TECHBOND®
YOUR TECHNICAL BONDING PARTNER

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SUSTAINABILITY
R E P O R T

Secure Today, Better Tomorrow
Building a Legacy for Generations to Come

Inside this Report

ABOUT
THIS REPORT

The essence of this report lies in its comprehensive examination of the significant sustainability challenges and prospects encountered by Techbond Group Berhad and its subsidiaries, Techbond Vietnam and Malayan Adhesives & Chemicals. It meticulously outlines our proactive strategies in addressing these concerns, showcasing a dedicated approach toward navigating the complexities of sustainability. With a steadfast commitment to environmental preservation, social responsibility, and robust governance practices, this report serves as a testament to our unwavering dedication. It stands as a transparent disclosure of our management's performance in tackling these critical issues, demonstrating our unwavering resolve to foster a sustainable future while maintaining operational excellence.

Reporting Guidelines

Techbond is committed to delivering precise, comprehensive, and transparent information regarding its environmental, social, and governance impacts. This report is crafted based on the guidance provided by Bursa Malaysia's Sustainability Reporting Guide Third Edition. In reference with relevant parameters, specific disclosures have been crafted drawing upon the international standards outlined by the Global Reporting Initiative (GRI). Furthermore, recognizing the significance of global sustainability initiatives, we have harmonized our disclosures within this report with the United Nations' Sustainable Development Goals (UNSDGs). This alignment enables us to actively contribute by presenting actionable plans to tackle challenges identified by the global community, affirming our dedication to being an integral part of the solution.
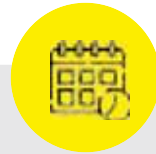
Reporting Period

This Report covers the period from 1 July 2023 – 30 June 2024 ("FY2024").

Scope & Boundary

This report summarises all initiatives and performance data derived from the Group's manufacturing facilities, where the Group has direct operational control in Malaysia and Vietnam. The entities included are Techbond Manufacturing Sdn. Bhd., Malayan Adhesives & Chemicals and Techbond MFG (Vietnam) Co., Ltd. In the previous reporting year, the sustainability report focused solely on Techbond Manufacturing Sdn. Bhd.

Statement of Assurance

This Report stands as a testament to our commitment to transparency and accountability. Prior to its release, it underwent rigorous evaluation by our management and esteemed board members. Moreover, to bolster its credibility, an independent third party conducted meticulous verification of the data contained herein. We stand behind every piece of information disclosed in this report, affirming its accuracy and reliability. This comprehensive review process underscores our unwavering dedication to providing stakeholders with trustworthy and credible information regarding our sustainability efforts and performance. In FY2024, we had appointed Grant Thornton Malaysia PLT, to provide external assurance (details at pages 70-74) on our sustainability report.
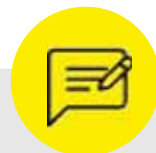
Feedback

Feedback from our stakeholders is essential for us to continuously improve our sustainability reporting. We warmly welcome your comments, thoughts & feedback on how we may improve our reporting to benefit all our stakeholders. You may direct them to Techbond Group Berhad headquarters:

TECHBOND GROUP BERHAD
No. 36, Jalan Anggerik Mokara 31/59, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel: +603-5122 3333
Email: adhesive@techbond.com.my

MESSAGE

FROM OUR
MANAGING DIRECTOR

Dear Value Stakeholders,

As we continue our journey towards sustainability and corporate responsibility, I am pleased to announce our newly acquired subsidiary Malayan Adhesives & Chemicals (M.A.C) in year of 2023. This year financial year 2024, our report had included not only Techbond's headquarter, the reporting scopes includes our plant in Vietnam (Techbond Mfg (Vietnam) Co. Ltd) and our newly acquired subsidiary (M.A.C). Our commitment to environmental, social, and governance (ESG) principles is unwavering, and we had taken substantial steps to enhance our operational efficiency, reducing our environmental impact, and invest in sustainable technologies.

In 2023, M.A.C committed a substantial capital investment towards sustainability initiatives. This investment underscores our dedication to integrating ESG principles into our core business strategy, ensuring long-term value creation for our stakeholders while fostering environmental stewardship. A key highlight of our environmental initiatives is our remarkable success in water conservation. We forecast to save total of 30% of water consumption despite there is a hype in total water usage.

On the other hand, our efforts to reduce carbon emissions have yielded significant results. In 2023, we had implemented various measurements to optimize our production processes and enhance energy efficiency. With all the initiatives implemented in our business operation we believe it helps us to be one step nearer to our target the reduction of carbon emission by 45%.

Embracing renewable energy is a cornerstone of our sustainability strategy. In 2023, we made a significant investment in solar power, installing solar panels across our facilities. This initiative not only reduces our dependency on non-renewable energy sources but also reinforces our commitment to sustainable energy practices. In total we had invested approximate of RM2.65 million in our solar power initiative which inclusive RM1.55 million for M.A.C solar power project. The solar power efforts have generated a substantial amount of clean energy, further reducing our carbon footprint contribution. Through the modernization of our production facilities and the adaptation of cutting-edge technologies in M.A.C, we target to reduce total of 20% of non-renewable electricity upon project completed. These efforts not only reduce operational costs but also align with our goal of minimizing our environmental impact.

Mr. LEE SENG THYE
Managing Director
TECHBOND GROUP BERHAD

Moving forward, we are dedicated to the continuous modernization of our production processes to build a more sustainable business model. Our management team is actively exploring innovative solutions and technologies that enhance efficiency, reduce waste, and promote the circular economy. By integrating sustainability into every aspect of our operations, we are prioritizing Malayan Adhesives & Chemicals to transform into a more sustainable business in coming years.

I am proud of the improvements made in 2023 which reflects our unwavering commitment to ESG principles and our contribution to climate change. Techbond headquarter had recorded 26.64% CO_2e savings compared to FY2023 by the initiatives we implemented in FY2024. We remain steadfast in our pursuit of sustainability and we are confident that our ongoing efforts will continue to drive positive environmental and social impact. We extend our gratitude to our employees, partners and stakeholders for their support and collaboration as we work together towards a more sustainable future.

KEY AWARDS
& RECOGNITION

With the acquisition of Malayan Adhesives & Chemicals, Techbond extends our awards and recognition in both regional and international market. Our awards and recognition received in our business performance & continued delivery of quality products. These awards and achievements bear testament to our commitments to protect the needs and interest of our people, stakeholders and environment. In recognition of our efforts, we have obtained numerous accolades as listed below:

CICM Responsible Care Awards Year 2012/2013
Community Awareness & Emergency Response Code
Process Safety Code
Employee Health & Safety Code
Category: Special Awards for the SMEs (MERIT)

CICM Responsible Care Awards Year 2012/2013
Pollution Prevention Code
Category: Special Award for the SMEs (GOLD)

CICM Responsible Care Awards Year 2007/2008
Special Award for the SMEs (GOLD)

CICM Responsible Care Awards Year 2006
Employee Health & Safety Code (GOLD)
Category: Special Award for the SMEs

Certificate of Merit from ITEX 2021
International Invention, Innovation
& Technology Exhibition, Malaysia

Sin Chew Business Excellence Award 2014
Product & Service Excellence Award

Golden Eagle Award
Excellent Eagle 2016

ITEX 2021 Gold Medal Award
for the invention of Palm-Based Woodworking Polyurethane Adhesives

Golden Bull Award 2011
Outstanding SMEs Winner

SME Corp Malaysian Brands
National Mark of MALAYSIAN BRAND, the mark of Quality, Excellence & Distinction, a quality accreditation tag from SME Corporation

SME Malaysia Platinum
SME Export Excellence Award

ITEX 2021 Gold Medal
Malaysian Invention
& Design Society

MATRADE Mid-Tier Companies Development Programme

Asia's Top Trusted Brand Award 2023

Adherance to
GLOBAL SAFETY STANDARDS

TECHBOND
MANUFACTURING SDN BHD

ISO 9001:2015   ISO 14001:2015

TECHBOND
MFG (VIETNAM) CO., LTD

ISO 9001:2015   ISO 14001:2015   ISO 45001:2018

MAC
MALAYAN ADHESIVES & CHEMICALS

ISO 9001:2015   ISO 9001:2015

TECHBOND GROUP BERHAD
AT A GLANCE

242
employees as at
30 June 2024

29
years of
experience

Location of
facilities
in Malaysia & Vietnam

Manufacturing
facilities
in Malaysia & Vietnam

R&D Cetre
in Malaysia & Vietnam

KEY
MARKETS

- Australia
- Cambodia
- China
- Europe (France + Italy)
- Indonesia
- Japan
- Middle East
- Myanmar
- Netherlands
- New Zealand
- Philippines
- Singapore

- South Korea
- Sri Lanka (India)
- Taiwan
- Thailand
- Turkey
- USA
- Vietnam
- Papua New Guinea
- Spain
- Switzerland
- Pakistan
- UAE (Dubai)

ABOUT
TECHBOND GROUP BERHAD

WHO WE ARE

Techbond, a pioneering company rooted in its homeland, specializes in the development and production of industrial adhesives and sealants. Established in 1996 in Shah Alam, Selangor, the Group expanded its footprint to Vietnam in 2005. Techbond places significant emphasis on research and development (R&D) and boasts 8 proprietary brands. The company takes pride in its internal development of the majority of its industrial adhesives and sealants. In December 2018, Techbond achieved a significant milestone with the listing of its shares on the Main Market of Bursa Malaysia. Subsequently, in March 2023, Techbond acquired Malayan Adhesives & Chemicals to bolster its presence in the chemical sector.

Headquartered in Shah Alam, Selangor, Malaysia, our main facilities including manufacturing, R&D, and quality control are located there. Since venturing into Vietnam in 2005, we have relocated to our current Binh Duong Factory Complex in 2008. In 2021, Techbond Vietnam exceeded industry standards with its polymer production.

Specializing in industrial adhesives and sealants, Techbond serves diverse sectors including woodworking, paper and packaging, automotive, building and construction, personal care, as well as cigarette and mattress industries. Geographically, our clientele spans beyond domestic borders, with exports to over 20 countries across Asia, Europe, and Africa. Continuously expanding globally, the Group strives to provide tailored solutions to meet market demands.

CORPORATE CORE VALUES

Our vision to evolve into a flourishing and prosperous adhesive company is driven by our Corporate Core Value stemming from acronym STICKY, embodying Sustainability, Teamwork, Impact, Customer focused, Keep Learning and Yes-minded. These guiding principles shape our organizational culture and speaks how we fulfil our promises to all stakeholders, laying the foundation for the success of our teams in Malaysia and Vietnam alike.

S	T	I	C	K	Y
Sustainability	Teamwork	Impact	Customer Focused	Keep Learning	Yes-Minded

WHAT WE DO

Techbond operates with few business divisions. Within Malayan Adhesives & Chemicals (MAC), we oversee five key businesses encompassing wood adhesives, formalin, phenolic resins, dry strength resins, and microspheres. Additionally, our secondary raw materials (polyvinyl acetate emulsion polymers) production focuses on the manufacturing of plastics and polymer-based materials.

Water-Based Adhesives

A combination of basic adhesives & (if present) additives that have been dissolved or disturbed in water.

Hot Melt Adhesives

As substance that is solid at ambient temperature but melts when heated to its operating temperature range. Industrial sealants are used to seal a surface in order to prevent the passage of liquids, gases & other undesired substances. In 2015, we began manufacturing sealants in-house via our R&D efforts. We manufacture two primary kinds of sealant: water based & solvent-based sealants.

Polyvinyl Acetate Emulsion Polymers

Our polymer is produced in our Vietnam plant where it is widely used in water-based adhesives and paints productions. Polymers plays an important role in ensuring superior quality and consistency in productions. With the professional skilled of our team, we had perfected the formulation to achieve optional stability, adhesion and durability which meets the industry expectations.

Microspheres

Phenolic microspheres are used as ultra-lightweight fillers and protective coatings in marine and aerospace applications. Their exceptional flame retardance, thermal stability, and mechanical properties make them ideal for use in coating materials, providing excellent protection.

Urea formaldehyde and melamine urea formaldehyde

A type of thermosetting resins being used as adhesive in various application. It is produced via raw material urea and formalin.

Phenol Formaldehyde

Phenol formaldehyde resins are thermosetting adhesives utilized in various applications. These resins are produced from phenol and formaldehyde, along with other additives, and are known for their excellent mechanical strength, thermal stability, and flame retardance.

Polyacrylamide - Dry Strength Resin

It is a substance used as dry strength resin to improve the dry strength properties of paper, improves drainage, increases the retention of fines and reduces the BOD and COD in recycle paper production.

Supporting Products & Services

Besides our own in-house products, the Group also offers supporting goods & services in our bid to strengthen our competitive advantage & develop clients' loyalty. These include supplying Original Equipment Manufacturer ("OEM")'s industrial adhesives & sealants, adhesive repellents & cleaners, chemicals as well as adhesive blending machines.

RESEARCH & DEVELOPMENT ("R&D")

A key pillar of our competitive edge lies in our robust R&D capabilities, integral to formulating the majority of our in-house products. This is facilitated by our dedicated technical team operating within the R&D center situated at our Shah Alam plant. This state-of-the-art facility boasts an array of equipment including gas chromatographs, fourier transform infrared spectroscopes, as well as programmable temperature and humidity test chambers.

Our proprietary in-house R&D team empowers us to tailor products precisely to meet clients' specifications. Simultaneously, it facilitates an ongoing pursuit of novel formulations, expanding our product portfolio to fortify our market competitiveness.

UNWAVERING LEADERSHIP
COMMITMENT

Incorporating sustainability into Techbond's top-level governance ensures a strategic focus on Environmental, Social, and Governance (ESG) concerns to foster enduring value generation. Techbond is dedicated to advancing sustainable practices aimed at benefiting all stakeholders, including shareholders, employees, partners, local communities, and the environment. This commitment is reinforced by a robust sustainability governance framework, which oversees that our business practices uphold these responsibilities towards all stakeholders.

The governance of our sustainability initiatives is overseen by the Board, which ensures alignment with our corporate objectives and sustainability targets. The Board is tasked with supervising the integration of sustainability and ESG (Environmental, Social, and Governance) considerations into the Group's strategic planning. Assisting the Board is the Managing Director, who strategically oversees the Group's sustainability initiatives. As part of our decision-making process, we prioritize ESG factors strategically. Department heads are responsible for identifying, evaluating, and mitigating existing and potential ESG risks.
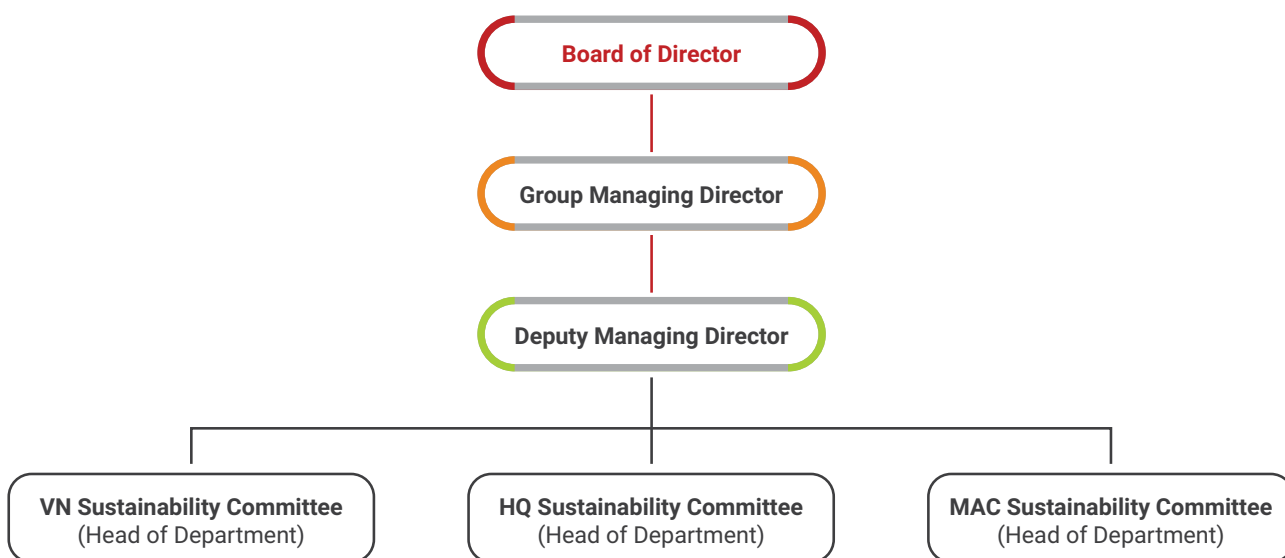
TECHBOND
SUSTAINABILITY WORKING GROUP

In FY2024 sustainability report, Techbond had shared our sustainability diagram working group. This diagram includes the merging of sustainability members of 3 operating business entities and listing each role and responsibilities that has been taken up. The board emphasizes into climate change, human rights and other sustainability matters. In Techbond, the Board oversees of the Group's sustainability objectives, continuous initiatives and policies.

Under the guidance of the Deputy Managing Director, the Sustainability Working Group (SWG) serves as a cornerstone of our governance framework. It receives backing from our Department Heads, comprising Finance, Operations, Production, Research & Development (R&D), Business Development, Human Resources, and Purchasing. Weekly management meetings, presided over by the Managing Director, deliberate on all sustainability and operational performance matters. The Managing Director then reports updates on sustainability issues and pertinent performance metrics to the Board.

```
                      Board of Director
                              |
                   Group Managing Director
                              |
                   Deputy Managing Director
           _____|_____
          |                   |                   |
  VN Sustainability    HQ Sustainability   MAC Sustainability
     Committee            Committee            Committee
 (Head of Department) (Head of Department) (Head of Department)
```

To effectively track our resources usage, Techbond had analyze the risk and impact of the resources towards the operations activities. The team continuously finding opportunities to reduce the wastage of resources and improve productivity of our productions.

Board of Directors
• Oversight on sustainability matters
• Oversees th development & adoption of sustainability strategy amd related policies
• Includes matters such as integrity, anti-corruption, code of conduct, occupational health & safety, talent management & risk
• Consider diversity of skills, experience and perspectives needed to effectively oversea sustainability issue

Managing Director
• Develops Techbond's overarching sustainability framework
• Aligns the Group's sustainability strategy with long term business growth and goals
• Informs the Board's strategic planning and monitoring ESG risks and opportunities

Deputy Managing Director
• Implement and executes sustainability initiatives across the Group
• Acts as a strategist in delivering sustainability intiatives and development projects in line with strategies approved by the Board of Directors
• Ensure that company complies with all relevant laws, regulations and industry standards related to ESG regulations

Sustainability Committee
• Comprises of the various department heads within the Group
• Implements & integrates sustainability within their departments
• Monitors progress of sustainability initiatives, activities, targets and communicates their progress
• Ensures the company provides accurate, transparent, and meaningful reporting on its sustainability performance
• Fosters a process of continuous improvement in sustainability performance by regularly evaluating th effectiveness of sustainability initiatives, identifying areas for enhancement and implementing best practices and innovation to drive progress

TECHBOND (HQ) ESG Committee

TECHBOND Vietnam ESG Committee

MAC ESG Committee

Category	Assessment	Details
Water usage	**Risk & Impact**	Water scarcity is likely to present multifaceted challenges for manufacturing industries, as limited availability may disrupt operations, potentially leading to production delays or an increased costs. The rising water prices or the need for water treatment, which could impact business profitability. Additionally, the reliance on water-intensive suppliers or regions prone to scarcity is assumed to pose risks to the continuity of the supply chain.
	Opportunities	Consider implementing water-saving technologies such as conducting regular water usage monitoring to detect leaks, including underground ones. Implement recycling and reuse systems to reduce water consumption and operational costs; for example, reusing wastewater for various purposes. Plan spare capacity for resilient water supplies to ensure operational continuity and reduce unnecessary water use, including addressing leaks and optimizing supply networks. Analyze production water consumption to determine appropriate storage capacity and identify opportunities for reducing water dependency. To modernize the slurry separation process, the team had decided to use the screw-press machine which contributes to clean water reduction of 960 m³ monthly. Further initiatives to minimize water reliance in specific processes are under review.
Energy Efficiency	**Risk & Impact**	Rising energy costs likely pose a significant challenge for businesses, as fluctuations in energy prices or increased demand are assumed to directly impact operational expenses, potentially reducing profitability. The high energy consumption contributes to greenhouse gas emissions, raising climate change concerns and increasing the risk of carbon taxation. Furthermore, disruptions in energy supply within the supply chain are presumed to pose a significant risk, potentially halting production. Aging machinery and outdated technology are likely contributors to energy inefficiencies, which may lead to higher operating costs and exacerbating the challenges businesses face in managing energy-related risks.
	Opportunities	Invest in solar systems for long-term energy cost savings, enhanced security, and reduced carbon footprint. Conduct energy audits to identify inefficiencies, leading to significant cost savings and operational improvements. Implement lean manufacturing principles to streamline operations and reduce energy waste. Optimize daily energy usage by utilizing cheaper off-peak and nighttime energy where feasible, improving energy efficiency and maximizing renewable energy generation. Upgrade equipment to high-efficiency technology and maximize inverter utilization for further energy savings.
Waste Management	**Risk & Impact**	High moisture levels in sludge can significantly raise waste management expenses. The disposal of rejected products contributes to higher waste management costs and may further strain resources and operational budgets. Failure to meet regulatory standards for waste management can lead to fines, legal actions, and reputational damage. Compliance issues can drive up operational expenses due to corrective measures and potential litigation costs. Non-compliance might disrupt the waste management cycle, affecting the efficiency and reliability of waste handling and disposal processes, which can impact overall business operations.
	Opportunities	Implement the 4R approach for cost savings, resource efficiency, and brand reputation. Utilize waste-to-energy technologies like incineration or anaerobic digestion. Embrace circular economy principles for product redesign and closed-loop systems. Collaborate with suppliers to optimize packaging and reduce waste. Invest in sustainable waste management training and awareness. Explore alternatives like using less sludge-producing chemicals and investing in efficient sludge press dryers for improved production processes.
Natural Resources	**Risk & Impact**	Depletion of critical natural resources can lead to shortages of essential materials, potentially causing disruptions in the supply chain. This can result in delays, increased costs, and challenges in maintaining production levels. Shortages of key materials may affect production output, leading to reduced efficiency and potential revenue losses. inadequate practices and technologies related to resource depletion may frequently result in harming social, economic, and environmental repercussions, posing considerable financial and supply chain risks. These issues might also have a secondary impact on manufacturing processes.
	Opportunities	Leveraging innovation and technology to enhance resource efficiency, develop alternative materials, and promote recycling and reuse unlocks new business opportunities while mitigating environmental impacts. Embracing circular economy principles, including product reuse and recycling, minimizes waste and maximizes resource recovery throughout the product lifecycle. Implementing resource-efficient technologies and processes, such as material recycling and energy conservation, is crucial. Investing in green technology elevates brand perception and fosters financial growth. Diversifying supply sources mitigates dependence on single suppliers.

MATERIAL
SUSTAINABILITY MATTERS

To address Environmental, Social, and Governance (ESG) risks across our operations, we systematically identified and assessed key risks by prioritizing factors in the external global operating environment and aligning with stakeholder values. This method allowed us to pinpoint and concentrate on our business priorities by identifying both current and emerging risks that could affect our operations. With these risks in mind, we proactively executed action plans and initiatives to enhance our business resilience, consistently delivering value to our stakeholders.

Identifying our Material Sustainability Matters

Material sustainability matters encompass issues and concerns deemed significant by Techbond and our diverse stakeholders. To gain deeper insights into these pertinent issues, we conducted a comprehensive review of the following:
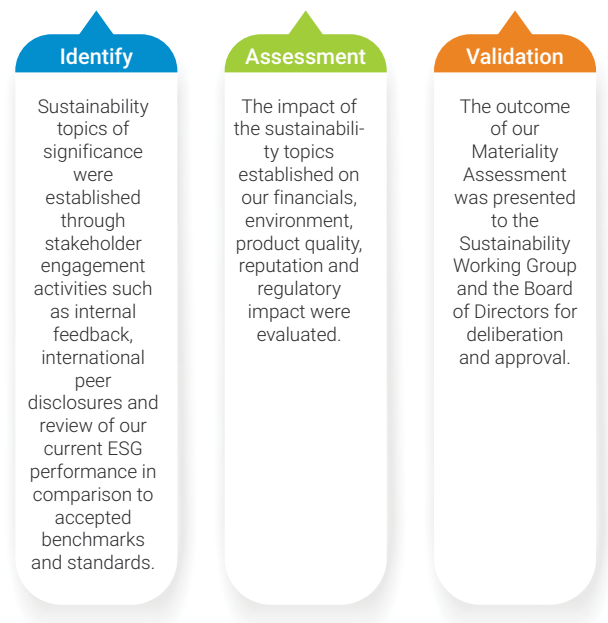
• Our current business strategy;
• Relevant requirements, guidelines and policies, including those issued by Bursa Malaysia Securities Berhad as well as its Sustainability Reporting Guide and Toolkit;
• ESG themes and indicators utilised by the FTSE4Good Index and the GRI Universal Standards, in addition to aligning ourselves with the applicable United Nations Sustainability Development Goals (UNSDGs).

We also identified our material topics through internal discussions involving management and representatives from our different business units, as well as through feedback and input gathered from interactions with our key stakeholders.

Our Material Assessment Approach & Processes (Appendix below)

We prioritize consistent engagement with our stakeholders to gauge the relevance of specific ESG material topics to them. Utilizing these insights, we steer our sustainability endeavors and ensure meaningful communication as we advance forward. In the material assessment approach and processes.

In FY2024, we undertook a comprehensive materiality assessment in compliance with the principles of materiality via our three-steps process below:

Identify	Assessment	Validation
Sustainability topics of significance were established through stakeholder engagement activities such as internal feedback, international peer disclosures and review of our current ESG performance in comparison to accepted benchmarks and standards.	The impact of the sustainability topics established on our financials, environment, product quality, reputation and regulatory impact were evaluated.	The outcome of our Materiality Assessment was presented to the Sustainability Working Group and the Board of Directors for deliberation and approval.

The materiality assessment is reviewed and approved by the Board of Directors.
The results of materiality analysis assessment are as follows:

Important to Stakeholder				
High		• Fair Trade	• Corporate Governance • Human Rights • Group Financial Performance • Business Ethics & Governance	• Product Quality & Innovation • Safety & Health Awareness • Employee Management
Medium	• Social Responsibilities • Local Communities	• Support Service	• Environmental Compliance • Waste & Water Management	
Low		• Packaging Material	• SOP • Policies • Business Strategy • Cybersecurity & Data Privacy	
	Low	**Medium**	**High**	

Important to Business operations

Stakeholder	Engagement Objective(s)	Engagement Channels	Sustainability Matters Discussed
Board of Directors	To align our business strategy with Environment, Social & Governance practices.	• Board meetings • Committee Meetings • Annual General Meetings • Sustainable Report	• Company direction & business strategy •Policies • ESG target
Investors and Media	To cultivate investors' and public confidence level.	• Reporting • Annual General Meeting • Corporate website • Investor's briefing • Public announcements • Press conference • Interviews and visits • Media interviews • Media release	• Group financial performance • Corporate governance • Regulatory compliance • Business prospects
Customers	• To improve customers' satisfaction. • Ensuring right product for customer. • Sustainability efforts	• Customer's Feedback Form • Customer's Audit • Corrective Action Report • On-site factory visit • Regular Business Meetings • Electronic mail • Code of Ethics and Conduct	• Consistent quality product and quality control • Support services • ISO Certificate • Data Privacy & Security
Suppliers	• To ensure sustainable supply of quality services and materials. • Development of new product	• Supplier's Evaluation and Appraisal • Site visit • Regular Business Meetings • Corrective Action Report • Electronic mail • Code of Ethics and Conduct	• Competitive Pricing • Packaging material • Sustainable supply chain management • Data Privacy & Security • Incoming quality inspection • New product development
Employees	• To develop career progression, talent retention and equitable remuneration and benefits. • Promote conducive working environment through Health and Safety Practices, staff welfare improvement	• Performance appraisal • Internal memorandum • Training Programs • Department Meetings • Management Discussion and Meetings • Employees Training Needs Assessment • Employee engagement activity • Employee Handbook • Job enrichment through rotation	• Training and development • Talent attraction and retention • Occupational Safety and health • Team building activities • Staff performance • Employee welfare • Standard operating procedures ("SOP") • Employee engagement
Government & Regulators	To ensure full compliance with relevant laws and regulations	• Active engagement with respective authorities and regulatory agencies • Official correspondence • Timely submission of reports to relevant authority	• Environmental compliance • Waste management • Strict compliance with all laws, regulations and requirements to maintain licenses • Human capital development and labor practices
Local Communities	To create positive image and awareness to the public	• Corporate social responsibilities • Sponsorships	• Social responsibilities events such as donations for school • Job creation for local communication • Energy, Pollution control

OUR SUSTAINABILITY MATTERS

ENVIRONMENT		
	Energy Management	Identifying and monitoring sources of energy consumption to ensure optimal energy usage across all operational plants.
	Carbon Emission	Monitoring the GHG emissions of the Group throughout our operations and mitigating their effects on the surrounding environment.
	Water Management	Monitoring the Group's water usage, ensuring conservation efforts, and optimizing processes to enhance water efficiency.
	Waste Management	Ensure that the disposal of waste and effluents meets regulatory standards and limits.
	Sustainable Development of Products	Taking into account sustainability factors in our manufacturing processes and product development by continually improving processes, conducting research and development, and leveraging technology applications.
	Environmental Management	Internal controls and mechanisms for overseeing environmental effects, with a focus on air emissions, waste handling, water conservation, energy usage, and responses to climate change.
	Recycle materials management	Tracking the usage of recycle materials which includes recycling unused papers and reusing the packaging materials in business operations.

SOCIAL		
	Occupational Safety & Health	Creating a safe and healthy work environment entails implementing essential measures to prevent injuries and mitigate workplace health and safety hazards.
	Employee Engagement	Attracting and retaining employees is achieved by cultivating an exceptional workplace environment, which involves managing employee well-being, promoting a healthy lifestyle, and hosting regular social interactions with staff members.
	Human Capital Development	Fostering talent involves offering career development opportunities and training programs that broaden their skillset and knowledge base.
	Diversity & Non-Discrimination	Ensure equitable treatment of all employees, devoid of discrimination.
	Supply Chain Management	Consideration of emerging social, environmental and economic factors within our supply chain through risk assessment. To ensure fair trade, there are supply chain policy as part of the guidelines to suppliers engaged.
	Community Development	Enhance the well-being of communities where the Group operates through corporate social responsibility (CSR) initiatives.

GOVERNANCE		
	Regulatory Compliance	Established initiatives and processes ensure adherence to pertinent regulatory requirements.
	Human Rights & Fair Employment Practices	Promoting fair labor practices and safeguarding employee welfare involve upholding human rights, preventing forced labor, and fostering an inclusive workplace environment.
	Data Security & Protection	Securing company and stakeholder data, information, and intellectual property, including that of customers, suppliers, employees, and business partners, against cybersecurity breaches.

CONTRIBUTIONS TO
THE UNSDGs

SUSTAINABLE DEVELOPMENT GOALS

In line with Techbond's dedication to sustainability, our firm is aligned with the United Nations Sustainable Development Goals (UNSDGs). We have intensified our corporate commitment to contribute to the worldwide push for a more environmentally friendly and sustainable future, as outlined by the UNSDGs. This involved conducting an evaluation to gain deeper insights into the UNSDGs and their objectives, and prioritizing our objectives and targets by aligning them with our sustainability endeavors. We have particularly concentrated on eleven key UNSDGs, and the subsequent page illustrates our advancement up to this point.

3 GOOD HEALTH AND WELL-BEING

Our Focus
Promote the well-being and ensure the health of all individuals.

Targets we are contributing to
Attain universal health coverage, ensure access to high-quality essential healthcare services, and provide access to safe, effective, quality, and affordable essential medications for everyone.

Our Progress
- Encourage employees to perform test if there are any sick symptoms.
- Safeguards the health of our employees through strict adherence to relevant pandemic SOPs & guidelines.
- In TECHBOND Vietnam, all employees receive an annual health check, while direct production staff get checked twice a year. Occupational diseases are also examined. Meals and milk are provided on medical examination days.

4 QUALITY EDUCATION

Our Focus
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Targets we are contributing to
- **4.4** Skills for employment, decent jobs and entrepreneurship.

Our Progress
- Upskilled our employees through various training programs.

5 GENDER EQUALITY

Our Focus
Achieve gender equality & empower women and girls.

Targets we are contributing to
- **5.5** Ensure women's full & effective participation & equal opportunities for leadership at all levels of decision-making in political, economic & public life.

Our Progress
- Board of Directors comprise of 33% women.
- Top Management comprise of 33% women.

6 CLEAN WATER AND SANITATION

Our Focus
Ensure availability and sustainable management of water & sanitation for all.

Targets we are contributing to
- **6.3** Improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater & substantially increasing recycling & safe use globally.

Our Progress
- Developed our own Industrial Effluent Treatment System (IETS) to ensure all our waste water is properly treated through an environment friendly bio-treatment facility.

7 AFFORDABLE AND CLEAN ENERGY

Our Focus
Ensure access to affordable, reliable & sustainable and modern energy for all.

Targets we are contributing to
- **7.1** Ensure universal access to affordable, reliable and modern energy services.
- **7.a** Promote investment in energy infrastructure & clean energy technology.

Our Progress
- Usage of solar panel on our rooftops to minimise energy consumption and reduce carbon emissions.
- Usage LED lighting in Malaysia and Vietnam factory & laboratory.

8 DECENT WORK AND ECONOMIC GROWTH

Our Focus
Promote sustained, inclusive & sustainable economic growth, full & productive employment & decent work for all.

Targets we are contributing to
- **8.3** Encourage the growth of micro-, small- and medium sized enterprises.
- **8.5** Achieve full & productive employment & decent work for all women & men & equal pay for work of equal value.
- **8.7** Take immediate & effective measures to eradicate forced labour, end modern slavery & human trafficking.
- **8.8** Protect labour rights & promote safe & secure working environments for all workers.

Our Progress
- 79% local suppliers engaged in FY2024 to support the growth of local enterprises.
- TECHBOND respects the human rights of all its workers.
- Health & Safety Trainings are implemented & Safety procedures are enforced throughout the Group.

Our Focus
Build resilient infrastructure, promote inclusive & sustainable industrialisation & foster innovation.

Targets we are contributing to
- **9.5** Enhance scientific research & encouraging innovation.

Our Progress
- We have our own R&D Centre equipped with laboratory and various equipment to encourage innovation within the Group.

Our Focus
Reduce inequality within & among countries.

Targets we are contributing to
- **10.2** Empower & promote social, economic & political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Our Progress
- Employment opportunities are offered to a diverse group of people regardless of age, gender and cultural background.

Our Focus
Ensure sustainable consumption & production patterns.

Targets we are contributing to
- **12.2** Achieve the sustainable management & efficient use of natural resources.
- **12.4** Achieve the environmentally sound management of chemicals.

Our Progress
- Improved operational efficiency through the maintenance and refurbishment of our machines and equipment.
- Proper waste management practices are implemented in accordance with applicable environmental regulations.

Our Focus
Take urgent action to combat climate change & its impact.

Targets we are contributing to
- **13.1** Strengthen resilience & adaptive capacity to climate related hazards.
- **13.2** Integrate climate change measures into strategies & planning.
- **13.3** Improve education, awareness-raising on climate change mitigation, adaptation, impact reduction & early warning.

Our Progress
- The Group declared its aspirations to reduce its carbon emission by 45% in 2030 benchmarked against 2020 Carbon Intensity Emission.
- Conducted awareness development & training on Climate Change to the BODs, the Management Team and all employees.

Our Focus
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Targets we are contributing to
- **16.1** Significantly reduce all forms of violence.
- **16.3** Promote the rule of law & ensure equal access to justice for all.
- **16.5** Substantially reduce corruption & bribery in all their forms.
- **16.6** Develop effective, accountable & transparent institutions at all levels.
- **16.b** Promote & enforce non-discriminatory laws and policies for sustainable development.

Our Progress
- The Group has adopted a zero-tolerance approach and takes a strong stance against all forms of corruption and bribery.
- The Group introduced the Anti-Bribery Management System Policy.

ENVIRONMENTAL
CONSERVATION

Our commitment to minimize our ecological footprint and continuous green initiatives

As a conscientious adhesive manufacturer, we prioritize our environmental stewardship. Our commitment lies in lessening our ecological footprint and refining our processes to mitigate our impact on the environment. Understanding the repercussions of our actions, we embrace the responsibility to curtail this impact wherever feasible.

At Techbond, we proactively manage the environmental implications of our operations, people, and products. Our focus is on refining production methods to amplify output while minimizing environmental footprints. Engaging consistently with our workforce, we foster awareness and accountability for our sustainability objectives.

We vigilantly monitor our environmental footprint and continually innovate to enhance sustainability in our technologies and manufacturing practices. Recognizing the significant influence of climate change on our business, our investment decisions will crucially shape how we navigate its consequences.

Embracing our responsibility, we are dedicated to accelerating our efforts. Our target of slashing carbon emissions by 45% in 2030, benchmarked against our 2020 Carbon Intensity Emission, underscores our active role in combatting climate change.

ENERGY
MANAGEMENT

Energy consumption and its associated GHG emissions are critical considerations for Techbond, necessitating careful measures to prevent adverse environmental effects. This entails enhancing energy efficiency in our operations and advocating for the adoption of renewable energy sources. As part of our Sustainability Targets, we aim to achieve a 45% improvement in energy efficiency and a corresponding reduction in CO_2e emissions by 2030, benchmarked against our 2020 Carbon Intensity Emission levels.

Green Technology

The Techbond Group employs an energy-efficient production system to minimize energy usage and lower carbon emissions. Our choice of natural gas, a high-grade fuel, serves as our primary power source. Natural gas offers efficient combustion with a high heat factor, making it a more environmentally friendly option.

Our newly acquired company utilizing liquefied natural gas usage in the production line to ensure all it creates lesser CO_2e to the environment and maximize production efficiency.

Upon acquiring our Malayan Adhesives & Chemicals in March 2023, the total contribution of the energy used had been increase as the energy source for our subsidiary is highly depending on Tenaga Nasional Berhad's electricity. In order to reduce the total energy consumption, Techbond has initiated to transform the energy source for our subsidiary to solar energy which align with Techbond HQ practices. The total investment for the installation of the solar power is RM1.3mil.

Moving towards greater reliance on renewable energy sources represents a significant strategy for our production facilities to diminish our carbon footprint. Solar energy offers a sustainable alternative to fossil fuels, with the advantage of its longevity; unlike fossil fuels, which have a finite lifespan, the sun is expected to endure for billions of years. Moreover, solar energy significantly minimizes environmental impact compared to fossil fuels, as it does not involve fuel combustion, resulting in negligible greenhouse gas emissions.

As part of our efforts to reduce our carbon emissions intensity, Techbond HQ had continuously using green energy in all areas of our plant. This year, the solar power system at our Shah Alam facility with annual capacity of 2,070,868 Megajoules. With the green energy used, we foreseen we meet the industries needs of having greener and cleaner products.

TRACKING OUR PROGRESS

In FY2024, Techbond had tracked the efficacy usage of each energy in each production plant which including our subsidiary. Continuously the usage is traced by the recorded of daily, weekly and monthly usage ensuring efficacy in output of our products.

Gas consumption

Our gas consumption intensity stood at 0.020kg per 1 unit of adhesive produced in FY2024.
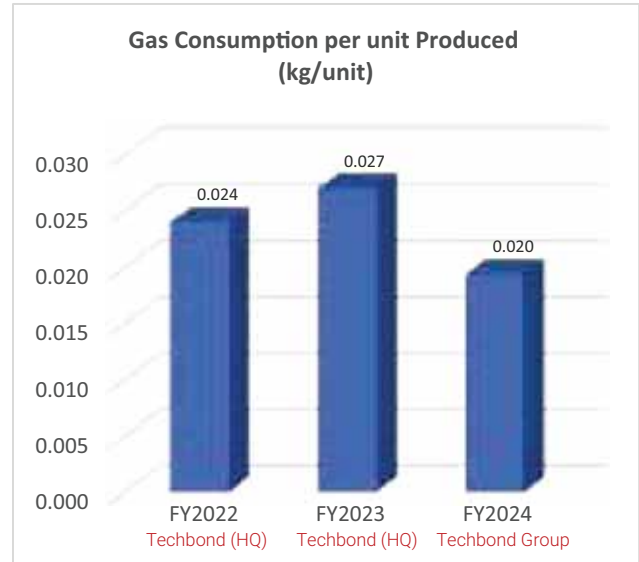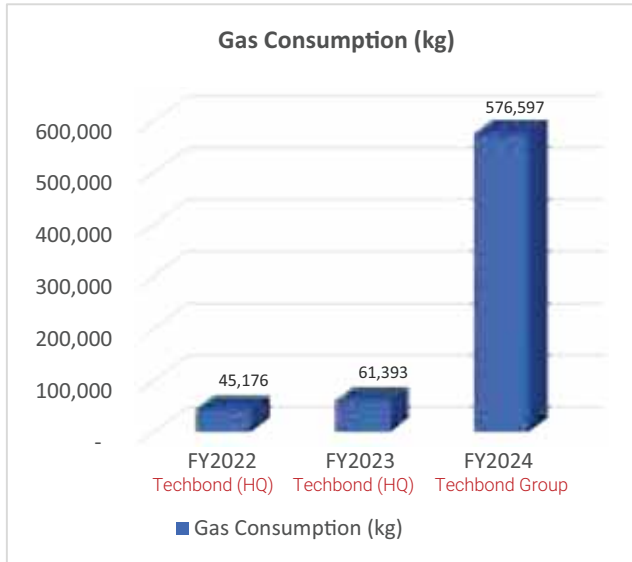
Electricity consumption

The increase in electricity consumption per unit produced shows an sharp spike of 45.05% due to the electricity used in our newly acquired company (M.A.C) which has higher production output and there are some days which includes 24-hours production due to higher demand of specific products.

In line with this, our gas consumption intensity was maintained at 0.020 per unit of adhesive produced in FY2024 and there was an increase in electricity consumption intensity to 0.132 per unit of adhesive produced. This was mainly more electricity consumption needed to produce higher output.
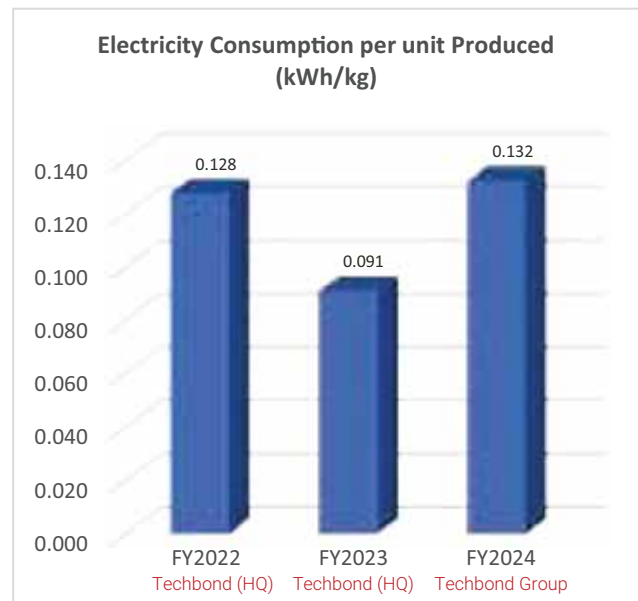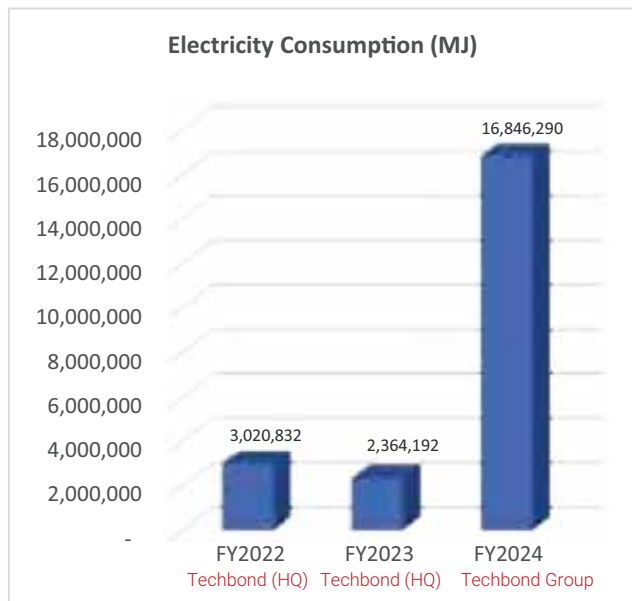
Disclaimer: *All data shown above is based on the starting year of the plant operation & year of acquisition. Data may be varying from the actual data.*

Diesel Consumption

In FY 2024, a total of increase of 1,403.3% in our diesel consumption. The increase of diesel consumption was due to the increase in production & sales volume which was mainly contributed by Malayan Adhesives & Chemicals (M.A.C). We aim to reduce the CO_2e contribution with the initiative of converting our diesel usage to liquefied natural gas throughout the production line by stages.

Diesel Consumption (litre)

FY2022 Techbond (HQ)	FY2023 Techbond (HQ)	FY2024 Techbond Group
27,475	30,431	457,740
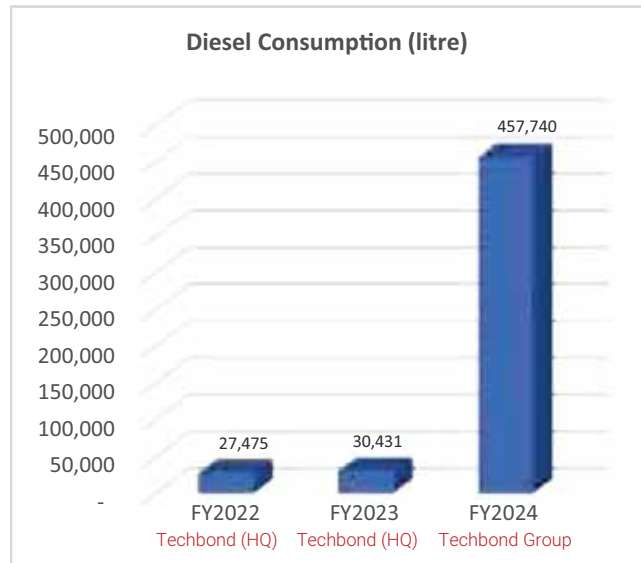
Renewable Energy Usage

Techbond started the construction of its photovoltaic solar panels on June 30, 2022 and started commissioning on January 1, 2023. Techbond achieved significant reduction in its electricity consumption since the commissioning of its PV systems. The actual energy cost saving from the installation of the solar power system is illustrated in the following graph:

Solar Power System Energy Cost Saving (MJ)

July-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
181,076	175,133	185,306	185,191	155,304	142,780	161,136	182,988	194,868	172,177	179,640	155,268
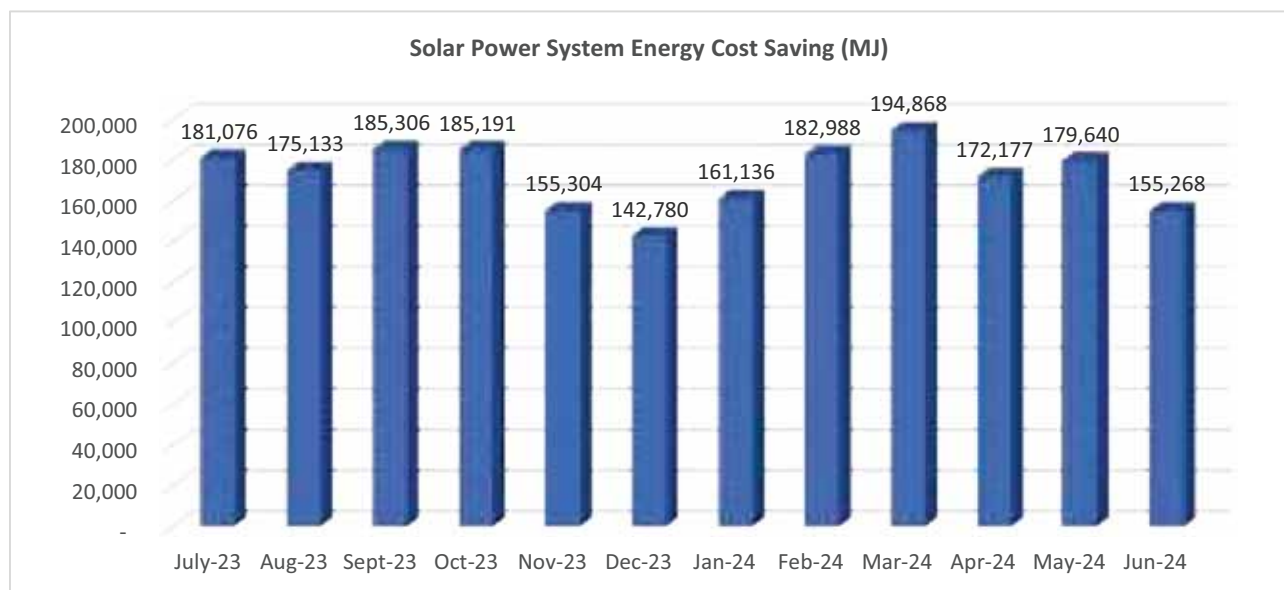
Petrol for Employee Commuting

Scope 3 emissions encompass indirect emissions generated by organization's activities, including employee commuting to the workplace. Despite being outside the direct control of businesses, commuting emissions represent a substantial portion of the carbon footprint. In this report, it covers the aspects of Scope 3 employee commuting emissions, from measurement methodologies to sustainable strategies for emission reduction.

To understand the commuting patterns, Techbond analyzes data on commuting distances, modes of transportation and frequency of travel to identify emissions hotspots and trends. By leveraging transportation surveys and travel expenses records, the Group can gain insights into commuting behaviors and prioritize areas for intervention.

In FY2024, Techbond records the total staff of 261 to track our carbon footprint, Techbond has recorded all consumption of petrol used by our employee which includes through and flow of employee transportation to office. As part of initiative to reduce carbon footprint contribution, Techbond encourage our employees to conduct carpool at volunteer basis. The group as recorded 164,540 kg of CO_2e for our employee commuting in the FY2024.

As of FY2024, Techbond Vietnam has continuously provided car pool services to employee. Majority of the employees are to gather at the assembly point and there are company's vehicles to pick our employees up to the factories.

Diesel & Petrol consumption for business use

In Techbond, we focus on customer relation building. To ensure we communicate and understands well on our customers' needs, our employees will travel from one place to another. In the pursuit of sustainability, businesses are increasingly recognizing the needs to address all facets of their environmental impact which includes Scope 3 emissions. As organizations strive to reduce our carbon footprint, it's imperative to adapt a holistic approach that encompasses business travel.

This encompasses flights, rail journeys, car rentals and other modes of transportation used by employees for work-related trips. To effective manage our scope 3 emissions, we conduct a thorough assessment of each employee's travel patterns and associated emissions. This includes travel expenses, mileage, mode of transportation and carbon emissions of each trips. Throughout the tracking of these data, the Group gains insights into travel trends, identify emission hotspots, and set baseline metrics for improvements.
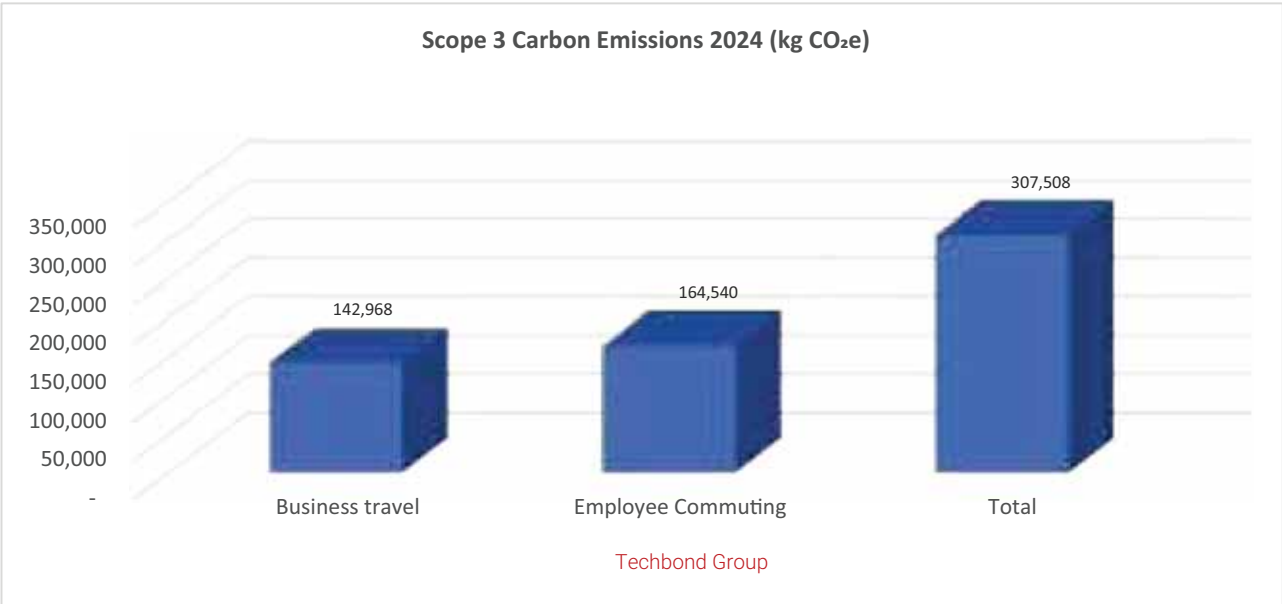
To significantly reduce carbon emission, the Group had encouraged virtual meetings platforms to reduce the need for in-person travel, lowering emissions and cutting costs associated with transportation and accommodation. Techbond, a company which focuses on sustainability had provide training and resources to help employees plan and book travel more efficiently including options for carbon offsetting which can mitigate the environmental impact of business trips.

Moving forward the Group will actively collaborate with travel suppliers to source eco-friendly transportation options and accommodations, and negotiating carbon-neutral travel contracts, demonstrates a commitment to sustainability across the supply chain.

Managing Scope 3 business travel emissions is a critical aspect of Techbond's sustainability efforts. By implementing strategic initiatives to reduce travel-related emissions, the Group can demonstrate the commitment to environmental stewardship, enhancing our brand reputation, and contribute to a more sustainable future. We believe embracing sustainable travel practices not only benefits the planet but also fosters employee engagement, efficiency, and innovation within the Group.

Techbond business operation involves our employees to travel domestic and international to support our customers globally. Techbond has recorded our diesel and petrol consumption for business travel ensuring the efficacy of each travel purposes.

In FY2024, the Group had recorded 142,968 kg of CO_2e of petrol and diesel usage for business travel. Moving forward we are looking into efficacy of travel to reduce carbon emissions and seeks for greener transportation.

Scope 3 Carbon Emissions 2024 (kg CO₂e)

	Value
Business travel	142,968
Employee Commuting	164,540
Total	307,508

Techbond Group

WATER
MANAGEMENT

Sustainable Water Consumption

In the landscape of manufacturing, sustainable water consumption stands as a critical imperative. As the industry accounts for a substantial portion of global water usage, implementing strategies to optimize water consumption holds paramount importance. Incorporating efficient water management practices, such as recycling and reusing water within manufacturing processes, significantly reduces freshwater intake. Implementing closed-loop systems, where water is continually cycled and treated for reuse, not only minimizes water wastage but also curtails the environmental impact of industrial operations. Additionally, embracing technology-driven solutions like water-saving equipment, smart monitoring systems, and innovative filtration techniques aids in mitigating water loss and ensures that every drop is utilized judiciously.

In FY2024, the Group (TMSB, TMFG and MAC operation) had recorded total water consumption of $0.00363m^3$ per unit(kg) of adhesive. As we benchmark our water usage from time to time and the increase in our water consumption is due to the additional production output in newly acquired company in FY2024. A sharp spike in water consumption had been indicated in the first diagram. Techbond continues in modernizing the production process and waste water treatment process to reduce water consumption and providing efficient output. In FY2024, MAC had a record of averagely $8,647.92m^3$ water consumption monthly and upon implementing proper water management, Techbond aims to reduce the water consumption by 30% in FY2026 for MAC.

Water Consumption per unit Produced (m³/kg)
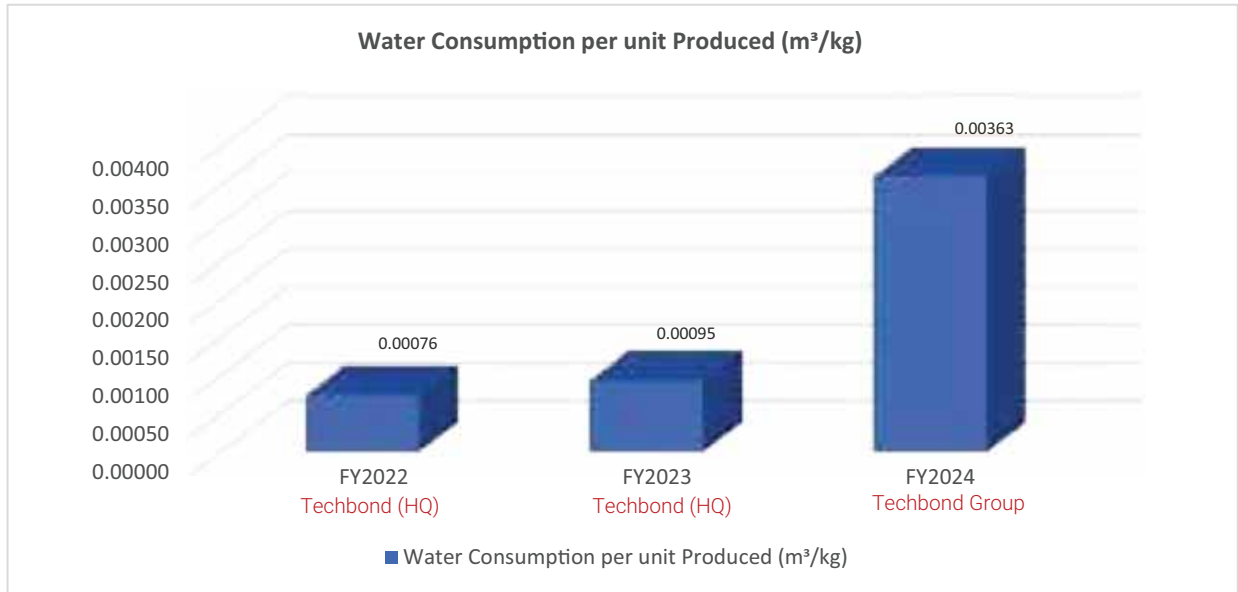
Water scarcity is a growing concern worldwide, and as our company relies on water availability, prioritizing sustainable water management is integral to our environmental stewardship efforts. Sustainable water management practices aim to preserve water quality and support greater biological and ecological diversity in our surrounding areas. Within our operations, water conservation is fundamental, and we continuously refine our production processes to enhance water efficiency and decrease consumption. We conduct regular monitoring to gauge water consumption intensity. Our emphasis on water management is particularly pronounced in our manufacturing facilities due to the typically heightened risks associated with production activities compared to administrative functions.
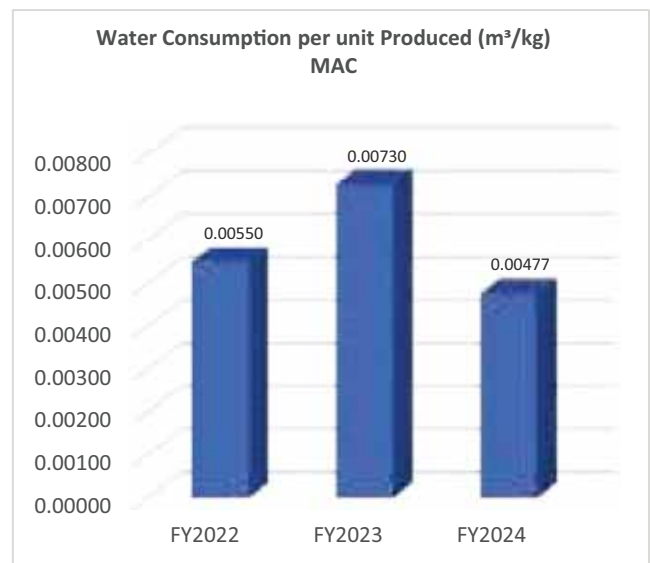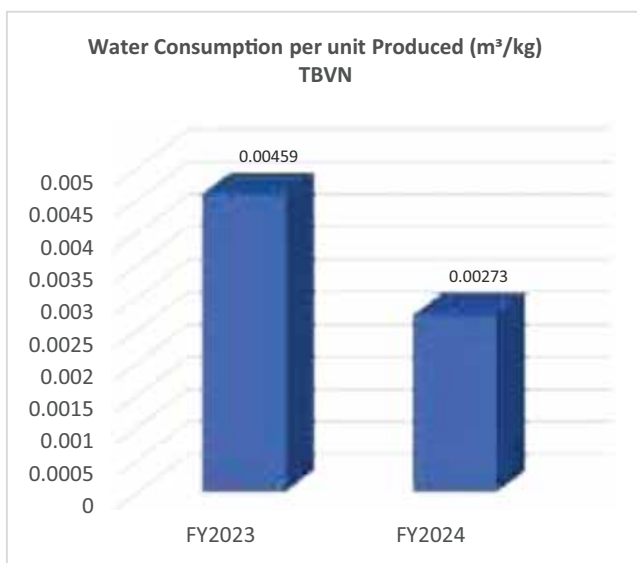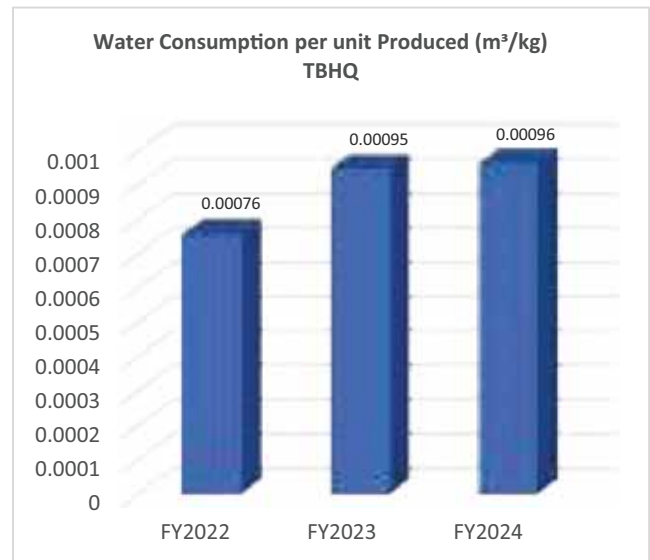
Water Consumption per unit Produced (m³/kg) TBHQ

Water Consumption per unit Produced (m³/kg) TBVN

Water Consumption per unit Produced (m³/kg) MAC

Disclaimer: *All data shown above is based on the starting year of the plant operation & year of acquisition. Data may be varying from the actual data.*

Responsible Wastewater Treatment

Ensuring the appropriate treatment of wastewater is crucial for environmental preservation. We guarantee that our water discharge practices fully adhere to the standards outlined in ISO 14001:2015. Our commitment involves thoroughly treating wastewater at our treatment plant before it is released into the storm water drainage system.

The total water discharged for FY2024 stood at 12,867m³ to the stormwater drainage. The water discharge volume saw an increase of approximately 58,386.4% compared with the previous fiscal period, mainly due to production lines operating at a higher production volume.
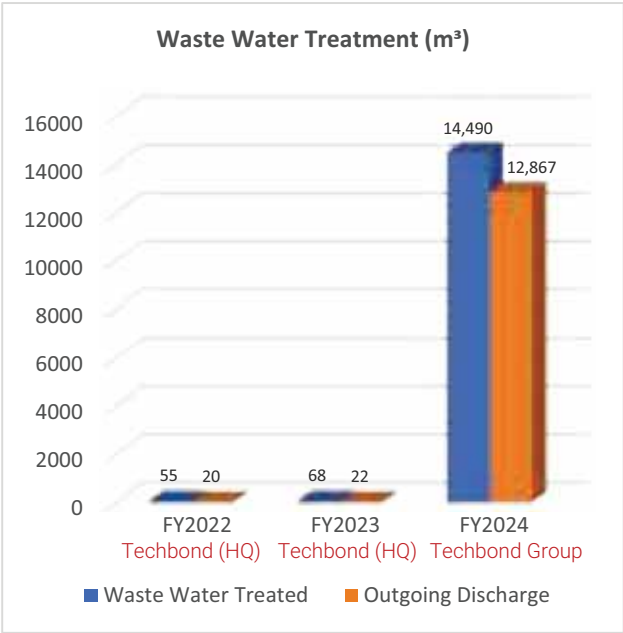
Waste water treatment plant in MAC is essential to preserve our environment by treating production waste before discharging into the public drainage system. Our water treatment is designed and operated to full adherence to the discharge regulation set by Department of Environment (DOE) Malaysia. From July 2023 to June 2024, the total treated water at final discharge was 12,867m³ from a total waste water treatment of 14,490m³.

One of the waste management strategies is to dry the scheduled waste using separation method. The separation improvements include (1) steam sludge dryer to reduce water content by 70%, hence reducing the total weight of sludge generated, and (2) dewatering system to eliminate 1,600m³ water used in current system. Both systems will be commissioned in October this year. The second waste management improvement project was carried out at microsphere producing plant. This involves modernizing the waste collection system by modifying a wet to a dry system with a projected saving of 2,000m³ water per production run. Besides the utility saving, the dry system will benefit the company with usable by product.

The initiatives in the pipeline are to meet MAC internal controls and the rigorous governmental regulations. MAC WWTP, comprising a team of dedicated and diligent personnel, is capable of responding to changes in effluent flow and scheduled waste management. In wastewater discharge, we rigorously comply with governmental regulations. We diligently uphold water protection statutes and promptly adjust our methods and procedures in response to any tightened regulations. In the financial year 2024, we maintained a clean record with zero reported incidents of non-compliance with discharge limits. Furthermore, we surpassed the DOE's Standard B Effluent discharge benchmark for water quality parameters, including biological oxygen demand (BOD), chemical oxygen demand (COD), and total suspended solids (TSS).

Our waste water after treatment

Waste Water Treatment (m³)

	FY2022 Techbond (HQ)	FY2023 Techbond (HQ)	FY2024 Techbond Group
Waste Water Treated	55	68	14,490
Outgoing Discharge	20	22	12,867

WASTE
MANAGEMENT

Waste Management

The Group has established its own Industrial Effluent Treatment System (IETS) to ensure the proper treatment of all wastewater through an environmentally friendly bio-treatment facility. Regular quality tests are conducted on the treated water to ensure compliance with Department of Environment ("DOE") regulations. Continuous monitoring of the IETS ensures optimal performance and prevents the discharge of untreated water from the plant to avoid water pollution risks. Only treated water meeting DOE requirements is discharged, while solid scheduled wastes are collected and stored separately for disposal by a licensed company.

Minimising our waste

Minimising waste in Techbond is imperative for both environmental sustainability and operational efficiency. By implementing lean principles and embracing innovative technologies, the Group has executed initiatives to reduce the waste along the production. This involves optimizing material usage, streamlining workflows, and implementing recycling and reuse strategies. Additionally, adopting a circular economy approach, where products are designed for durability and recyclability, further minimizes waste generation.

Effective waste management practices play a crucial role in minimizing our environmental impact. The Group advocates for waste reduction, recycling, and proper waste sorting activities. We strive to ensure that all waste generated by the Group is managed in compliance with relevant environmental regulations, such as the Environmental Quality (Scheduled Wastes) Regulations 2005 [Malaysia]. The waste management work flow had been included in this report as per page 67 onwards based on the waste categories.

We have implemented a comprehensive waste management programme for hazardous and non-hazardous waste aligned with ISO 14001:2015 standards. Our waste management comprise both non-hazardous and hazardous waste.

The waste generated by our operations is primarily non-hazardous, consisting of general waste, paper packaging, plastics, and etc. Non-hazardous waste which is segregated will be directed for recycling, which is managed by appointed licensed contractors.

TRACKING OUR PROGRESS
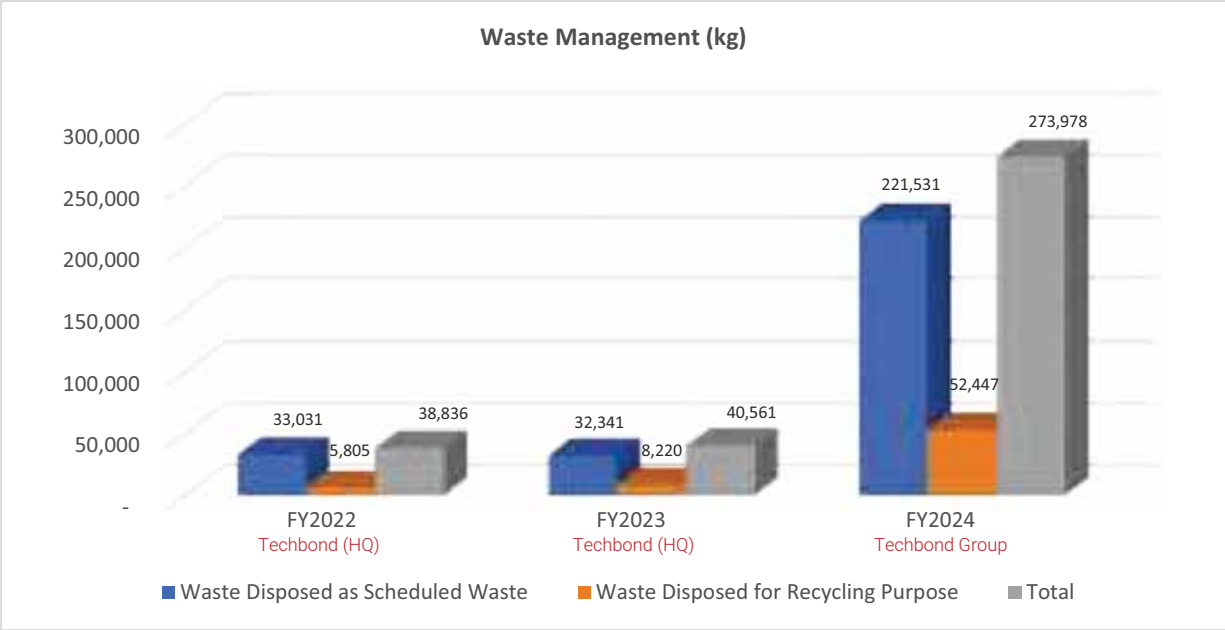
The graph shows a spike in FY2024 waste management output as it includes waste generate by all entities under Techbond Group. Our team monitors the waste generated and ensure we breakdown the waste which can be recycled effectively in order to reduce the environmental impact.
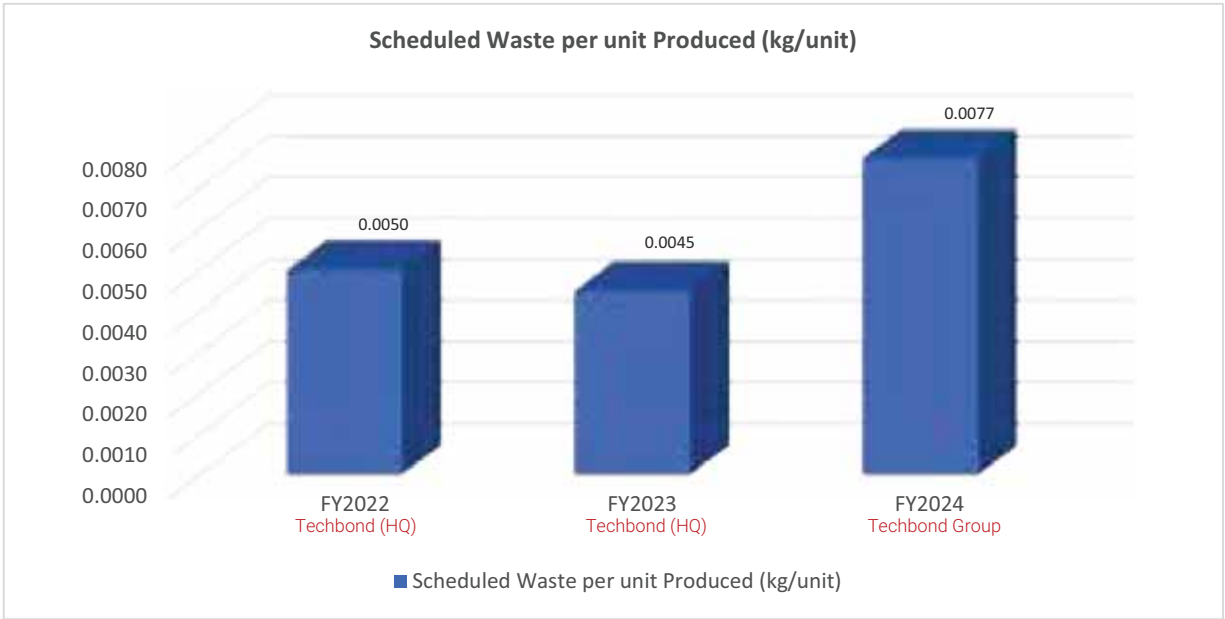
During the year, there were no recorded incidents of noncompliance in relation to waste management. Total scheduled waste generated intensity for FY2024 stood at 0.0077 per unit of adhesive produced. Our effective practices saw overall waste generated increased by 77.78% in FY2024 compared to the previous year. The increase in our schedule was due to the waste produced in our new acquired company (M.A.C) with high production quantity. Our team is looking into improving the overall process and target to reduce waste produced in upcoming financial years.

IETS PROCESS FLOW – TECHBOND (HQ)

2
Chemical Precipitation Process

4
Biological Process

1
Waste Water Equalizer

Chemical precipitation process, whereby suspended solid is separated and pass through a filter press to harness maximum water recovery.

3
Sludge Disposal

Waste water will continue further treatment through a biological process. In this treatment, microorganism such as bacteria are used to remove pollutant in waste water.

5
Final Discharge

Waste water generated from production cleaning or tote tank washing will go into collection tank (equalisation tank).

The sludge is disposed as scheduled waste and collected by licensed waste collector.

Activated Carbon charge to fish pond.

Monitoring Process

• A competent person who is in charge of IETS, will monitor all components, unit processes/operations of the IETS.
• The samples of treated water will send to both internal & external laboratories to ensure it meets the final discharge standard.
• IETS performance monitoring will be reported to the Management during periodic meetings and monthly online submissions to DOE.

WASTEWATER TREATMENT SYSTEM (TECHBOND VIETNAM)

2
Chemical Precipitation Process

4
Biological Process

1
Waste Water Equalizer

Chemical precipitation process, whereby suspended solid is separated and pass through a filter press to harness maximum water recovery.

3
Sludge Disposal

Waste water will continue further treatment through a biological process. In this treatment, microorganism such as bacteria are used to remove pollutant in waste water.

5
Final Discharge

Waste water generated from production cleaning or tote tank washing will go into collection tank (equalisation tank).

The sludge is disposed as scheduled waste and collected by licensed waste collector.

Treated wastewater complying with the allowed standards of the Industrial Park.

Monitoring Process

• The operator manages the system, records parameters, adds chemicals, and checks equipment daily.
• Operations staff test parameters daily for input quality, while the environmental monitoring unit samples quarterly for legal compliance.
• HSE reports monthly data to the BOD and provides an annual environmental monitoring report to BDIZA.

IETS PROCESS FLOW – MALAYAN ADHESIVES & CHEMICALS

2
Equalizer tanks

4
Chemical Precipitation Process

6
Biological process

1
Waste water balancing pits

Equalization tanks provide storage to create homogenous mix.
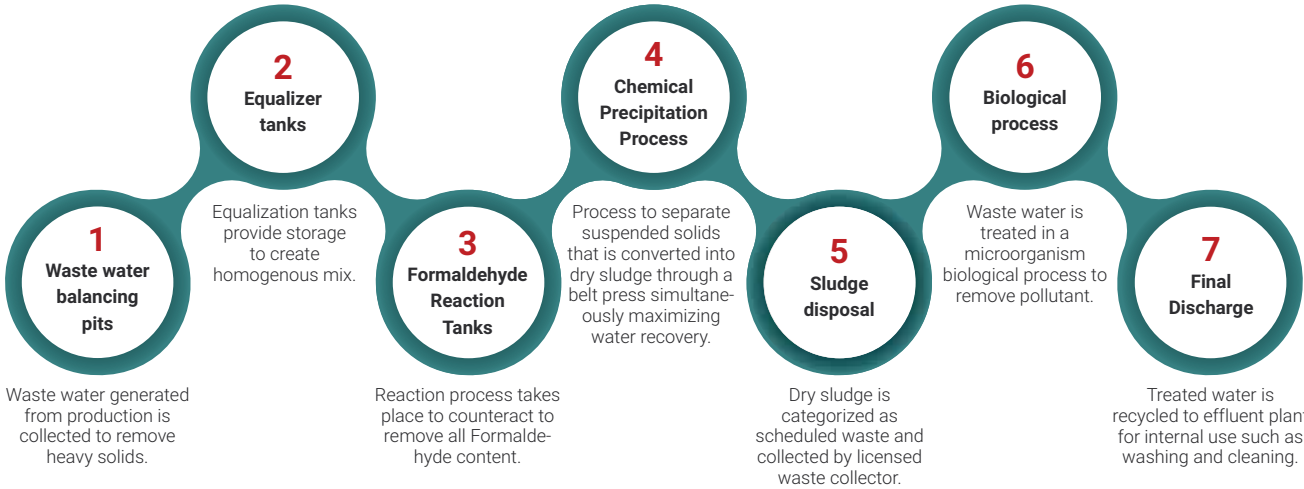
3
Formaldehyde Reaction Tanks

Process to separate suspended solids that is converted into dry sludge through a belt press simultaneously maximizing water recovery.

5
Sludge disposal

Waste water is treated in a microorganism biological process to remove pollutant.

7
Final Discharge

Waste water generated from production is collected to remove heavy solids.

Reaction process takes place to counteract to remove all Formaldehyde content.

Dry sludge is categorized as scheduled waste and collected by licensed waste collector.

Treated water is recycled to effluent plant for internal use such as washing and cleaning.
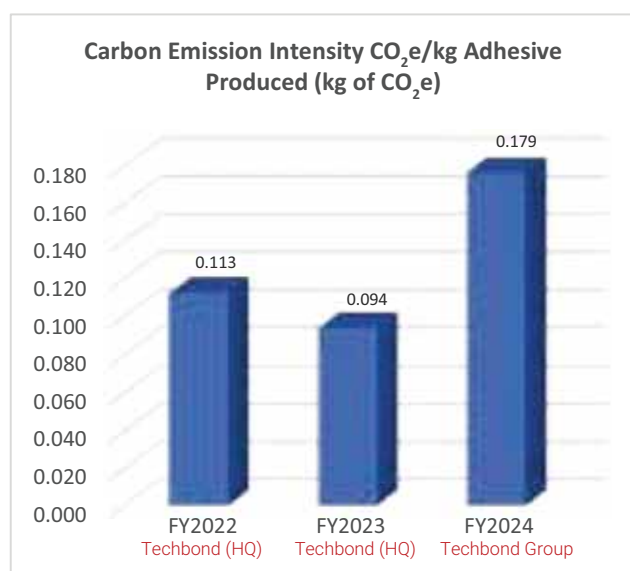
EMISSIONS
MANAGEMENT

Techbond recognizes the significance of greenhouse gas (GHG) emissions as pivotal factors driving climate change and is dedicated to enhancing our reporting and performance in this regard. Our GHG reporting encompasses Scope 1, Scope 2 and Scope 3 (Business travel and employee commuting) emissions within our operational control. We estimate GHG emissions including carbon dioxide, methane, and nitrous oxide, which are reported in carbon dioxide equivalent (CO_2e) units. The Group is steadfastly committed to refining the quality of our GHG emissions reporting and endeavors to continually reduce emissions. Below, we present the consolidated GHG emissions across our entire company.

TRACKING OUR CARBON FOOTPRINT

Scope 1 Carbon Emissions (kg of CO_2e)

Scope 2 Carbon Emissions (kg of CO_2e)

Scope 3 Carbon Emissions 2024 (kg CO_2e)

Carbon Emission Intensity CO_2e/kg Adhesive Produced (kg of CO_2e)
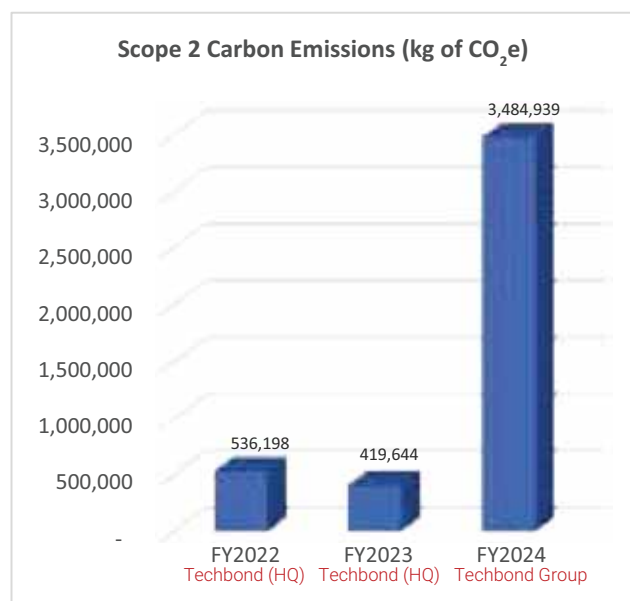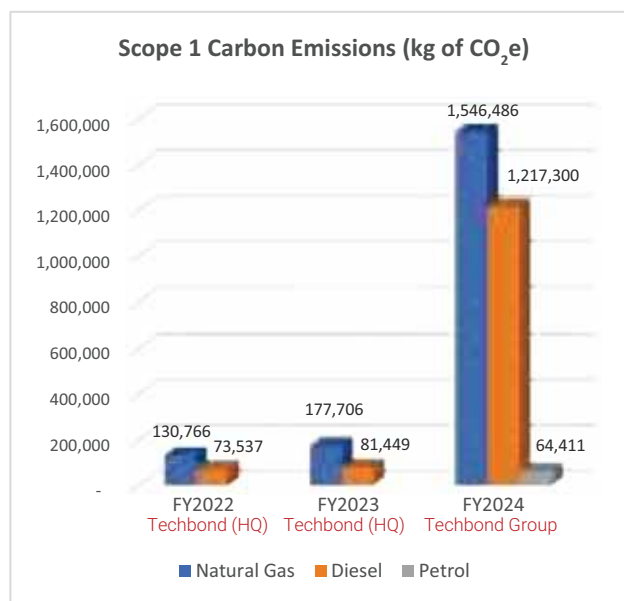
In FY2024, our Scope 1, Scope 2 and Scope 3 emissions saw an increase in total carbon emissions due to the carbon contribution from our plant in Vietnam and newly acquired company (Malayan Adhesives & Chemicals). Looking ahead, Techbond continues to work towards achieving our sustainability target, to reduce our carbon emissions by 45% by 2030 benchmarked against 2020 Carbon Intensity Emission.

Notes:
• **Scope 1 emissions** cover the emissions from natural gas consumption from our production facilities and company-owned vehicles on petrol and diesel.
• **Scope 2 emissions** cover purchased electricity from our production facilities and corporate offices.
• **Scope 3 emissions** cover the emissions of employee business travel and employee commuting to office.

CLIMATE
CHANGE

The environment is currently facing the biggest challenge it has ever seen, with climate change presenting a formidable global threat. Techbond has long recognized the significant contribution of greenhouse gas emissions to this crisis. We firmly endorse the Paris Agreement's ambitious goals of limiting the global temperature rise to below two degrees Celsius above pre-industrial levels and striving for a 1.5-degree Celsius increase.

Recent events, such as the pandemic, devastating floods, and heatwaves, serve as stark reminders of the urgent need to address climate change swiftly and effectively.

In response, we are resolutely committed to reducing our companywide carbon emissions by 45% by 2030, using 2020 Carbon Intensity Emission as our baseline. This commitment aligns with our dedication to combating climate change and safeguarding the planet for future generations.

Climate Change Awareness Training Program

Techbond understands the significance of raising awareness among our employees about climate change. We firmly believe that each individual possesses the capacity to contribute to a more sustainable future. For our sustainable practices to truly take root within the Group, it's essential for our employees to embrace our collective objectives. Therefore, Techbond consistently offers climate change training to both new hires and our team at the Vietnam plant. This proactive measure enables our employees to grasp the gravity of climate change and equips them with the necessary knowledge, skills, values, and attitudes to spearhead positive transformations in the workplace.

Climate Change Awareness Training Program in Vietnam

AQUAPONIC
FARM

Techbond is continuously exploring avenues to enhance its sustainability initiatives. With this objective in mind, Techbond has established an Aquaponic Farm, which was finalized in December 2022. Situated atop our headquarters in Shah Alam, the 1,500 square-foot greenhouse accommodates a total of 4000 pots of leafy vegetables, cultivated in densely packed rows of cylinders. Complementing this setup is our fish tank, housing approximately 51 red tilapia fishes, thereby completing the aquaponic system. Annually, we have recorded a total yield of leafy vegetables weighing estimated of 110 kg.

The Aquaponic system represents an environmentally sustainable approach to farming, merging two productive systems: a recirculating aquaculture system, where fish are reared in a tank, and a hydroponic cultivation system, where vegetables are grown in a medium other than soil. In this closed-loop circulation system, fish waste serves as a natural fertilizer for the plants. The plants, in turn, absorb these nutrients, and clean water is recirculated back into the aquaculture system. This mutually beneficial relationship enables efficient resource utilization. Aquaponics boasts a remarkable 90% reduction in water usage compared to traditional farming methods, eliminating the need for fertilizers or pesticides.

Furthermore, Aquaponics can be customized to suit specific environmental conditions, including temperature, lighting, and humidity, facilitating crop cultivation in regions traditionally deemed unsuitable for farming.

Techbond recognizes the potential of underutilized spaces, particularly on our rooftops. We regard these vacant areas as reservoirs of untapped productive capacity. Integrating a greenhouse into our building structure has enabled us to cultivate food within the city, simultaneously enhancing the urban environment, promoting biodiversity, and contributing to carbon reduction efforts by sequestering carbon dioxide.

Techbond Aquaponic Farm Contributes to Environmental Sustainability because:

• It uses less land.
• It reduces the need for pesticides and fertilizers.
• It requires less water.
• It is more efficient than traditional farming.
• It can produce 10 times more food than traditional farming.
• The symbiotic relationship between the aquatic animals and the plants increases biodiversity.
• It captures carbon dioxide from the environment

INNOVATION
FOR SUSTAINABILITY

The world has undergone profound transformations, with expectations of further intensification in the years ahead. Amidst the backdrop of a global pandemic, the imperative to decarbonize the economy, and the rapid advancement of the digital era, the creation of long-term value necessitates collaborative and innovative solutions forged in partnership with our customers, collaborators, and fellow scientific and technological stakeholders.

The significance of our work cannot be overstated, as adhesives permeate nearly every finished product encountered in daily life. Although adhesives typically constitute a small fraction of most goods, we endeavor to make a substantial downstream impact by supporting our customers' sustainability objectives.

Our Research and Development team proactively engages in the development of bonding solutions that align with our customers' responses to evolving consumer demands, emerging product designs, and forthcoming regulatory and sustainability initiatives.

Through substantial investments in innovation, research, and expertise, we uphold the continuous extraction of value from our business strategy. This commitment has facilitated the creation of novel, high-performance solutions that empower customers to enhance their products and processes, thereby advancing their sustainability agendas and facilitating the transition from a linear to a circular economy.

RECYCLE
MATERIALS

Techbond, a sustainable manufacturer practices recycling in our operation by fostering resource efficiency and waste reduction. We look into reclaim and reuse materials such as our tote tanks and paper in our business operations as this initiative can significantly reduce reliance on original resources, mitigating the environmental impact associated with extraction and processing.

To incorporate recycling initiatives into Techbond's manufacturing processes which aligns with ESG principle, we had initiated the 4R program and recycle bins are being allocation in majority of the offices area. This initiative encourages employees to segregate the waste and allocated them in the relevant category of the bins. Upon collection of the unwanted waste, those items which been collected are later on sent to the recycle center.

OUR PRODUCTS

Microsphere

Microsphere is the other product line which is produced by Techbond's subsidiary. It is a tiny spherical particle with diameters ranging from few micrometers to several millimeters. Microspheres are widely used in as a ultra light weight fillers and also use as protective coating in marine and aerospace. With its excellent flame retardance, thermal stability and mechanical properties, it serves as an excellent protective coating when the phenolic microsphere is used into the coating materials.

Microsphere contributes to greener future as the properties in it helps in reduction of material use and enhance the product longevity. From time to time, Techbond continuously improve and enhance the development of microsphere.

Formalin

Techbond continues to expand the product range by acquiring our subsidiary which is expert in developing formalin. Our target to serve wider range of application market where formaldehyde widely needed in It is also being used as disinfectant, antifungal and preservative in medical lab and hospitals. On the other hand, it is also used as in-house production in specific products.

Our R&D has continuously making improvement on the formula ensuring the product produced are environmental friendly and provides better efficiency to users. In process of producing the formaldehyde, we ensure all materials are well handled and does not consist harmful substances to human health.

Phenolic resins

Phenolic resins are a class thermosetting polymers, a line product of our subsidiary Malayan Adhesives & Chemicals. Under the umbrella of phenolic resins there are two types which are urea formaldehyde and phenol formaldehyde. Phenolic resins had gained widespread popularity due it has excellent mechanical strength, thermal stability and flame retardance. It is used in composite materials, plywood manufacturing, foundry and rockwool.

Techbond believes in the potential of phenolic resins in local and international market mechanical strength The process of producing phenolic resins are being monitored from time to time ensuring the quality of the product meeting the market standard. On-going, Techbond looks for more possibility in phenolic resins applications serving wider usage globally.

Polyacrylamide

Polyacrylamide is versatile polymer, one of Techbond's subsidiary product line. It is widely used flocculants, coagulant and thickening agent due to its exceptional properties, including high solubility in water and ability to form hydrogels.

Polyacrylamide acts as an important agent in many recycling material process. It contributes to reduce the usage of original materials and encourage the production of recycling materials.

Techbond, part of sustainable manufacturer produces polyacrylamide to align with the environmental objectives by reducing carbon emissions through usage of recycling materials products.

Urea formaldehyde and melamine urea formaldehyde

Urea formaldehyde resins are a type of thermosetting resins being used as adhesive in various application. It is produced by using the raw material Urea and formalin with other additives. It has good mechanical strength, heat and water resistant. Urea formaldehyde adhesives are being used plywood manufacturing which is from a construction of laminated wood veneers with the application of adhesives.

Other products

Malayan Adhesives & Chemicals produces other materials such as fillers and hardeners in their production line. Fillers are essential as a low cost good durability material for coatings and adhesives. The fillers here are used in plywood industries to prevent excessive penetration into veneerwhere it increases the viscosity of the phenol formaldehyde adhesives. Hardeners are a type of product use to improve the mechanical strength in a product by means of crosslinking. It is used together with the Urea formaldehyde plywood resin.

EMPOWERING
OUR WORKFORCE

The driving force of our success

At Techbond, we recognize that our people are our most valuable assets. The growth and development of each employee serve as the driving force behind our collective success. Therefore, we are deeply committed to empowering our workforce to flourish in their roles and unleash their full potential.

Techbond is dedicated to actively inspiring our employees to enhance their skills, capabilities, and confidence throughout their careers with us. We firmly believe that fostering a culture of curiosity is pivotal to achieving greatness in all endeavors. Thus, we strive to cultivate an environment that fosters creativity and ignites a passion for innovation among our employees. Not only does this empower our workforce, but it also enhances productivity and positions us competitively to attract top talent while retaining our existing team members.
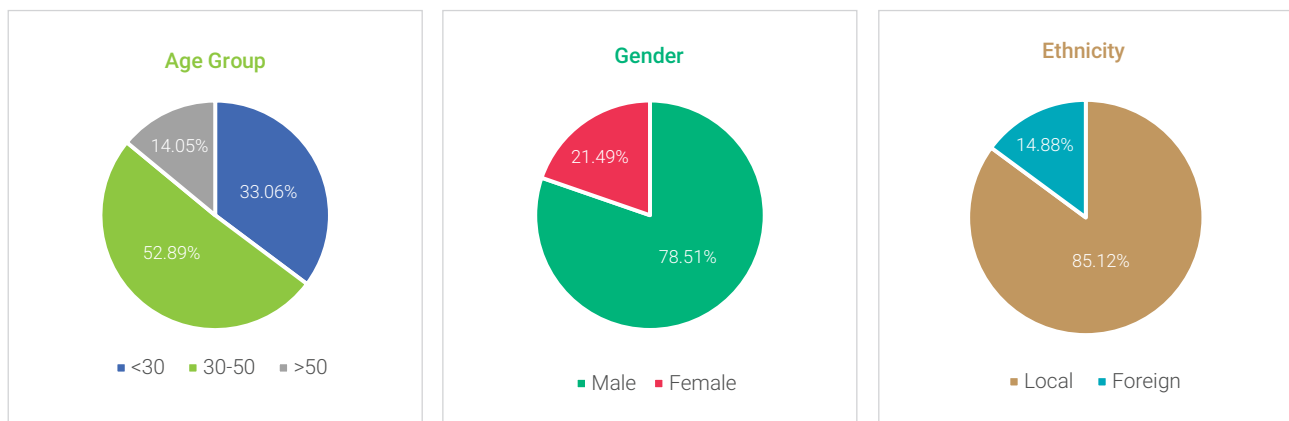

Workforce Diversity

Techbond Group recognizes that diversity is a catalyst for progress and a crucial factor in the Group's success. It enhances our capacity to innovate and encourages our employees to embrace their individuality, curiosity, and uniqueness.

We are committed to treating all our employees with respect and equality, regardless of age, gender, ethnicity, nationality, disability, sexual orientation, cultural background, or religious beliefs. Embracing diversity reduces our dependence on specific groups and fosters an environment that champions fairness and inclusion. We maintain a zero-tolerance policy towards any form of discrimination and prioritize hiring based on credibility and merit.

Techbond Group is dedicated to providing and promoting equitable employment opportunities for all employees, as evidenced by our employment practices. We remain stead-fast in cultivating a workforce that values inclusivity and diversity. As of FY2024, we have a staff of approximately 242 members inclusive of subsidiaries, with 75 recent hires. Each employee works full-time.

We ensure that all employees are treated with equality and fairness, offering everyone equal opportunities for career advancement and benefits without any form of discrimination.

EMPLOYEE DEMOGRAPHICS

Age Group

- <30 - 30-50 - >50

33.06%
52.89%
14.05%

Gender

21.49%
78.51%

- Male - Female

Ethnicity

14.88%
85.12%

- Local - Foreign

Percentage of employees by gender for each employee category is tabulated below:

Employee Category	Gender	No. of Employees	%
Senior Management	Male	3	75
	Female	1	25
Middle Management	Male	11	61.11
	Female	7	38.89
Executive	Male	54	56.84
	Female	41	43.16
Non-Executive	Male	122	97.60
	Female	3	2.40

Percentage of employees by age group for each employee category is tabulated below:

Employee Category	Age Group	No. of Employees	%
Senior Management	<30	1	25
	30-50	1	25
	>50	2	50
Middle Management	<30	1	5.56
	30-50	14	77.78
	>50	3	16.66
Executive	<30	27	28.42
	30-50	56	58.95
	>50	12	12.63
Non-Executive	<30	51	40.80
	30-50	57	45.60
	>50	17	13.60

Percentage of Directors by gender & age group:

Board Diversity	Category	%
Gender	Male	66.67
	Female	33.33
Age	<30	0
	30-50	33.33
	>50	66.67

The Group does not employ any contractors or temporary employees. All employees are employed under the Group.

EMPOWERING WOMEN
in the Workplace

Techbond supports the professional development of woman across the Group. We believe in encouraging and empowering woman leaders and their recruitment, retention, full participation and advancement. We support women in leadership and have fulfilled the requirement of 30% female Directors on our Board, as required by the Malaysian Code on Corporate Governance. The Group has two (2) female Directors representing 33.33% of female on the Board.

The representation of women employed in different Group levels is tabulated below:

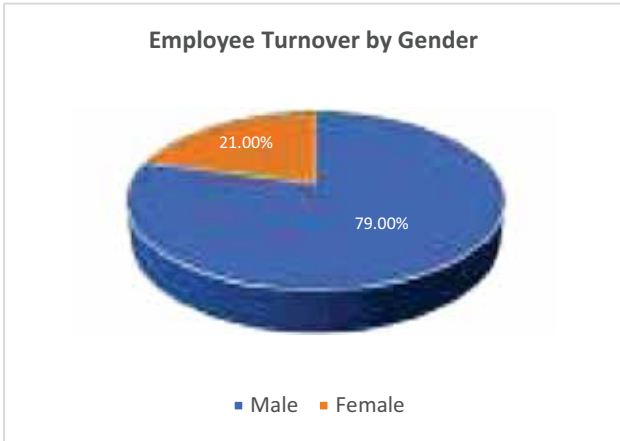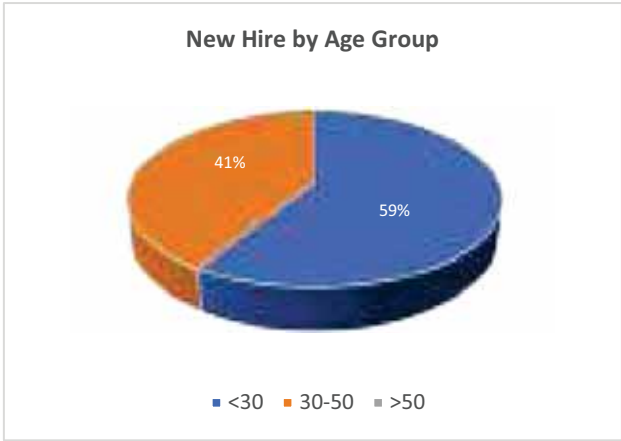| Women Representation	Board Level		Manager & Above		Overall Organisation	
	Pax	%	Pax	%	Pax	%
	2	33.33	8	36.36	54	22.04

Talent Acquisition

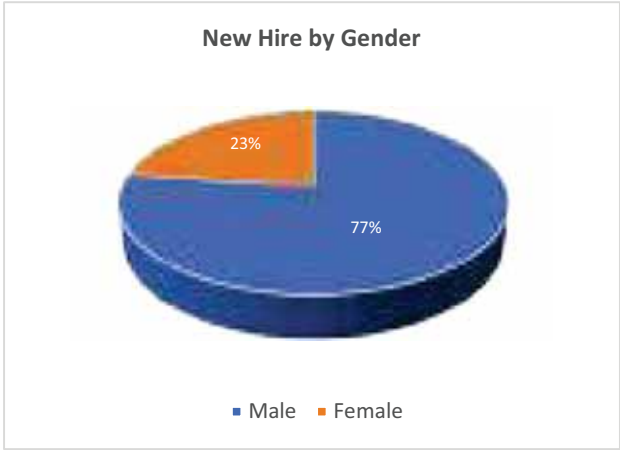Talent acquisition goes beyond recruiting. It is about having a long-term employee retention strategy in place. As such, the Group is committed to constantly evaluate and revamp our talent attraction strategies to includes innovative methods which include online job portal, internship, career expo and employee referral programs in which the employee can introduce their potential talent candidate to join the Company.

New Hire & Turnover

Techbond Group has recorded a total of 75 new hires, achieving a new hire rate of 28.74%, which comprises of 77% or 58 males and 23% or 17 females. 59% of new hires are aged below 30 followed by 41% aged between 30 to 50 years and 0% aged above 50 years.

New Hire by Gender

New Hire by Age Group

Employee Turnover by Gender

Employee Turnover by Age Group

Total number of employee turnover by employee category	Senior Management	Middle Management	Executive	Non-Executive
	2	4	21	31

HUMAN
Capital Development

Since gaining independence in 1957, Malaysia has transitioned from a labor-intensive, agriculture-focused economy to one centered on knowledge and innovation. To ensure our long-term survival and enhance our competitive edge, the Group has undertaken numerous initiatives to attract talent through recruitment efforts. We firmly believe that providing technical training to our staff will aid in talent development and contribute to lowering the local unemployment rate.

Furthermore, the Group has established strategic partnerships with research organizations and agencies for various research and development projects aimed at discovering new sources of raw materials and exploring methodologies and commercial applications. To enhance our employees' expertise and broaden their experience, they are given opportunities to lead research initiatives with external organizations.

Techbond places great value on continuous learning and growth, encouraging employees to enhance their skill sets, take on challenging assignments, and assume expanded responsibilities to remain effective and relevant. Maintaining the long-term employability of our employees is crucial to our success. Despite facing challenges in the past year, Techbond believes that investing in employee development through personal training programs has enabled our employees to realize their full potential.

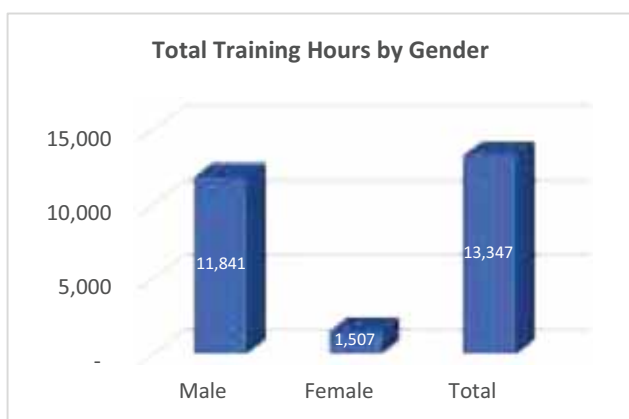In Techbond, these are the learning styles that we adopt.
• On the job training and learning. For example, taking a new challenge or stretched assignments.
• Growth through others. For example, social and collaborative interactions and constructive feedback in networks, peers, coaching and mentoring programs.
• Formal Learning through structured programs, courses, training, online classes and reading.

The type of Training Programs conducted for Safety & Health are as follows:

Occupational Safety & Health

Root Cause Analysis

Environmental Impacts on Solid Waste

Occupational First Aids and CPR

Safety Awareness & Forklift Operators Safety

Learning & Development

We continue to always empower our employees in ways that will help to enrich them while contributing towards our overall success.

Total Training Hours by Gender

Male 11,841
Female 1,507
Total 13,347

Techbond Group

Average Training Hours by Gender

Male 62
Female 29
Total 91

Techbond Group

Total Training Hours by Gender

Average Training Hours by Gender

Total Training Hours by Employee Category

Average Training Hours by Employee Category
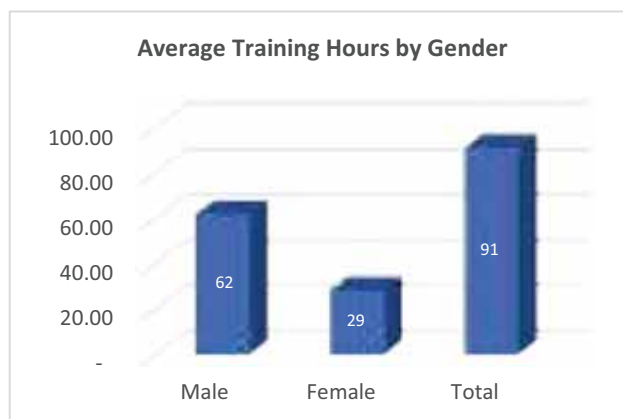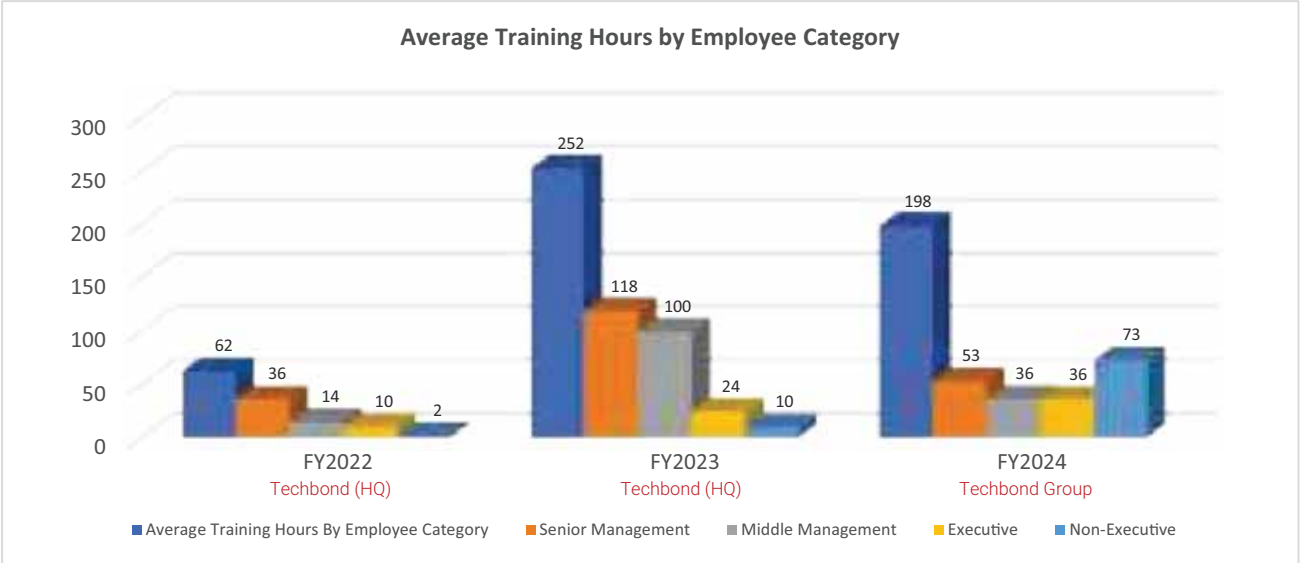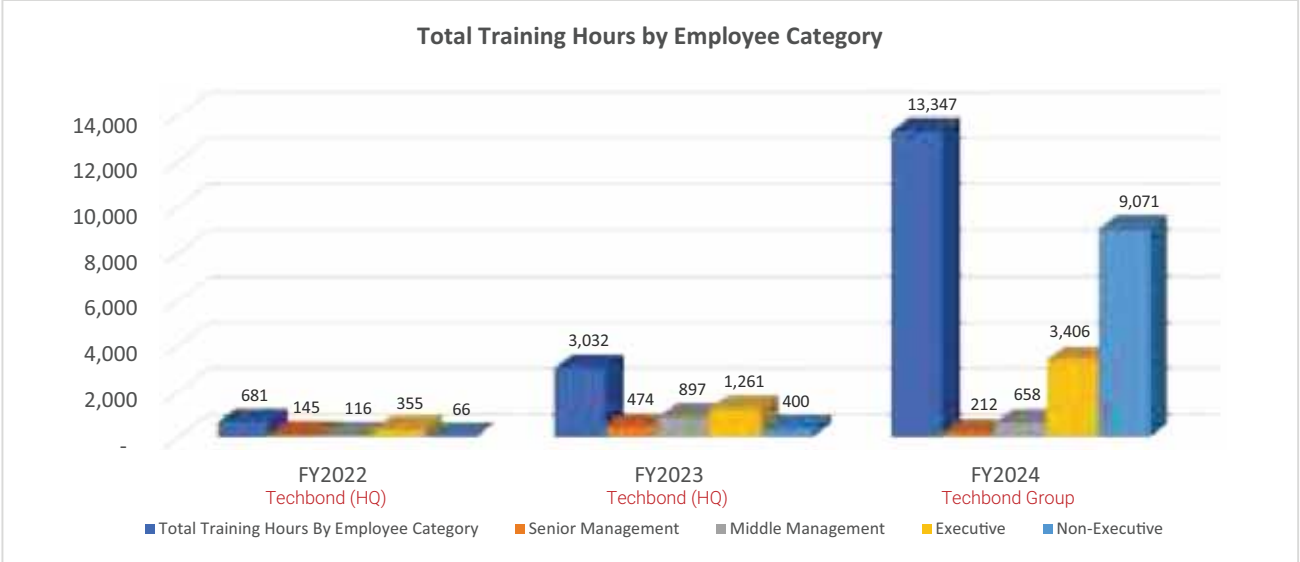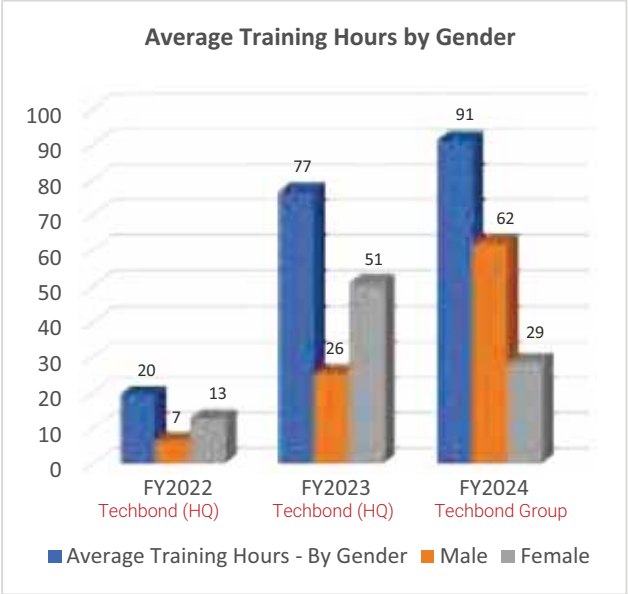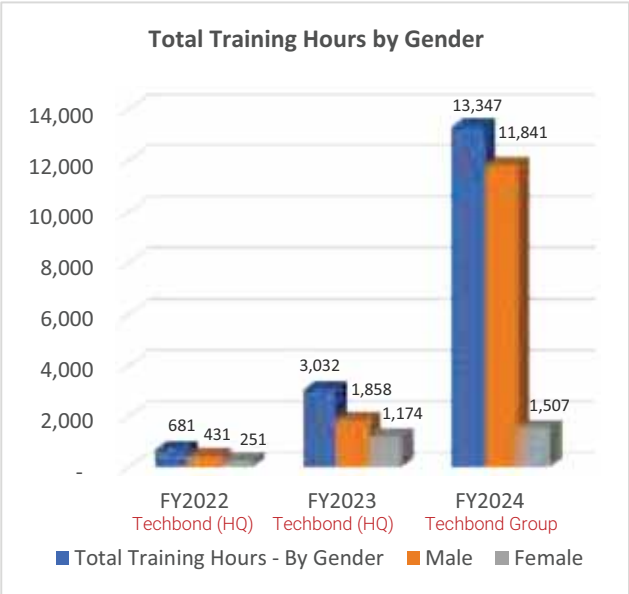
Human Rights

Techbond respects the human rights of all its workers and supports the local communities. Human rights are respected throughout our operations and extended value chain as we conduct business ethically and sustainably. Our practices proactively assess our human rights impacts on an ongoing basis as part of our business processes.

1. Hiring & Employment

Prohibits discrimination in the hiring and employment practices including gender, race, religion, age, disability and nationality.

2. Safe Working Environment

Provides a safe and healthy workplace, free from discrimination and harassment.

3. No Abuse & Harassment

Prohibits physical abuse, harassment of associates and threats of either.

4. No Forced, Child Labour

Does not use child, forced, prison, indentured or involuntary labour.

5. Foreign Worker Treatment

Foreign or migrant workers must be employed in full compliance with labour and immigration laws.

Employment Salary & Benefits

Techbond employees are eligible to a host of benefits packages in accordance with local laws. The benefits offered are both competitive and equitable to promote a healthy work-life balance. We adhere to statutory mandated benefits which include:

EMPLOYMENT BENEFITS

Various allowance
Petrol, car, production, meal, training (T&C applies)

Designated Prayer Room
Designated prayer room for Muslim employees

Insurance
such as Group Personal Accident Coverage

Gym Facilities
to promote employee wellness

Medical Cover
such as Group Hospitalisation & Surgical Insurance and medical benefits

Sports Club
Build the bonding within employees and promote balance between work and play

Employee Engagement

Ensuring a high level of employee engagement is crucial for achieving business success. We have implemented an open-door policy to encourage our employees to discuss any work-related issues with their supervisors. Furthermore, all employees are encouraged to communicate and share their perspectives with management through regular management meetings. Department managers are responsible for escalating any concerns to higher management for appropriate action.

Each department conducts regular meetings to address relevant issues and provide guidance and solutions. Additionally, our Monthly 5 Pillars Meeting serves to update and assess each department's performance against key performance indicators (KPIs). Furthermore, we conduct annual performance reviews to evaluate employee performance and provide feedback for continuous improvement. Exit interviews are also conducted to identify areas for improvement.

Our Techbond Employee Handbook, which includes updates on company policies, is accessible to all staff members. Moreover, our Fraud & Whistleblowing Policy establishes a clear reporting channel for employees and the public to disclose any improper conduct or actions that may harm the Group's reputation or compromise stakeholder interests. Concerns regarding malpractices can be escalated verbally or in writing to the Chairman of the Audit & Risk Management Committee or the Managing Director. All reports are treated with utmost confidentiality, and whistle-blowers remain anonymous. It's noteworthy that in FY2024, no whistleblowing cases were reported.

Employee Welfare

In addition to fostering employee engagement, providing training, and offering staff benefits, the Techbond Sport Club Committee plays a vital role in cultivating a vibrant work environment. These initiatives aim to enhance employee morale and encourage better interactions among colleagues. The company organizes various entertainment and social events, such as the annual dinner, festive celebrations, sports day, and family day, to foster camaraderie and promote social interactions across all levels of the organization.

Given the current situation with the ongoing endemic, the Group continues to prioritize physical activities to facilitate employee interactions, and physical dinners are regularly conducted. In FY2024, the company organized a team-building event at Gamuda Cove to ensure employees maintain a healthy work-life balance.

Furthermore, all our employees are covered by Group Personal Accident (GPA) and Group Hospitalization & Surgical (GHS) Insurance. GPA coverage includes compensation for death or disability resulting solely from accidental bodily injury, covering permanent disablement, temporary total disablement, temporary partial disablement, medical and surgical treatment, as well as funeral expenses. Meanwhile, GHS insurance covers the costs of medical treatment and hospitalization for accidents and illnesses.

Apart from employee engagements, trainings and benefits to staffs, Techbond responsible in creating a fun working environment. These programs seek to boost employee morale and promote better interactions among employees. Company-wide entertainment and social events such as annual dinner, festive celebrations, sports day, friendly match tournament and family day were organized, to break down barriers and promote social interactions within all level of employees.

All our employee is covered under accident insurance 24/7. It coverage only refers to death of loss or disablement solely and directly by accidental bodily injury which injury shall solely and independently of any other cause resulting in death, perma- nent disablement, temporary total disablement, temporary partial disablement, medical and surgical treatment as well as funeral. Whilst, it is provided for the cost of medical treatment and hospitalization, due to accidents and illnesses.

Occupational Safety & Health

Techbond places paramount importance on workplace safety within the Group. We collectively prioritize safety by adhering rigorously to stringent health and safety standards. Our commitment is to ensure that all employees and contractors operate in an environment free from inherent hazards.

We strive to cultivate a risk-averse working culture, actively working towards eliminating safety hazards and aiming for zero fatalities and accidents across the Group. Techbond promotes a safe and healthy working environment across all operational aspects, with a strong emphasis on considering health, safety, and environmental (HSE) factors as top priorities.

Each employee undergoes comprehensive training to ensure they possess the necessary knowledge and skills regarding all ISO safety procedures. This equips them to actively contribute to the overall reduction of industrial accidents.

Techbond implements and rigorously adheres to our Occupational Health and Safety management system. This system serves as a guiding framework, reinforcing the Group's commitment to employee safety and health. It delineates the Group's response protocols and stance across various areas of safety and health management:

- Accident and Incident Reporting and Investigation
- Safety & Work
- Security Practices
- Safe Practices – Laboratory, Laboratory Waste, Production, Engineering
- PPE Policy
- HiRARC
- Forklift Safety Operation

- Emergency Response Procedure
- Safety Handbook
- Safety Audit
- QHSE Handbook
- QHSE objectives and policies
- Contractor management, work permits
- Waste and wastewater management
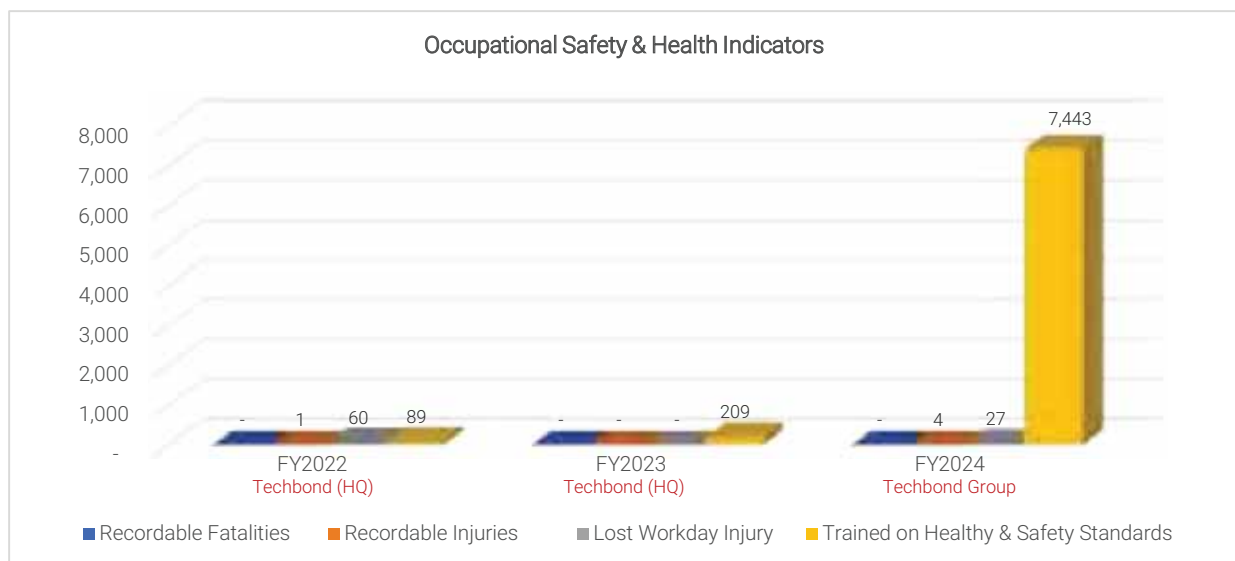- Chemical management

The role of OSH committee involves, but not limited to:

1 Review safety and health procedures at the workplace

2 Inspect workplace

3 Investigate any accidents or other related matters that are raised

4 Investigate safety and health related complaints

Chairman

Secretary

Employer Representative

Employee Representative
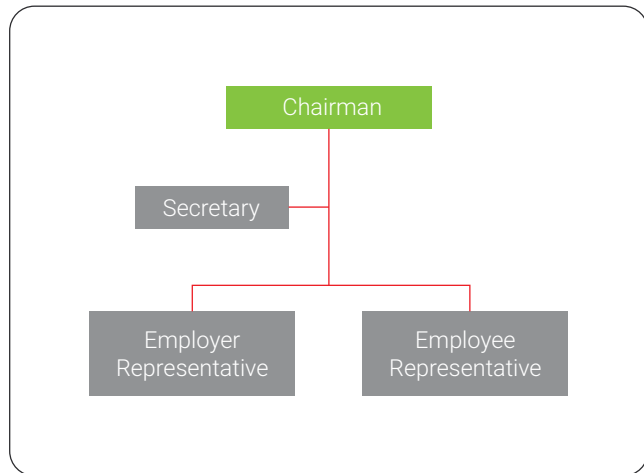
We additionally aim to underscore the responsibility of every employee at every level and emphasize personal accountability to maintain a culture of zero harm consistently. The Health and Safety Committee is responsible for overseeing the governance and effectiveness of the Group's Occupational Safety & Health (OSH) measures. The OSH Committee convenes regularly during quarterly meetings to deliberate, evaluate, and pinpoint potential health and safety risks. Furthermore, the OSH Committee continually monitors these incidents and provides recommendations for improvement actions. Employees are regularly reminded of the company's mission, vision, and policies, and are briefed on pertinent information concerning health and safety.

Our key performance indicators on Occupational Safety & Health are set out below:

Occupational Safety & Health Indicators

	FY2022 Techbond (HQ)	FY2023 Techbond (HQ)	FY2024 Techbond Group
Recordable Fatalities	-	-	-
Recordable Injuries	1	-	4
Lost Workday Injury	60	209	27
Trained on Healthy & Safety Standards	89		7,443

- Recordable Fatalities
- Recordable Injuries
- Lost Workday Injury
- Trained on Healthy & Safety Standards

Safety Precaution

In FY2024, we had recorded in total of 4 incidents happened in our engineering room and production line. The incident involved one production's employee which has cut on hand while handling the machine. Incident happened due to the production employee was handling the cutter at the machine and without noticing the cutter was operating. Although it was a minor incident, the production team has immediately take action to reduce the impact to the production line. In result, the employee has a cut on the hand and was sent for treatment immediately.

The other incident happened where one of the employee laid his hand on the metal cup during the process of taking hot melt from the cabinet. The metal cup had slipped off and employee grab it with bare hand. Unfortunately, the grip pressure on edge of the metal cup cut the right finger of the employee. The team had immediately took action to help the employee to stop the bleeding on hand.

The third accident happened in our Vietnam water based production while the employee was pouring chemicals into the glue cooking tank, the chemical splashed onto the employee's feet. It took 2 hours for the employee to discover that he had an accident due to itchy feet. The employee was taken to the hospital and treated and discharged that day. The root cause of the accident was performing the wrong operation and also did not comply with wearing PPE, specifically an apron. We have retrained awareness with all employees, re-evaluated all work processes, and we have also arranged additional PPE cabinets for each stage to make it convenient for employees to use and store.

The other incident happened in the polymer while the employee was cleaning the Reactor R10 tank, chemicals were splashed in his eyes. The employee received initial first aid and was transferred to the hospital for treatment immediately afterward. The root cause shows that during work, employees did not comply with the wearing of labor protection equipment, specifically chemical glasses. We have had a meeting with all leaders and supervisors about how to remind employees to comply with PPE regulations during work. In addition, we conduct surveys on the appropriate use of PPE for each stage, based on employee assessments and chemical characteristics to recommend the appropriate types of PPE for each job.

In conjunction to the incident, our Health & Safety Committee has reported the incident to Department of Occupational Safety and Health (DOSH).

The Group had taken corrective action to response to the incident by providing a retraining all production employees ensuring they are aware of the process in handling machine safely and improved the hoist winch by replacing the sting hook with a closed one to prevent the reed from slipping. A training was given to all employees on safety precaution. In addition to that, the management had also put up the signage in the respective places.

Health examination and occupational disease examination

At Techbond, we organize annual health and occupational disease examinations for employees that not only demonstrate the concern and responsibility of the enterprise for the health and safety of employees but also play an important role in the early detection of occupational diseases and potential health problems. This activity helps workers feel secure working in a safe and healthy environment while raising awareness about protecting personal health and complying with labor safety regulations. Through periodic health examinations, companies can evaluate and improve working environment factors, ensuring workers are always in the best health condition, thereby enhancing productivity and efficiency. job. Furthermore, compliance with legal regulations on occupational safety and health also helps businesses avoid legal risks and build a reputable and professional image in the eyes of employees and partners.

Safety & Health Initiatives

The Group has developed the following safety and health initiatives:

Chemical Spillage Control Procedure

In the event of a chemical spillage, proper cleaning procedures and storage containers are provided to reduce environment contamination. Appropriate personal protective gears are provided to all employees to prevent personal injury and minimize accidents at the workplace. Our employees are well trained in the event of a chemical spillage through our chemical spillage trainings.

Occupational safety and hygiene training

Occupational safety and hygiene training is to improve knowledge about labor safety in the daily working environment. This is the solution to prevent the effects of dangerous factors that affect the lives and health of worker thereby ensuring the health and property of each employee in general and the company in particular, contributing to the comprehensive, sustainable and long-term development of the organization.

HIRAC training

To be able to prevent risks of occupational accidents, it is necessary to identify hazards properly, sufficiently and accurately. Hazard identification and proper assessment will create a foundation to help take measures to control and prevent accidents and incidents at work.

Emergency Response Team (ERT)

The Emergency Response Team (ERT) has been formed to handle any workplace emergency and administer first-aid procedures before the arrival of medical rescue personnel. The ERT is equipped with first-aid kit in the manufacturing, research and development and office area.

Forklift Test

In the factory's daily operation, forklift is one of the tool which needed to carry on the products from one place to the other. In order to ensure the safety usage of forklift, annual test had been conducted. In the event testing, skills such as operating the forklift in narrow space, moving products around and reverse skills of forklift has been tested.

First Aid training

The first aid training is conducted once a year to ensure all our employees are able to handle emergencies when there are injuries within the company. We had appointed an external trainer to provide professional training on how to rescue people during the emergency.

Fire Hydrant Practice

The fire hydrant practice had been conducted yearly to all Techbond employees. Our objective of this practice is to ensure our employees aware of the action needed when facing the fire situation in the company and ensuring every-one keeps themselves safe when the fire alarms rings.

Emergency Preparedness & Response

We are committed to safeguarding the well-being of our employees and communities by maintaining the integrity of our infrastructure and being well-prepared to handle emergencies. As part of our efforts, Techbond implements the Emergency Preparedness & Response Procedure within our ISO 14001:2015 Environmental Management System. This procedure is overseen by our Safety Team, tasked with effectively managing critical situations requiring assistance.

The Safety Team bears the responsibility for managing real emergency scenarios and minimizing any potential negative environmental effects. They oversee regular maintenance and testing of firefighting and preventative systems to uphold their operational readiness.

• Fire Alarm System
• Fire Extinguisher
• Emergency / Exit light
• Hydrant System
• Hose Reel

Fire Drill

Aside from that, in FY2024 we had include chemical spillage training to our employees to ensure all production employees handles the hazardous chemical spillage in proper SOP which as been set by the Group. This ensures all chemical spillage does not cause harm to human health in process of disposal.

Our Emergency Preparedness & Response also outlines the procedures for the following incidents:
• *Chemical Emergency Response*
(a) Liquid Release
(b) Gaseous Release

• *Accident Treatment*
(a) Chemical Control / Cleaning up of Chemical Spillage
(b) Liquid Release (spillage of hazardous chemicals and flammable chemicals)
(c) Gaseous Release (vaporisation / emission of harmful fumes)
(d) Flooding

Emergency Response Plan

Techbond holds the belief that prioritizing the well-being of its employees is fundamental in creating a safe and healthy workplace for everyone. Following the acquisition of our new subsidiary company, all its employees will receive training on our Emergency Response Plan, focusing on fire, electric shock, and accident scenarios. This training aligns with the ISO 14001:2015 Environmental Management System and aims to enhance the containment and effective management of such incidents.

BUSINESS
WITH INTEGRITY

Upholding key business ethics and principles

Techbond upholds a steadfast commitment to responsible corporate citizenship and endeavors to adhere to the highest standards of ethical conduct and integrity. We recognize our pivotal role in embedding ethical behaviors across the Group and understand that integrity in business is indispensable for sustainable, long-term success.

Our advocacy for compliance and integrity forms the bedrock of our ethical business practices and overarching company policy. We maintain a stringent zero-tolerance stance towards corruption and other legal breaches, firmly dedicated to complying with all applicable legal and regulatory mandates. To ensure accountability and responsibility at every level of the organization and in all stakeholder relations, we have established comprehensive policies, procedures, and platforms.

Our zero-tolerance approach necessitates a comprehensive compliance framework to ensure that all business activities consistently align with legal requirements. The entire management team is obligated to uphold compliance, ensuring that all business decisions and operations adhere to relevant legal standards and uphold our organizational values and policies.
We prioritize our responsibilities to all stakeholders, striving to uphold the integrity of our operations while fostering long-term value creation. Respecting social norms and international guidelines, we conduct ourselves with unwavering ethical standards, transparency, and accountability deeply ingrained in our corporate culture.

Corporate Culture

We have implemented effective internal mechanisms and procedures to enhance transparency and accountability across our entire value chain. The Board adheres to the principles outlined in the Board Charter, which draws upon elements of the Malaysian Code of Corporate Governance (MCCG). This Charter serves as a comprehensive guide for Directors, detailing their roles, responsibilities, and compliance with relevant laws and regulations. Additionally, it underscores the Group's commitment to fostering gender diversity within the Boardroom. Regular reviews of the Charter ensure alignment with evolving codes, laws, and corporate governance standards.

Similarly, members of the Audit Committee, Nomination Committee, and Remuneration Committee operate under their respective Terms of Reference (ToR), which outline their objectives and duties in supporting the Board's functions. Other policies and procedures adopted by Techbond include:

a) Directors' Fit & Proper Policy

b) Anti-Bribery Management System Policy

c) Dividend Policy

d) Remuneration Policy

e) Corporate Code of Business Conduct & Work Ethics Policy

f) Board Diversity Policy

g) Fraud & Whistleblowing Policy

h) Corporate Governance Report

i) Terms of Reference of Remuneration Committee

j) Terms of Reference of Nomination Committee

k) Terms of Reference of Audit & Risk Management Committee

l) Board Charter

All polices are relevant and reviewed from time to time	Updated on	Target
Corporate Government Report	31.10.22	Achieved
Terms of Reference of Remuneration Committee	11.10.22	Achieved
Terms of Reference of Nomination Committee	11.10.22	Achieved
Terms of Reference of ARMC	11.10.22	Achieved
Board Charter	11.10.22	Achieved

Techbond places heavy emphasis on upholding high ethical standards in our business conduct and dealings to safeguard the Group's reputation. Numerous Group-wide policies and procedures govern all Directors and employees at all times. All codes and policies are reviewed from time to time where deem necessary to ensure they remain relevant to current laws and regulations.

Building a Responsible Supply Chain

The Group is dedicated to conducting all its business activities sustainably, adhering to the highest ethical standards. Our supply chain management serves as a catalyst for our sustainable growth and overall success. Guided by our Supplier Code of Ethics on Business Integrity and Supplier Qualification procedure, we evaluate potential suppliers' capabilities to ensure compliance with principles and high standards. Criteria such as material selections, quality, labour practices, and sustainable practices, along with formal certifications like **ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System**, are considered.

Our primary engagement objective revolves around ensuring the sustainable supply of high-quality services and materials, emphasizing our commitment to excellence. To achieve this, we employ various engagement channels, including supplier evaluation, site visits, regular business meetings, and a corrective action report process.

Within the sustainability realm, critical matters include competitive pricing, sustainable packaging, supply chain management, data privacy, and quality inspection. These underscore our commitment to responsible business practices and service enhancement. Enhancing customer satisfaction is another organizational objective. We utilize diverse engagement channels such as customer feedback forms, audits, and corrective action reports. Transparency is promoted through on-site visits, regular meetings, and electronic ordering, all guided by a strong Code of Ethics and Conduct.

Sustainability remains a key focus area, with an emphasis on consistent product quality, quality control, support services, and ISO certification. Data privacy and security are also prioritized, aligning with evolving standards. Introducing the supply chain policy in FY2024 further demonstrates our commitment to ensuring proper terms and conditions are communicated effectively to vendors. To align with Techbond's ESG initiatives, in coming financial year we provide ESG awareness training to all our vendors ensuring the materials complies with Techbond's standard of sourcing.

Fair Trade Practice

Local procurement adds value to local communities. The company is committed to involving local suppliers to stimulate economic growth in the regions where it operates. It prioritizes local suppliers to enhance accessibility, communication, logistics, and prompt responses. The company consistently monitors its ratio of local to overseas suppliers with the aim of sourcing more local raw materials to bolster local industries.
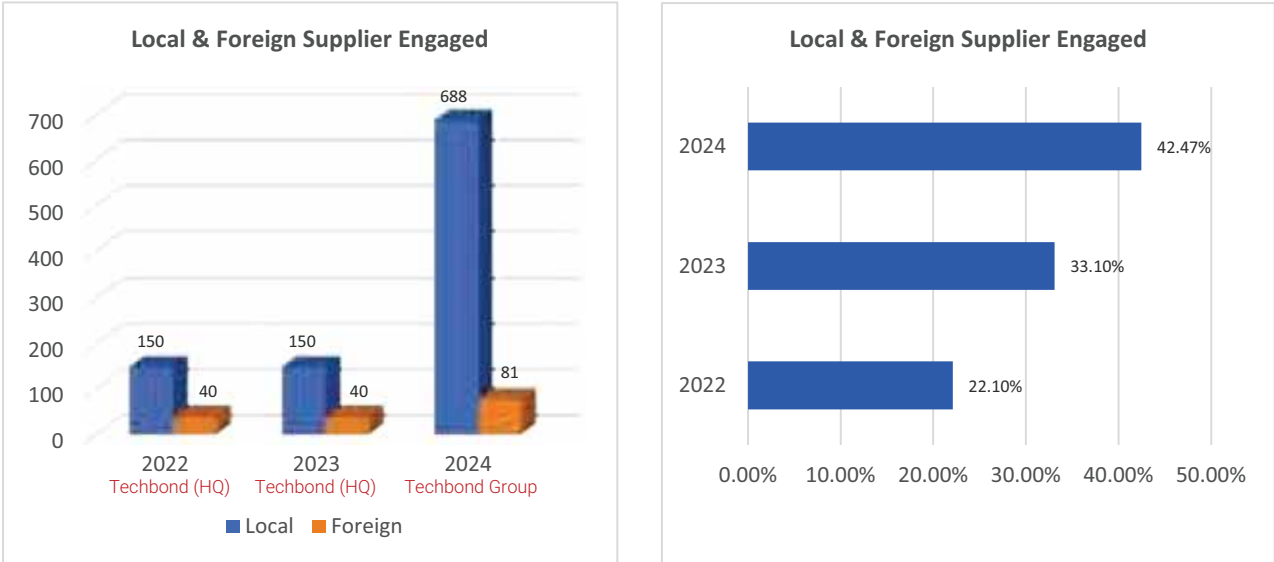
The Group conducts regular reviews of its packaging materials to consistently identify opportunities for waste and cost reduction by utilizing flexi-bags within shipping containers. This approach notably diminishes the reliance on metal drums, and initiatives are underway to recycle flexi-bags in order to minimize waste generation.

Ethics & Integrity

Integrity stands as a cornerstone of our business philosophy and is ingrained within our corporate culture. The Group maintains a zero-tolerance policy, firmly opposing all manifestations of corruption and bribery across our entire value chain. Guided by a robust governance framework, we uphold stringent ethical standards and integrity in all our business dealings. Additionally, we have put in place an extensive suite of policies, codes, and procedures to ensure that both Techbond and our partners operate ethically.

Code of Conduct

Techbond acknowledges its responsibilities as a developer and manufacturer of industrial adhesives and is dedicated to upholding its role as a responsible corporate citizen. It recognizes the necessity to conduct business in alignment with internationally accepted practices and procedures.

The fundamental principles, which both the board and senior management are firmly committed to, are encapsulated within the Company's Corporate Code of Conduct and Ethics Policy (referred to as the "Code"). This Code is applicable to Techbond Group Berhad and all its subsidiaries (collectively referred to as the "Company"), as well as its employees and officers. Failure to adhere to these standards may lead to disciplinary measures, including termination.

The Code embodies our core values and establishes the principles of behavior that underpin the maintenance of the highest levels of professional, legal, and ethical conduct. These principles govern our interactions with customers, suppliers, shareholders, competitors, the communities in which we operate, and extend to all employees of the Company.

Moreover, the Company is committed to fostering a workplace environment, across all its locations, that is devoid of harassment and discrimination. We prioritize respect among coworkers and strive to provide a conducive atmosphere that promotes excellent performance and conduct.

The Company has adopted the following values:
• To act honestly, fairly and professionally in all business dealings.
• To foster a culture of integrity.
• To work together to promote a safe, ethical and professional workplace.
• To comply with the laws, rules and regulations under which the Company conducts its business.
• To respect the local communities wherever the Company operates.

Anti-Bribery Management System Policy

1. Applies to TGB, its subsidiaries and all related companies.
2. Upholding all applicable Anti-Corruption Laws, regulations and guidelines.
3. Prohibits all corrupt acts including fraud and trading influences.
4. Zero tolerances for all forms of bribery including kickbacks and offering entertainment.
5. Upholds the highest standard of integrity in all business transactions.

The Group introduced the Anti-Bribery Management System Policy, which communicates its comprehensive stand on anti-corruption. The Anti-Bribery Management System Policy was established to set out relevant measures to prevent the occurrence of corruption and bribery.

The ABMS policy outlines the Group's expectations pertaining to giving or receiving gifts or gratifications as defined by the MACC Act 2009. The key areas encompassed by the policy are:
• Gifts, entertainment and hospitality;
• Travel;
• Charitable donations and sponsorships; and
• Dealings with public officials.

The Anti-Bribery Management System Policy has been completed by all Board members and employees through training sessions conducted by external trainers. Additionally, ABMS training is mandatory for new hires during their induction. In FY2024, all new employees underwent ABMS training as part of their induction process. Furthermore, all staff members are required to participate in an annual refresher training program and complete an online declaration and assessment affirming their awareness, understanding, and compliance with Techbond's corporate policies, including the ABMS Policy. The training has included Techbond Vietnam & our new acquired company Malayan Adhesives & Chemicals.

The oversight of compliance with anti-corruption policies and regulations falls under the responsibility of the Managing Director. Every employee is tasked with the duty of preventing and reporting any instances of corruption, bribery, suspicious activity, or wrongdoing through designated whistleblowing channels. Any employee found involved in bribery faces disciplinary measures, including the possibility of immediate dismissal.

The Group prioritizes the cultivation and enhancement of relationships with Business Associates. To ensure adherence to industry standards and best practices, Business Associates are required to familiarize themselves with and adhere to the Anti-Bribery Management System Policy. Throughout FY2024, all employees received briefings on the MACC Act, and no incidents of corruption or bribery involving our employees occurred.

Material Matters	2022 Performance	2023 Performance	2024 Performance
Percentage of operations assessed for corruption-related risks	100%	100%	100%

Whistle Blowing Policy

The Group's Whistle Blowing Policy provides a channel for individuals to report incidents of negligence and malpractice committed by Directors, management and employees.

Reports are kept anonymous and the whistle-blower is protected from threats of retaliation under the Whistle Blowing Policy and procedures. Reports of incidents regarding illegal conduct are submitted to the Audit Committee Chairman, or Group Managing Director.

This policy falls under the review of the Audit Committee and is reviewed for relevancy and effectiveness as and when required. Any changes to the policy are subject to the approval of the Board. In FY2024, zero (0) cases were submitted at Techbond.

Further expanding our commitment to anti-bribery and anti-corruption, our suppliers, contractors and service providers are required to maintain a confidential platform that is easily accessible for their workers to report any violations against the Supplier Code of Conduct. Any reports submitted are to be investigated by the said supplier, contractor or service provider and corrective action to be taken as appropriate.

Regulatory Compliance

We've established frameworks to ensure the Group's adherence to relevant laws and regulations, adapting to any shifts in the regulatory environment. Techbond Group rigorously upholds compliance across our operations by adhering to the regulatory and statutory laws of the countries we operate in. Across our diverse markets, we've implemented various measures to stay abreast of evolving regulatory demands as a multinational entity.

We enlist the expertise of professionals to conduct internal audits, ensuring compliance with applicable laws and addressing regulatory changes. Internal audit reports provide a comprehensive overview, highlighting key findings and identifying areas of non-compliance or vulnerability.

Material Matters	Target	2022 Performance	2023 Performance	2024 Performance
Ethics and Integrity	Zero confirmed cases of corruption within Techbond	Achieved	Achieved	Achieved
Ethics and Integrity	Zero fines and penalties from the authorities on unethical practices	Achieved	Achieved	Achieved
Regulatory compliance	Zero non-compliance of applicable laws and relation year-on-year	Achieved	Achieved	Achieved

Data Protection

Cybersecurity risks are a growing concern, particularly as the COVID-19 pandemic has seen a shift in operational dynamics in the industry, prompting the acceleration of digital transformation. To prevent unauthorised disclosure of confidential Company information, we have established an Information Security policy which clearly details Techbondians' responsibilities pertaining to the appropriate usage of our email system. Our employees are also subject to the Personal Data Protection Act 2010 (PDPA), which requires them to treat the personal and confidential information of others in a responsible manner at all times.

Customer Privacy

We ensure the protection of our customers' data and privacy through well-defined policies and procedures. In FY2024, Techbond did not receive any substantiated complaints regarding breaches of customer privacy or loss of customer data.

Material Matters	Target	2022 Performance	2023 Performance	2024 Performance
Customer privacy and losses of customer data	Zero non-compliance of breaches of customer privacy and losses of customer data	Achieved	Achieved	Achieved

Cloud Based System

To reduce losses and risk event with forward-looking risk visibility, Techbond has invested in cloud-based system for real time connectivity of our operation to promote centralised management, more transparency and less complexity. We practice daily backup to minimise any disruption to our operations in terms of cyber risk involving virus or ransomware.

In FY2024, we had ensured our cloud based system has been regularly check ensuring the system reflects the real time connectivity. To improve the communication within the company, the cloud-based systems had been consistently backup enables all employees centralised management, better transparency and less complexity. We had also implement SAP system in our newly acquired company Malayan Adhesives & Chemicals to ensure all data are well protected.

Material Matters	Target	2022 Performance	2023 Performance	2024 Performance
Data Protection	Zero cases of customer data mismanagement and breaches year-on-year	Achieved	Achieved	Achieved
Data Protection	Zero cases of data loss	Achieved	Achieved	Achieved

COMMUNITY
CARE & ENGAGEMENT

Creating shared value for society

Our commitment to creating shared value for society is ingrained in our sustainability ethos. Through collaborative initiatives and strategic partnerships, we strive to generate positive social impact while ensuring the sustainability of our operations. By addressing societal needs, we aim to create lasting value for communities where we operate. Our efforts focus on empowering local economies, fostering education and skill development, promoting environmental stewardship, and championing diversity and inclusion. Through these endeavors, we aspire not only to mitigate negative impacts but also to actively contribute to the well-being of society, aligning our business objectives with the broader goal of creating a more sustainable and equitable world.

In June 2024, TECHBOND Vietnam organized a charitable initiative aligned with its Environmental, Social, and Governance (ESG) principles, aimed at supporting over 200 children in need. Our team distributed essential supplies such as rice, seasoning seeds, milk, cakes, and other necessities to orphaned and disabled children. This effort underscores TECHBOND's dedication to social responsibility, demonstrating our commitment to enhancing community welfare and fostering a culture of compassion. By addressing the needs of vulnerable children, we aim to create a positive social impact and reinforce the importance of corporate responsibility in building a more inclusive and supportive society.

As part of the society, Techbond plays part of society by donating our fresh produce to orphan homes. By donating this fresh produce to the orphan, we contribute to food source of these orphans. Aside from direct supplying of our fresh produce to those whom needed, we also collaborate with Golden Kitchen to provide lunch box serving 16 amount of old folks and orphan. Techbond continuously looking into donating our fresh produce to those whom needs it in FY2025.

Techbond has generously provides monetary to Taylor University, demonstrating its commitment to fostering the education and development of the next generation. The company understands the importance of investing in young minds and sees the potential that lies in nurturing future talents. By supporting educational institutions like Taylor University, Techbond aims to contribute to the creation of a skilled and knowledgeable workforce. This initiative reflects Techbond's belief that talents are essential to building a better future, as they drive innovation, progress, and societal advancement.

Through this donation, Techbond hopes to inspire other organizations to recognize the value of education and the pivotal role it plays in shaping a brighter tomorrow.

GRI CONTENT INDEX

Sub-disclosure	Content	Page Number	References
		GRI 1: 2021	
		GRI 2: General Disclosures 2021	
2-1	Organisational details	p/g 6 p/g 7	Techbond Group Berhad At A Glance About Techbond Group Berhad – Who We Are & What We Do
2-2	Entities included in the organisation's sustainability reporting	p/g 2	About This Report – Reporting Scope & Boundary
2-3	Reporting period, frequency and contact point	p/g 2	About This Report – Reporting Period & Feedback
2-5	External assurance	p/g 2	About This Report – Statement of Assurance
2-7	Employees	p/g 41	Empowering our Workforce
2-8	Workers who are not employees	p/g 42	Employee Demographics
2-9	Governance structure and composition	p/g 10	Unwavering Leadership Commitment – Sustainability Working Structure
2-11	Chair of the highest governance body	p/g 10	Unwavering Leadership Commitment – Sustainability Working Structure
2-12	Role of the highest governance body in overseeing the management of impacts	p/g 10	Unwavering Leadership Commitment – Sustainability Working Structure
2-27	Compliance with laws and regulations	p/g 56-60	Business with Integrity
2-29	Approach to stakeholder engagement	p/g 14	Material Sustainability Matters
		GRI 3: Material Topics 2021	
3-1	Process to determine material topics	p/g 14	Material Sustainability Matters – Identifying our Material Sustainability Matters
3-2	List of material topics	p/g 16	Our Sustainability Matters
3-3	Management of material topics	p/g 16	Our Sustainability Matters
		GRI 204: Procurement Practices	
204-1	Proportion of spending on local suppliers	p/g 57	Building a Responsible Supply Chain
		GRI 205: Anti-Corruption 2016	
205-1	Operations assessed for risks related to corruption	p/g 59	Anti-Bribery Management System Policy
205-2	Communication and training about anti-corruption policies and procedures	p/g 59	Anti-Bribery Management System Policy
205-3	Confirmed incidents of corruption and actions taken	p/g 59	Anti-Bribery Management System Policy
		GRI 302: Energy 2016	
302-1	Energy consumption within the organisation	p/g 21-22	Energy Management
302-4	Reduction of energy consumption	p/g 23	Renewable Energy Usage
		GRI 303: Water and Effluents 2018	
303-1	Interactions with water as a shared resource	p/g 26	Water & Effluents – Sustainable Water Usage
303-2	Management of water discharge-related impacts	p/g 28	Waste Water Management
303-3	Water withdrawal	p/g 28	Responsible Wastewater Treatment
303-4	Water discharge	p/g 28	Responsible Wastewater Treatment
303-5	Water consumption	p/g 26-27	Water & Effluents – Sustainable Water Usage

GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	p/g 33-34	Emissions Management – Tracking our Carbon Footprint
305-2	Energy indirect (Scope 2) GHG emissions	p/g 33-34	Emissions Management – Tracking our Carbon Footprint
305-3	Indirect (Scope 3) GHG emissions	p/g 33-34	Emissions Management – Tracking our Carbon Footprint
305-4	GHG emissions intensity	p/g 23-24	Emissions Management – Tracking our Carbon Footprint
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	p/g 29	Waste Management
306-2	Management of significant waste-related impacts	p/g 29	Waste Management
306-3	Waste generated	p/g 30	Waste Management
306-4	Waste diverted from disposal	p/g 31-32	Waste Management
306-5	Waste directed to disposal	p/g 31-32	Waste Management
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	p/g 43	Talent Acquisition
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p/g 47	Employment Salary & Benefits
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	p/g 49	Occupational Safety & Health
403-2	Hazard identification, risk assessment, and incident investigation	p/g 50	Occupational Safety & Health
403-5	Worker training on occupational health and safety	p/g 50	Occupational Safety & Health
403-6	Promotion of worker health	p/g 48-49 p/g 52	Employee Welfare Safety & Health Initiatives
403-8	Workers covered by an occupational health and safety management system	p/g 53-54	Safety & Health Initiatives
403-9	Work-related injuries	p/g 51	Safety Precaution
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	p/g 45-46	Human Capital Development
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	p/g 41	Empowering our Workforce – Workforce Diversity
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	p/g 61-62	Community Care & Engagement
413-2	Operations with significant actual and potential negative impacts on local communities	p/g 61-62	Community Care & Engagement
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p/g 60	Customer Privacy

INPUT SUSTAINABILITY INFORMATION

(Extract from Bursalink)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Board of Directors	Percentage	100.00
Management	Percentage	100.00
Executive/Supervisory	Percentage	100.00
Non-Executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.77
Bursa C5(c) Number of employees trained on health and safety standards	Number	261
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	15,382.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Board of Directors	Hours	212
Management	Hours	658
Executive/Supervisory	Hours	3,406
Non-Executive	Hours	9,071
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	30.17
Bursa C6(c) Total number of employee turnover by employee category		
Board of Directors	Number	2
Management	Number	4
Executive/Supervisory	Number	21
Non-Executive	Number	31
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Internal assurance　　External assurance　　No assurance　　(*)Restated

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Board of Directors Under 30	Percentage	25.00
Board of Directors Between 30-50	Percentage	25.00
Board of Directors Above 50	Percentage	50.00
Management Under 30	Percentage	5.56
Management Between 30-50	Percentage	77.78
Management Above 50	Percentage	16.66
Executive/Supervisory Under 30	Percentage	28.42
Executive/Supervisory Between 30-50	Percentage	58.95
Executive/Supervisory Above 50	Percentage	12.63
Non-Executive Under 30	Percentage	40.80
Non-Executive Between 30-50	Percentage	45.60
Non-Executive Above 50	Percentage	13.60
Gender Group by Employee Category		
Board of Directors Male	Percentage	75.00
Board of Directors Female	Percentage	25.00
Management Male	Percentage	61.11
Management Female	Percentage	38.89
Executive/Supervisory Male	Percentage	56.84
Executive/Supervisory Female	Percentage	43.16
Non-Executive Male	Percentage	97.60
Non-Executive Female	Percentage	2.40
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	33.33
Above 50	Percentage	66.67
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	42.47
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	No data
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	No data
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	128.278000

Internal assurance	External assurance	No assurance	(*)Restated

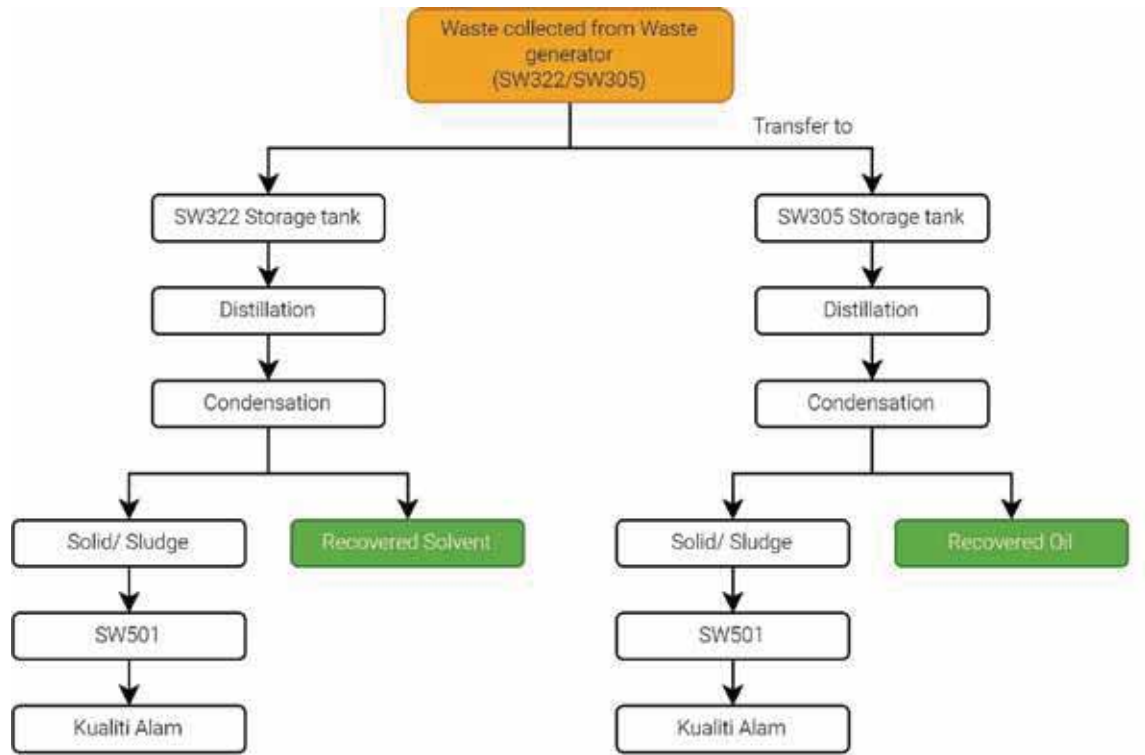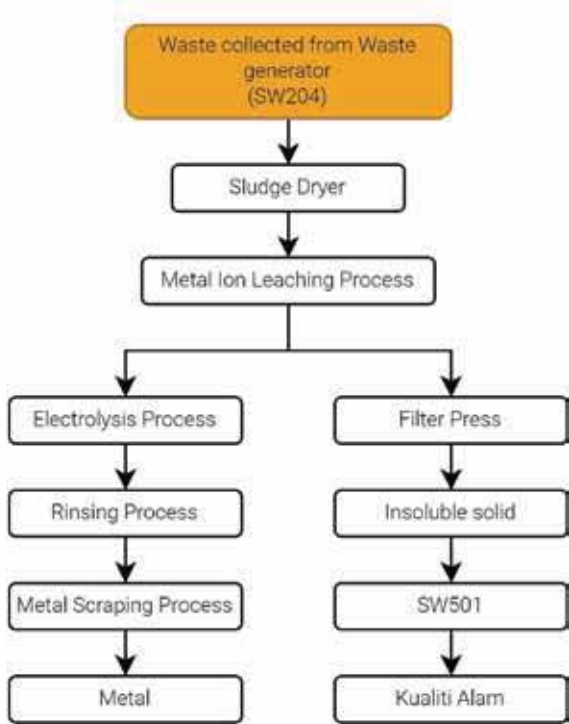## APPENDIX

Scheduled Waste Handling/Treatment Flow Chart at Appointed Prescribed Premises
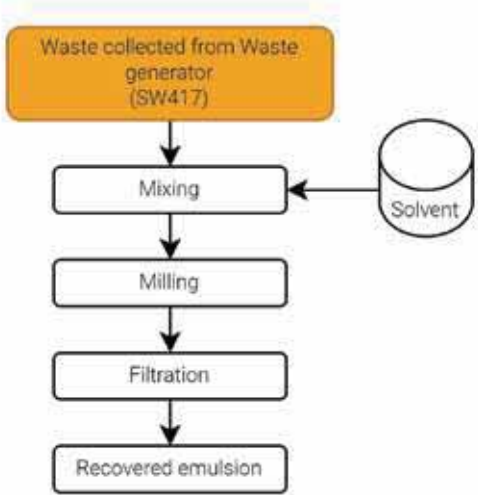
SW Code: SW305 - Spent lubricating oil
SW322 - Waste of non-halogenated organic solvent

SW Code: SW204- Sludges containing one or several metals including chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium and beryllium
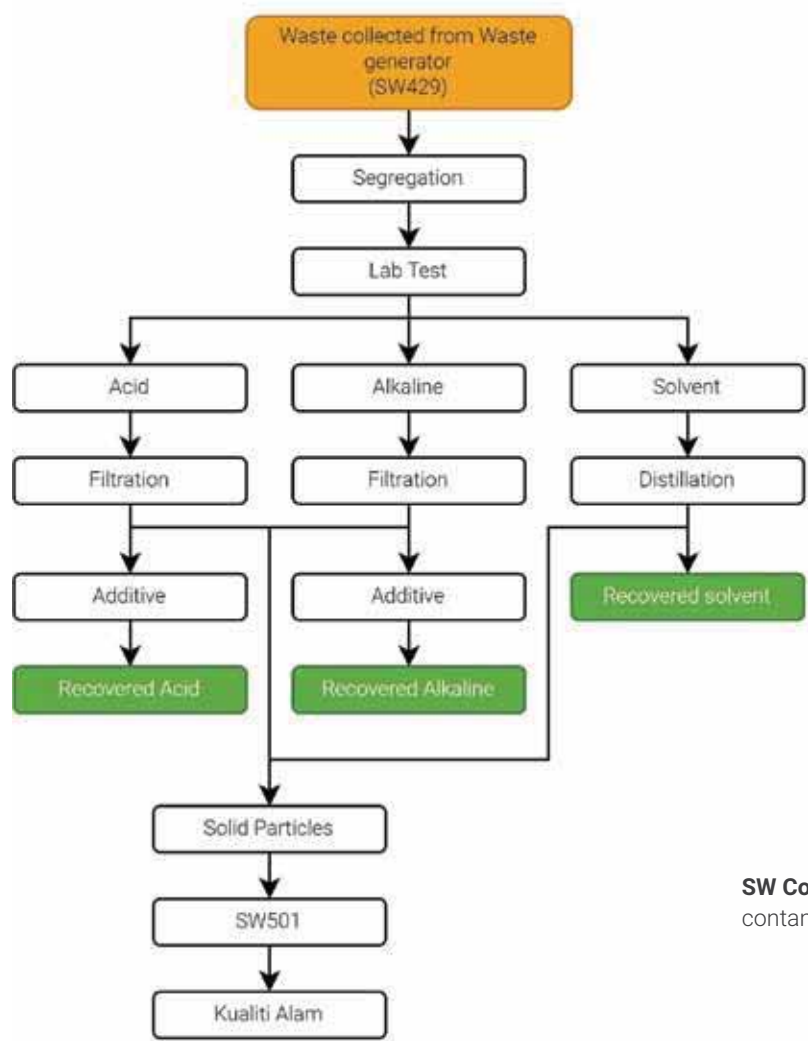

SW Code: SW417 - Waste of inks, paints, pigments, lacquer, dye or varnish
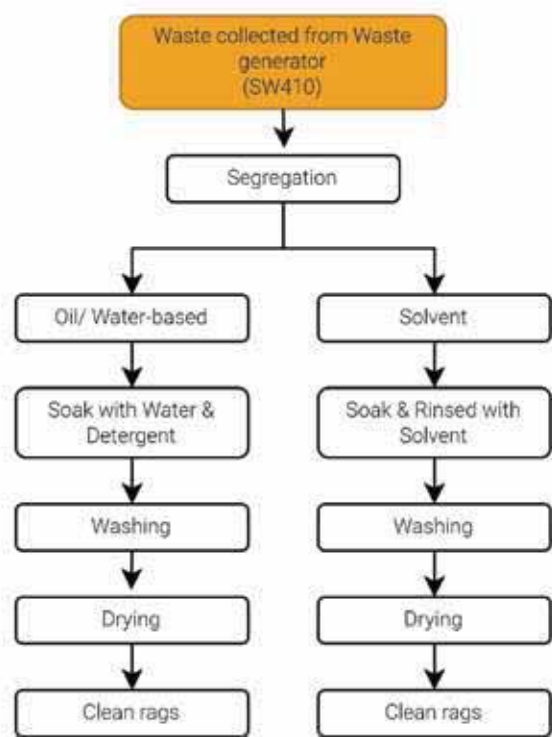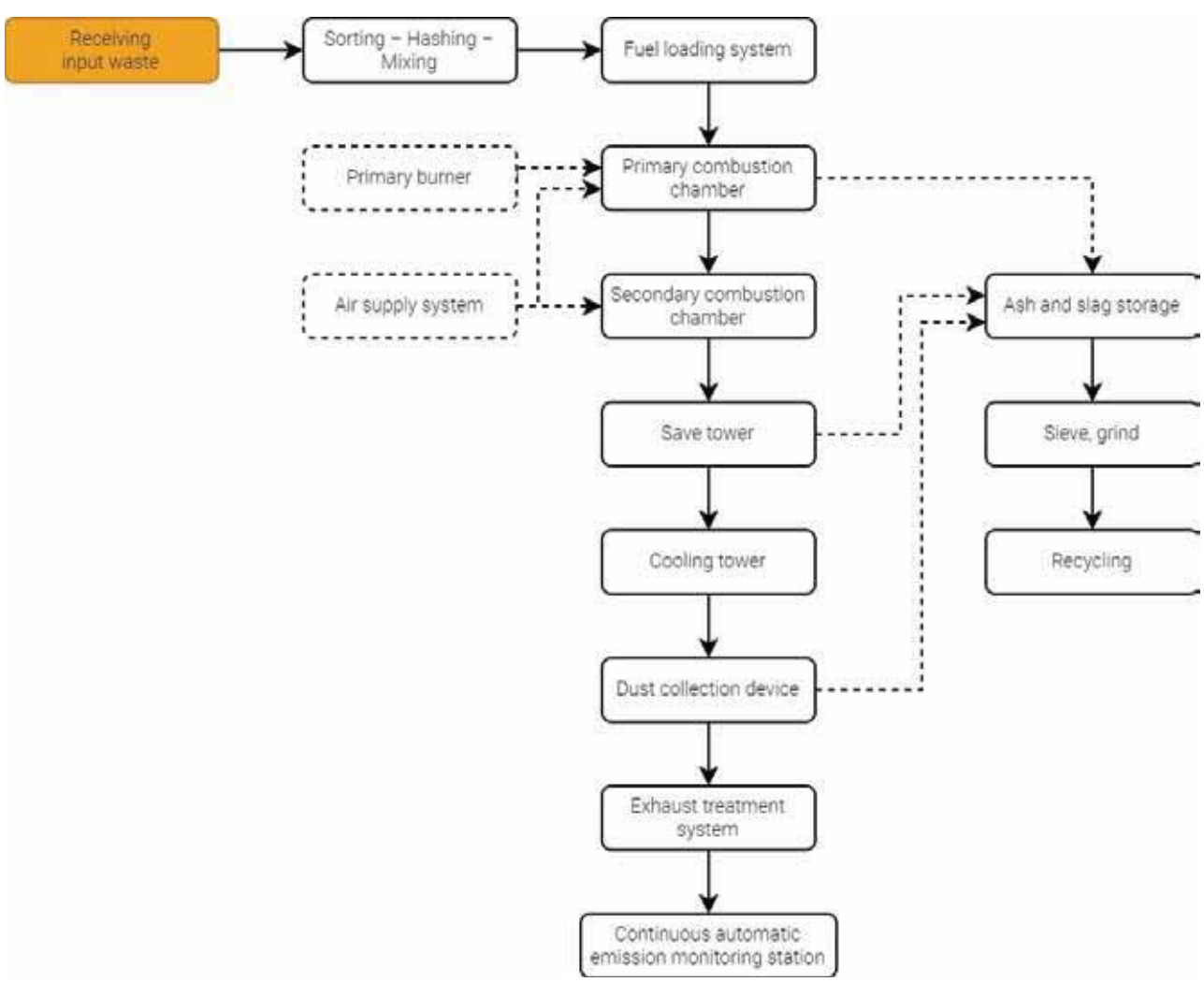
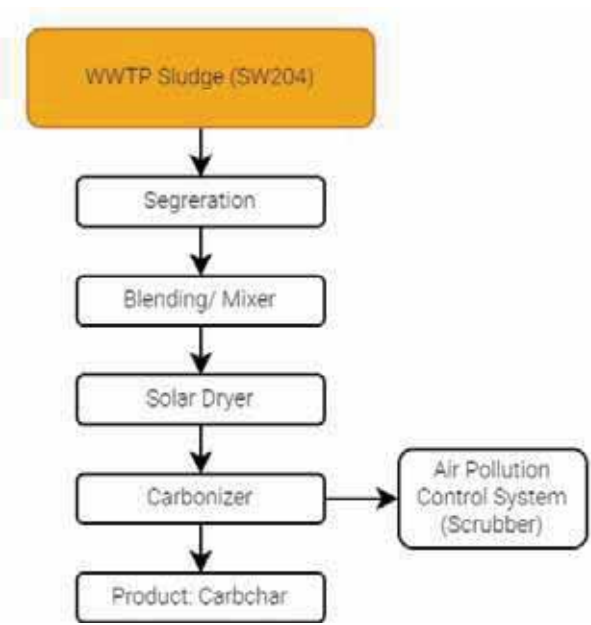**SW Code:** SW429 - Chemicals that are discarded or off-specification

SW Code: SW410 - Rags, plastic, papers or filters contaminated with scheduled wastes

VN waste management

Process Flow of Scheduled Waste SW204

ASSURANCE REPORT

Grant Thornton

INDEPENDENT LIMITED ASSURANCE REPORT TO THE MEMBERS OF

TECHBOND GROUP BERHAD

(Incorporated in Malaysia)
Company Registration No: 201601019667 (1190604-M)

Grant Thornton Malaysia PLT
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Malaysia

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Independent Limited Assurance Report on Subject Matter Information in Techbond Group Berhad's Sustainability Report 2024

We, Grant Thornton Malaysia PLT ("Grant Thornton") were engaged by Techbond Group Berhad ("Techbond Group") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by Techbond Group in its Sustainability Report for the year ended 30 June 2024 ("Sustainability Report").

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Techbond Group's Sustainability Report, as presented below.

Underlying Subject Matter	Page location of Sustainability Report
Total energy consumptions:	
Natural gas consumption	Page 22
Natural gas consumption per unit produced	Page 22
Electricity consumption	Page 22
Electricity consumption per unit produced	Page 22
Diesel consumption	Page 23
Solar power system energy cost saving	Page 23
Water consumption per unit produced	Page 27
Water waste treatment	Page 28
Waste management	Page 30
Schedule waste per unit produced	Page 30
Scope 1 GHG emissions	Page 34
Scope 2 GHG emissions	Page 34
Scope 3 GHG emissions (Limited to Category 6 and Category 7)	Page 34
GHG emission intensity (Scope 1 and Scope 2)	Page 34

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Company Registration No: 201601019667 (1190604-M)

Independent Limited Assurance Report on Subject Matter Information in Techbond Group Berhad's Sustainability Report 2024 (cont'd)

Subject Matter Information (cont'd)

The scope of our work was limited to assurance over selected material sustainability indicators reported in the Techbond Group's Sustainability Report, as presented below (cont'd).

Underlying Subject Matter	Page location of Sustainability Report
Employee by gender and age group, for each employee category	Page 42
Employee by ethnicity group	Page 42
Directors by gender and age group	Page 42
Woman representation	Page 43
New hire by gender and age group	Page 44
Employee turnover by gender and age group, by employee category	Page 44
Total hours of training by employee category	Page 46
Average training hours by employee category	Page 46
Number of work-related fatalities	Page 50
Number of recordable injuries	Page 50
Number of lost workday injury	Page 50
Number of hours trained on health and safety standards	Page 50
Local and foreign suppliers engaged	Page 58
Proportion of spending on local suppliers	Page 58
Operations assessed for corruption related risks	Page 59
Confirmed incidents of corruption and action taken	Page 59
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 60

Our assurance is with respect to the year ended 30 June 2024 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the Techbond Group's Sustainability Report and, therefore, do not express any conclusion thereon.

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Techbond Group is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Techbond Group's sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Report ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of Techbond Group are responsible for:
- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Report and the Reporting Criteria and their contents.

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Company Registration No: 201601019667 (1190604-M)

Independent Limited Assurance Report on Subject Matter Information in Techbond Group Berhad's Sustainability Report 2024 (cont'd)

Our responsibilities

We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Techbond Group.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), *"Assurance Engagements other than Audits and Reviews of Historical Financial Information"* ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, *"Assurance Engagements on Greenhouse Gas Statements"* ("ISAE 3410"). These standards requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Chartered Accountants

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Grant Thornton

Company Registration No: 201601019667 (1190604-M)

Independent Limited Assurance Report on Subject Matter Information in Techbond Group Berhad's Sustainability Report 2024 (cont'd)

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:
- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of Techbond Group and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected unit conversion factor calculations and other calculations used by Techbond Group to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Techbond Group for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information;
- reading the Sustainability Report and narrative accompanying the Subject Matter Information
- in the Sustainability Report with regard to the Reporting Criteria, and for consistency with our findings; and

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to Techbond Group in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Techbond Group those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.
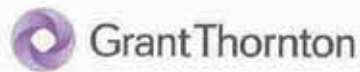
To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Techbond Group for our work or this report, or for the conclusion we have reached.

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Chartered Accountants

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Company Registration No: 201601019667 (1190604-M)

Independent Limited Assurance Report on Subject Matter Information in Techbond Group Berhad's Sustainability Report 2024 (cont'd)

Intended use of this report (cont'd)

Our report is released to Techbond Group on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in the Techbond Group's Annual Report 2024) or in part, without our prior written consent.

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants

Kuala Lumpur
Date: 9 October 2024

Chartered Accountants

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