SUSTAINABILITY RISKS AND OPPORTUNITIES

AS WITH OTHER BUSINESS RISKS THE GROUP FACES, ESG RISKS OVERSIGHT IS IMPORTANT TO SAFEGUARDING OUR LONG-TERM RESILIENCE AND ENSURING SUSTAINABLE VALUE CREATION. THESE RISKS CAN DIRECTLY INFLUENCE OUR FINANCIAL PERFORMANCE, OPERATIONAL STABILITY, AND REPUTATION, WHILE ALSO SHAPING HOW STAKEHOLDERS VIEW THE GROUP'S ABILITY TO RESPOND TO GLOBAL SUSTAINABILITY CHALLENGES. BY RECOGNISING AND MANAGING ESG RISKS EARLY, WE STRENGTHEN OUR CAPACITY TO ADAPT, MITIGATE POTENTIAL IMPACTS, AND CAPTURE OPPORTUNITIES THAT SUPPORT BOTH BUSINESS GROWTH AND STAKEHOLDER TRUST.

RISK MANAGEMENT AND OVERSIGHT

Our governance structure enables us to systematically identify, assess, and prioritise material ESG risks. This proactive approach allows us to address both inherent and emerging challenges, such as climate change, water and resource scarcity, supply chain disruptions, human rights concerns, and talent management.

These are documented in a central Risk Register, which is regularly updated and reviewed by the Risk Management Committee ("RMC"). The RMC is supported by a management-level Risk Unit and operational teams to ensure mitigation strategies are effectively implemented across the Group. To enhance oversight, risk registers are also maintained at the business division level, enabling us to manage risks more effectively and practically.

Recognising the growing importance of ESG factors, Matrix has introduced a 5% sustainability weightage into the annual performance assessment for all executive staff. This reinforces accountability by directly linking sustainability priorities to individual outcomes ensuring that ESG considerations are embedded into daily decision-making.

Comprehensive Board oversight on material ESG topics, as well as risks and opportunities arising from these topics.

Board and Senior Management receive timely reports on ESG matters, thereby enabling them to remain updated on ESG initiatives and programmes.

The governance structure enables the development of effective reporting structures between senior leadership as well as the working level.

Enables quick and effective two-way dissemination of information and promotes the development of an ESG oriented culture across the organisation and the value chain.

SUSTAINABILITY RISKS AND OPPORTUNITIES

RISK OVERVIEW

The Group has continued to enhance our sustainability disclosures by identifying and mitigating relevant sustainability and climate-related risks and opportunities. This was done as part of a comprehensive exercise in FY2025, which enabled Matrix to identify key sustainability-related risks and opportunities ("SRROs") and climate-related risks and opportunities ("CRROs").

Our systematic approach to SRRO and CRRO prioritises material risks by impact and likelihood, ensuring resources are strategically allocated toward effective mitigation. By aligning these risks with the material matters, we ensure that the concerns of both internal and external stakeholders are proactively addressed.

An overview of the main SRROs of Matrix is as follows. Meanwhile, a comprehensive overview of the Group's CRROs can be found in the "Climate Action" section of this report.

Legend:

Severity: Insignificant, Minor, Moderate, Major, Highly Significant

Likelihood: Very Unlikely, Unlikely, Possible, Likely, Very Likely

LONG-TERM ECONOMIC CONTINUITY

Potential Impacts — **Defect Management/ Build Quality**

OVERALL SEVERITY: Major | OVERALL LIKELIHOOD: Likely

Why It Matters:

Delivering quality developments is fundamental to customer satisfaction, brand reputation, operational excellence, and long-term value creation.

Potential Risks:

- Higher defect rectification costs and delayed revenue recognition.
- Reduced customer confidence, repeat purchases, and brand reputation.
- Project delays, contractual disputes, and operational inefficiencies.

Strategic Opportunities:

- Enhance customer satisfaction, brand trust, and repeat purchases.
- Improve operational efficiency through higher construction quality and QLASSIC performance.
- Strengthen cash flow, project delivery, and long-term business resilience.

Matrix Response & Value Created:
Matrix implements a comprehensive quality management framework supported by consultant-approved designs, quality inspections, supplier controls, laboratory testing, and CIDB QLASSIC benchmarking. These measures strengthen build quality, reduce rectification costs, support timely project delivery, and enhance long-term stakeholder value.

PEOPLE-FIRST PHILOSOPHY

Potential Impacts — **Occupational Health & Safety**

OVERALL SEVERITY: Moderate | OVERALL LIKELIHOOD: Possible

Why It Matters:

Maintaining a safe and healthy workplace is essential to protecting our employees, contractors, and communities while supporting operational continuity, productivity, and long-term business resilience.

Potential Risks:

- Workplace injuries, fatalities, and occupational illnesses affecting employee wellbeing and operations.
- Regulatory non-compliance, legal liabilities, and reputational damage.
- Project delays, productivity losses, and increased operational costs arising from safety incidents.

Strategic Opportunities:

- Strengthen safety culture, employee wellbeing, and workforce engagement.
- Improve operational efficiency through proactive risk management and incident prevention.
- Enhance stakeholder confidence, regulatory compliance, and long-term business resilience.

Matrix Response & Value Created:
Matrix implements a Group-wide safety management framework comprising risk assessments, safe work procedures, training, inspections, incident reporting, and continuous monitoring to foster a strong safety culture. These measures reduce workplace risks, strengthen regulatory compliance, improve operational continuity, and create long-term value for employees, customers, and stakeholders.

SUSTAINABILITY RISKS AND OPPORTUNITIES

Potential Impacts | **Human & Labour Rights**

OVERALL SEVERITY | OVERALL LIKELIHOOD

Why It Matters:

Respecting human and labour rights is fundamental to attracting and retaining talent, fostering an inclusive workplace, maintaining stakeholder trust, and supporting sustainable business performance.

Potential Risks:

- Labour rights violations, discrimination, harassment, or unfair employment practices affecting employee wellbeing and reputation.
- Non-compliance with labour laws resulting in legal, regulatory, and reputational risks.
- Reduced employee engagement, productivity, and talent retention.

Strategic Opportunities:

- Foster an inclusive, respectful, and diverse workplace that attracts and retains talent.
- Strengthen employee engagement, productivity, and organisational performance.
- Enhance stakeholder confidence through responsible employment practices and ethical business conduct.

Matrix Response & Value Created:
Matrix upholds human and labour rights through fair employment practices, equal opportunity, non-discrimination, employee engagement, grievance mechanisms, and compliance with applicable labour laws. These measures promote an inclusive workplace, strengthen employee wellbeing and trust, and support long-term organisational resilience and sustainable value creation.

RESILIENT AND TRUSTWORTHY BUSINESS

Potential Impacts | **Regulatory Compliance**

OVERALL SEVERITY | OVERALL LIKELIHOOD

Why It Matters:

Maintaining compliance with applicable laws, regulations, and industry standards is fundamental to responsible business conduct, stakeholder confidence, and sustainable long-term growth.

Potential Risks:

- Regulatory breaches resulting in legal penalties, financial losses, and reputational damage.
- Operational disruptions arising from non-compliance with regulatory requirements.
- Reduced stakeholder confidence and increased governance risks.

Strategic Opportunities:

- Strengthen governance, ethical business conduct, and regulatory readiness.
- Enhance stakeholder trust through robust compliance and transparent business practices.
- Improve operational resilience by proactively managing regulatory risks.

Matrix Response & Value Created:
Matrix maintains a robust compliance framework comprising policies, internal controls, regular compliance reviews, employee training, and audits to ensure adherence to applicable laws and regulations. These measures strengthen governance, minimise compliance risks, support responsible business practices, and create sustainable long-term value for stakeholders.

ENVIRONMENTALLY CONSCIOUS APPROACH

Potential Impacts | **Climate Change & Emissions**

Why It Matters:

Climate change presents both physical and transition risks that can influence the Group's operations, development planning, regulatory obligations, and long-term business resilience.

Potential Risks:

- Increased operational costs, asset damage, and project disruptions arising from extreme weather events.
- Evolving climate regulations, carbon-related requirements, and stakeholder expectations.
- Higher energy consumption, greenhouse gas emissions, and potential reputational risks.

Strategic Opportunities:

- Improve energy efficiency and reduce greenhouse gas emissions across operations.
- Strengthen climate resilience through sustainable development and operational practices.
- Enhance investor confidence and long-term competitiveness through proactive climate action.

Matrix Response & Value Created:
Matrix integrates climate considerations into governance, risk management, and operational decision-making while monitoring energy consumption and greenhouse gas emissions to identify improvement opportunities. These efforts strengthen climate resilience, improve resource efficiency, support regulatory readiness, and contribute to the Group's long-term carbon neutrality commitment.