusivity across the organisation.

A detailed breakdown of our employee categories by age and gender can be found in the tables below:

Gender		Senior Management	Middle Management	Executives and Assistants
FY2024	Male	11	34	89
	Female	6	28	25
FY2025	Male	6	45	80
	Female	5	35	5
FY2026	Male	9	38	74
	Female	5	32	8

Age Groups		Senior Management	Middle Management	Executives and Assistants
FY2024	< 30 years old	0	30	77
	30 – 50 years old	9	31	36
	> 50 years old	8	1	1
FY2025	< 30 years old	0	28	68
	30 – 50 years old	6	27	39
	> 50 years old	5	2	1
FY2026	< 30 years old	1	33	43
	30 – 50 years old	6	35	38
	> 50 years old	7	2	1

The Group is firmly committed to equal employment practices and upholds a zero-tolerance stance on any form of discrimination, which is reflected in our policies outlined in the Employee Handbook. Hiring, promotion and career advancement decisions are based solely on merit and performance, without consideration of race, age, gender, religion, or ethnicity.

Operating within a traditionally male-dominated industry, Samurai 2K remains proactive in promoting gender diversity across all levels of the organisation, supported by a gender-neutral compensation framework. We are dedicated to fostering a respectful and inclusive workplace culture, underpinned by comprehensive policies stated in the Employee Handbook that strictly prohibit workplace harassment. Our policies explicitly forbid any form of verbal or physical conduct that may cause physical or psychological harm. Harassment based on gender, race, disability, age, pregnancy, marital status, family responsibility, religious or political beliefs, sexual orientation, or health condition is strictly prohibited. All substantiated cases are addressed seriously, with appropriate disciplinary actions taken, including termination where warranted. In addition, the Group implemented a Workplace Harassment Prevention Policy to reinforce our zero-tolerance stance against violence towards women in 2023.

FY2026 Performance & Targets

We are pleased to report that there were zero incidents of gender discrimination reported in FY2026, indicating the effectiveness and our continued efforts to cultivate an equitable and supportive work environment.

Talent Development and Workforce Transformation

The Group places strong emphasis on nurturing both the personal growth and professional advancement of its employees, consistently offering opportunities for skills development to prepare them for an evolving digital landscape. Strengthening employee capabilities remains a key driver in sustaining our competitive position in the market.

We promote an open and supportive environment where employees are encouraged to engage in ongoing discussions with their supervisors regarding career development needs. Concurrently, every employee undergoes a mandatory annual performance appraisal, which serves as a platform for evaluating developmental needs while facilitating constructive conversations to support productivity gains.

To further support continuous learning and ensure our workforce remains informed of industry developments and for evolution of digital economy, employees are regularly sent for specialised workshops and training programmes. These cover areas such as Operational Management, Social Media Marketing SEO, Google SEO Content Writing, and Forklift Safety Training. Additionally, relevant personnel across functions—including Finance, HR, Legal, Logistics, and Safety & Health—have also undergone KAIZEN training, reinforcing a culture of continuous improvement through systematic problem-solving and efficiency enhancement. These initiatives form a core component of our overall talent development strategy.

FY2026 Performance & Targets

A detailed breakdown of average training hours conducted for our employees, by management level and by gender, can be found in the tables below:

Category	Total training hours			Average training hours		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
By Gender						
Male	736.5	425.8	612.0	5.50	10.14	5.06
Female	922.0	1,408	942.0	15.63	17.60	20.93
By Management Level						
Senior Management	24.0	70	80.0	1.41	10	5.71
Middle Management	217.0	1,131.8	844.0	3.50	13.6	12.06
Executive and assistants	1,417.5	632	630.0	12.43	19.75	7.68

The decrease in overall average training hours was primarily attributable to higher operational demands during the financial year, resulting in fewer training hours being conducted across the workforce. Nevertheless, training initiatives continued to focus on priority employee groups, leading to an increase in average training hours for female employees through targeted technical, compliance and professional development programmes.

A detailed breakdown of the number and percentage of employees under performance reviews and appraisals, by management level and by gender in FY2026, can be found below:

Category	Employees given appraisal	Total headcount	%
By Gender			
Male	105	121	86.78%
Female	39	45	86.67%
By Management Level			

Senior Management	9	14	64.28%
Middle Management	55	70	78.57%
Executive and assistants	80	82	97.56%

In FY2026, 86.75% (FY2025: 78.98%) of our employees received performance appraisals, which was an increase as compared to FY2025, reflecting our commitment to employee development and growth.

Upon probation completion, suitable candidates shortlisted by respective Heads of Departments will be confirmed for employment and are automatically enrolled in the annual appraisal cycle. In FY2026, all contractual employees participated in and received appraisals.

Labour Practices and Human Rights

The Group adopts a proactive approach to upholding fair labour practices and human rights across its operations. We provide equal employment opportunities, promote diversity and inclusion, and maintain a zero-tolerance approach to discrimination, harassment and child labour. These measures cultivate a positive and inclusive workplace culture grounded in fairness, respect and ethical conduct.

Employees receive training on human rights, anti-discrimination and workplace conduct to ensure compliance with applicable laws and regulations. Regular monitoring and engagement are conducted to identify and address potential risks, reinforcing our commitment to a respectful, safe, and equitable workplace. We comply with all applicable labour laws, employment regulations, and human rights principles in the jurisdictions where we operate, including the Employment Act 1955 (Malaysia), Occupational Safety and Health Act 1994 (OSHA), Industrial Relations Act 1967, Anti-Sexual Harassment provisions, and other relevant legislation to safeguard the rights, dignity, and well-being of our employees.

FY2026 Performance & Targets

During the reporting period, the Group did not record any incidents of human rights breaches or complaints related to child or forced labour and we will continue to uphold and comply with fair employment practices in years to come.

Occupational Health, Safety and Well-being

Samurai 2K places great emphasis on occupational health and safety ("**OH&S**") by fostering a culture that prioritises employee safety and well-being across our operations. Our dedicated Health and Safety Committee ("**HSC**"), consisting of safety specialists and employee representatives, meets monthly to review safety protocols, identify hazards, and implement preventive measures across our manufacturing processes. A structured system for hazard identification, risk assessment, and control has been established, with departments responsible for monitoring and reporting risks to the HSC, which also conducts periodic inspections to ensure that measures in place remain effective and comply with regulations.

Given the nature of our manufacturing, key risks arise from the use of potentially hazardous, toxic, and flammable substances. As such, the use of appropriate personal protective equipment ("**PPE**") is mandatory for all individuals entering the factory premises. We strengthen our safety culture by investing in external training programs such as Forklift Safety Training and Operational Problem-Solving Series, as well as biennial on-the-job training aligned with our Management's Safe Operating Procedures. New employees are required to undergo comprehensive training and competency assessments before independently operating machinery to ensure compliance with internal safety standards.

Safety awareness is reinforced through daily pre-shift briefings and routine inspections, and employees are encouraged to promptly report any hazards to the HSC. To support emergency readiness, the Group conducts annual evacuation drills and maintains an in-house Emergency Response Team led by personnel certified by the Fire and Rescue Department of Malaysia. The Department of Occupational Safety and Health ("**DOSH**") regularly conducts inspections at our factory to ensure compliance with Malaysia's Occupational Safety and Health Act 1996 ("**OSHA**"). Through these efforts, Samurai 2K remains committed to maintaining a safe and responsible working environment.

The Group also prioritises the mental and physical well-being of its employees through workplace safety measures and initiatives that encourage work-life balance. To promote healthier lifestyles among our employees, the Samurai Sport Recreation Committee is active in organising various sports activities while offering gym coaching opportunities for all staff. New welfare programs are continuously introduced, and health assessments have been integrated as a KPI for our workforce. In addition, smoking is strictly banned within the factory premises as part of our commitment to maintaining a safe and healthy work environment.

FY2026 Performance & Targets

To further enhance existing safety measures, the Standard Operating Procedure ("**SOP**") for zinc cutting has been reviewed, with greater emphasis placed on the proper use of PPE and routine equipment inspections. Damaged equipment should be disposed of promptly to minimise risk of incidents. New employees are also required to undergo induction training conducted by the safety department, which includes visual presentations highlighting potential workplace hazards.

In addition, monthly safety audits and regular briefings are carried out to reinforce incident prevention, identify potential risks, and maintain a safe working environment.

In FY2026, the Group achieved zero work-related injuries and received no penalty notices from DOSH. This reflects our proactive approach to occupational health and safety through continuous risk identification, preventive measures, employee awareness, and regular monitoring. We remain committed to fostering a safe and healthy workplace by strengthening our safety culture and ensuring compliance with all applicable occupational health and safety requirements.

Product Quality, Customer Health and Safety

Our business is built on a foundation of trust and integrity, underpinned by our commitment to delivering high-quality products, providing reliable after-sales support, and engaging in ethical procurement practices, while addressing customer needs and ensuring their health and safety.

The R&D team works closely with the product safety and regulatory affairs department, starting from the earliest stages of product development to evaluate the health, environmental, and safety impacts of our products and promptly address identified risks. All products undergo rigorous laboratory testing prior to production, with additional testing or modelling conducted where necessary. In certain cases, customers are also engaged in pre-launch evaluations to provide feedback on product safety and performance.

Our production facilities are certified under the ISO 9001:2015, and we conduct annual quality assessments to maintain consistent standards. Product safety is further reinforced through controls embedded within our Enterprise Resource Planning (ERP) system, ensuring that each product is accompanied by an Official Safety Data Sheet issued by the Quality Assurance team. We have also established protocols to guide employees in the event of a product recall or market withdrawal.

Cross-functional collaboration between sales, marketing, and regulatory teams ensures that all product-related health and safety information communicated to customers is accurate and aligned with official documentation. We also encourage customers to raise any concerns through their designated sales representatives or submitting formal complaints through the channels, supporting open communication for continuous improvement.

FY2026 Performance & Targets

We are pleased to report zero incidents of non-compliance with health and safety product regulations and voluntary codes during FY2026, and we aim to uphold this standard moving forward.

CORPORATE EVENTS AND CORPORATE SOCIAL RESPONSIBILITY

In FY2026, Samurai 2K reinforced its commitment to social responsibility, organisational resilience, and employee well-being through a range of impactful corporate social responsibility (“**CSR**”) initiatives. These efforts were designed not only to support the needs of the communities we serve, but also to enhance employee well-being and teamwork to foster a resilient, forward-looking workforce capable of sustaining long-term growth. For more details on our CSR, please refer to Pages 13 to 15 of our Annual Report.

GRI CONTENT INDEX

Statement of use	Samurai 2K Aerosol Limited has reported the information cited in this GRI content index for the period from 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
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