TECHBOND®
YOUR TECHNICAL BONDING PARTNER

SUSTAINABILITY
R E P O R T

2023

Conserve
as we compound

INSIDE THIS REPORT

ABOUT
THIS REPORT

This Report focuses on the major sustainability risks and opportunities faced by Techbond Group Berhad and it subsidiaries Techbond Group & the ways in which we are responding to them. It details our commitments across the environment, social & governance aspects & ensures we have transparently disclosed our management performance in these issues.

Reporting Guidelines

Techbond seeks to provide clear, accurate & transparent information disclosure on its environmental, social & governance impacts. The preparation of this Report has been guided by Bursa Malaysia's Sustainability Reporting Guide Third Edition. Where relevant, selected disclosures have been developed in reference to the ("GRI") Global Reporting Initiative Standards.

In an effort to meet global sustainability agendas, we have also aligned our disclosures in this report to the United Nation's Sustainable Development Goals ("UNSDGs") so that we can play an active role in providing action plans to address challenges that have been identified by the global community.

Reporting Period

This Report covers the period from 1 July 2022 – 30 June 2023 ("FY2023"). All initiatives & performance data disclosed are derived from the Group's operations in Malaysia. Excluded are our overseas operations, contractors, suppliers, vendors & other related value chain partners and will include Techbond's subsidiary in FY2024 Sustainable Report.

Reporting Scope & Boundary

This Report summarises the sustainability performance of Techbond Group's Malaysia operations particularly Techbond Manufacturing Sdn. Bhd. which located in Shah Alam, Selangor.

Statement of Assurance

This Report has been reviewed by our management and members of the board. It has not been reviewed by independent party and will only be reviewed for upcoming financial year Sustainable 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 Valued Stakeholders,

The global Coronavirus Disease ("Covid-19") pandemic has led to unprecedented risks & uncertainties like no other. Year 2023 was a year of change that saw us navigate through the new normal. As we reflect on the learnings we had over the past year, it is evident that climate change has not ceased and will remain as the most profound generational challenge the world faces today. Notwithstanding these global challenges, Techbond Group Berhad has remained resilient and persevered in the face of adversity.

MR. LEE SENG THYE
Managing Director
TECHBOND GROUP BERHAD

Techbond has always been mindful of the effects of its operations to the environment. With the worsening environmental concerns inflicting our world, we are driven to continuously integrate sustainable considerations and practices within our business operations. With this in mind, we continue to strive for operational excellence in both our Malaysia & Vietnam plants to further elevate our competitive advantage. The first step to realise this ambition is to recognise that we have ourselves, through our operations, the opportunities to make better choices and be more sustainable.

The concept of sustainability is not something new to Techbond. Sustainable business practices is at the core of Techbond's business infrastructure since our inception in 1995. We are proud of our achievements in sustainability in the past & are excited to embark on this new phase of our sustainability journey. The birth of our inaugural Sustainability Report indicates our commitment to enhance our ESG practices within the Group.

In alignment with the United Nations 17 Sustainability Development Goals, Techbond will place further emphasis on ESG in our corporate management & factory operations. We will continue to refine our Environmental, Social & Governance strategies to generate substantial benefits & positive long-term impact to our company & all our stakeholders.

Our unwavering commitment to quality is evidenced by the seal of approval from our ISO certifications. Our Malaysian operations has been registered by Intertek Certification Limited as conforming to the requirements of ISO 14001:2015 Environment Management System Certification & ISO 9001:2015 Quality Management System Certification for the manufacturing of Hotmelt and Water-based Industrial Adhesives and Sealants. Whereas our Vietnam operations obtained the Bureau Veritas Certification in accordance to ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems & the ISO 45001:2018 Occupational Health & Safety Management Systems for the manufacturing of Industrial Adhesive for Wood, Paper and Fabric. We are also audited annually to ensure compliance with certifications requirements.

While we are proud of what we've accomplished, we are aware that there is much more to be done. Techbond will continue to set its sights even higher with the development of our inaugural Sustainability Report. With the theme "Conserve as we Compound", we will be embarking on our next step in addressing the urgent environmental challenges that will challenge our ingenuity & commitment as we move purposefully towards our aspiration to reduce our carbon footprint by 45% by 2030 benchmarked against 2020 Carbon Intensity Emission.

This mandate represents our on-going commitment to our customers, communities & stakeholders & our relentless focus to meet our ESG goals. Looking ahead, we believe that the journey towards achieving our sustainability target will require the combined effort of every level of our organisation, hence we will continue to anchor sustainability within the organisation as we forge towards a net-zero world.

KEY AWARDS
& RECOGNITION

We have been acknowledged both regionally and internationally by esteemed award bodies. The awards and recognition we received through the years reflect 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)

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

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

Golden Bull Award 2011
Outstanding SMEs Winner

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

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

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

SME Malaysia Platinum
SME Export Excellence Award

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

ITEX 2021 Gold Medal
Malaysian Invention & Design Society

Sin Chew Business Excellence Award 2014
Product & Service Excellence Award

MATRADE Mid-Tier Companies Development Programme

Golden Eagle Award
Excellent Eagle 2016
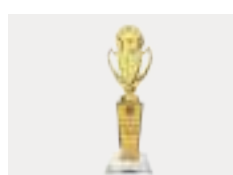
Asia's Top Trusted Brand Award 2023

TECHBOND®
YOUR TECHNICAL BONDING PARTNER

Adherance to
GLOBAL SAFETY STANDARDS

ISO 9001:2015   ISO 14001:2015

TECHBOND MANUFACTURING SDN BHD

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

TECHBOND MFG (VIETNAM) CO., LTD

TECHBOND GROUP
AT A GLANCE

95
Employees

28
years of experience

Location of facility
Shah Alam, Malaysia

Manufacturing facility
Shah Alam, Malaysia

R&D Centre
Shah Alam, Malaysia

K E Y
MARKETS

- Bangladesh
- Cambodia
- China
- Indonesia
- Thailand
- Vietnam
- Singapore

- Malaysia
- Middle East
- Myanmar
- Netherlands
- Papua New Guinea
- Philippines

ABOUT
TECHBOND

WHO WE ARE

Techbond is a homegrown pioneer that specialises in developing & manufacturing industrial adhesives & sealants. Based in Shah Alam, Selangor, Malaysia the Group was established in 1996, and later ventured into Vietnam in 2005. Techbond places huge emphasis on research & development ("R&D") and has 8 in-house trademarked brands. We take pride in the fact that most of our industrial adhesives & sealants are developed in house. In December 2018, we reached a major milestone following the listing of our shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Our headquarters ("HQ") is located in Shah Alam, Selangor, Malaysia together with our manufacturing plant, R&D facility and quality control ("QC") centre. We expanded our manufacturing base to Vietnam in 2005 before moving to our current Binh Duong Factory Complex, Vietnam in 2008.

As a specialist in the development & manufacture of industrial adhesives & sealants, the Group serves a wide range of industries such as woodworking, paper & packaging, automotive, building & construction, personal care, cigarette and mattress. In terms of geographical market, we serve not only domestic clientele but also export to more than 30 countries across Asia, Europe & Africa continents.

CORPORATE
CORE VALUES

Our aspiration of becoming a thriving and prosperous adhesive company is fuelled by our Corporate Core Value emerging from the word STICK which translates to Sustainability, Teamwork, Innovative Mindset, Customer focused & Keep learning. These core values define how we work as an entity and how we deliver our commitments to all our stakeholders, paving the way for the success of our teams in both Malaysia & Vietnam.

S	T	I	C	K
Sustainability	Teamwork	Innovative Mindset	Customer Focused	Keep Learning

WHAT WE DO

There are 2 main business divisions in Techbond, which are as below:

Industrial Adhesives & Sealants

The Group produces 2 kinds of industrial adhesives, which are water based & hot melt adhesives. Primarily, polymer-based materials are employed as raw 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.

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

One of our main competitive advantages is our R&D capability. As mentioned earlier, most of our products are formulated in-house. This is made possible by our technical team, dedicating their time in the R&D centre located within the Shah Alam plant. The facility is well-equipped with laboratory & various equipment such as gas chromatograph, fourier transform infrared spectroscope, programmable temperature, and humidity test chamber.

Having our own in-house R&D team allows us to customise our products according to clients' specifications. At the same time, we continually develop new formulas & seek opportunities to increase our product portfolio in order to remain competitive.

UNWAVERING
LEADERSHIP
COMMITMENT

Sustainability Governance Structure

Integrating sustainability at the highest governance level in Techbond enables strategic oversight of Environmental, Social and Governance ("ESG") issues for long-term value creation. Techbond is committed to delivering long-term value to our stakeholders through sustainable practices that protect the best interests of all parties involved – from our shareholders, employees, business associates and local communities, to the environment we live in. This effort is supported by a robust sustainability governance structure which provides oversight to ensure that our business operations are upholding this responsibility for all stakeholders.

Our sustainability governance structure is led by the Board, which ensures that the Group's practices meet our corporate objectives and sustainability goals. The Board is responsible for providing oversight of sustainability and ESG matters in the Group's strategy development. Supporting the Board is the Managing Director ("MD"), who strategically manages the Group's sustainability matters.

The Group has included ESG factors as a strategic consideration in the decision making process. Responsible department heads are tasked with identifying, assessing & mitigating current & potential ESG risks.
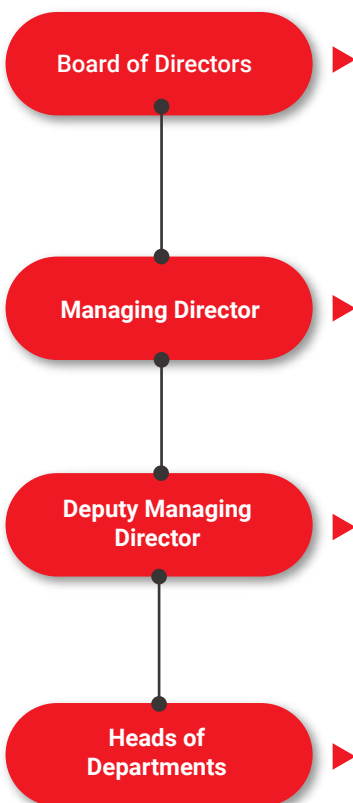
Techbond Sustainability Working Group

The Sustainability Working Group ("SWG") is responsible for executing, monitoring and implementing sustainability initiatives across the Group. The SWG will champion and manage all aspects of a sustainable ecosystem including tracking and collating sustainability performance data.

Led by the Deputy MD, the SWG is an engine of our governance structure and supported by our Heads of Departments which includes Finance, Operations, R&D, Business Development, Human Resources & Purchasing. All sustainability issues & other operational performance issues are deliberated in the quarterly management meetings chaired by the MD. The MD provides updates to the Board on sustainability issues and its relevant performance indicators.

GOVERNANCE BODY	ROLES & RESPONSIBILITIES
Board of Directors	• The Board of Directors has oversight on sustainability matters. • The Board oversees the development & adoption of sustainability strategy & related policies. • This includes matters such as integrity, anti-corruption, code of conduct, occupational health & safety, talent management & risk.
Managing Director	• The MD develops Tecbond's overarching sustainability framework. • The MD aligns the Group's sustainability strategy with long term business growth & goals. • Informs the Board's strategic planning in monitoring ESG risks and opportunities.
Deputy Managing Director	• Reports to MD. • The Deputy MD executes sustainability initiatives across the Group. • Acts as a strategist in delivering sustainability initiatives & development projects in line with strategies approved by the Board of Directors.
Heads of Departments	• 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.

MATERIAL
SUSTAINABILITY MATTERS

To ensure Environment, Social & Governance risks within the Group's operations are considered, key risks were identified and assessed by prioritising factors in the external global operating environment & the values perceived by our stakeholders.

This approach enabled us to identify & focus on our business priorities, by honing in on current and emerging risks that could potentially impact our business operations. Based on these identified risks, we proactively implemented action plans and initiatives in order to fortify our business resilience, to continuously create value for our stakeholders.

Identifying our Material Sustainability Matters

Material Sustainability Matters are issues and concerns that are considered relevant and important to Techbond and our various stakeholders. In order to better understand the issues and concerns that are relevant to us, we conducted a review of the following:
- Our current business strategy;
- Relevant requirements, guidelines and policies, including those issued by Bursa Malaysia 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 UNSDGs.

We also drew upon our material topics through internal discussions with the management and representatives from our various business units, and from feedback and input received through our interactions with our key stakeholders.

Our Materiality Assessment Approach & Processes

We maintain continuous engagements with our stakeholders to understand the significance of the specific ESG material topics to them. These insights are used to inform us in setting the direction of our sustainability journey and communicate meaningfully as we move forward.

In 2023, we undertook a comprehensive materiality assessment in compliance with the principles of materiality via our three-step process below:

Identify
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.

Sustainability Impact Assessment
The impact of the sustainability topics established on our financials, environment, product quality, reputation and regulatory impact were evaluated.

Validation
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			

STAKEHOLDERS' ENGAGEMENTS

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

MATERIAL MATTERS	DESCRIPTION
ENVIRONMENT	
Energy Management	Tracking energy consumption and ensuring efficient use of energy across all areas of operations.
Carbon Emission	Tracking the Group's GHG emissions throughout our operations and managing its impact to the surrounding environment.
Water Management	Tracking the Group's water consumption, ensuring water conservation and the optimisation of processes to increase water efficiency.
Waste Management	Ensure waste & effluents discharged meet the standard limit of regulations.
Sustainable Development of Products	Consideration of sustainability factors within our manufacturing processes and the development of our products through ongoing process improvement, research & development and the application of technologies.
Environmental Management	Internal controls and mechanisms to manage environmental impacts, focusing on air emissions, waste management, water management, energy management and climate change.
SOCIAL	
Occupational Safety & Health	Establishment of a safe and healthy working environment by implementing key measures to prevent injuries and eliminate workplace health & safety risks.
Employee Engagement	Attract and retain employees by creating a great workplace by managing employee welfare, inculcating a healthy lifestyle and conducting regular social engagements with employees.
Human Capital Development	Nurturing talent & providing career development opportunities and training programmes that expand their knowledge base.
Diversity & Non-discrimination	Treat all employees fairly & without discrimination.
Supply Chain Management	Consideration of emerging social, environmental and economic factors within our supply chain through risk assessment.
Community Development	Enrich the lives of communities in which the Group operates through corporate social responsibility (CSR) initiatives.
GOVERNANCE	
Regulatory Compliance	Initiatives and processes are established to ensure compliance with relevant regulatory requirements.
Human Rights & Fair Employment Practices	Fostering fair labour practices and ensuring employee welfare by protecting human rights, ensuring no forced labour and promoting an inclusive working environment.
Data Security & Protection	Protection of data/information/intellectual property belonging to the company and stakeholders including customers, suppliers, employees and business partners against cybersecurity breaches.

CONTRIBUTIONS TO
THE UNSDGs

SUSTAINABLE DEVELOPMENT GOALS

As part of Techbond's commitment to sustainability, our company supports the UNSDGs. We have stepped up on our corporate endeavour to be part of the global effort towards a greener and more sustainable future as espoused by the UNSDGs.

This included conducting an assessment to better understand the UNSDGs and its targets and prioritising our goals and targets by mapping them to our sustainability initiatives. We have focused on eleven key UNSDGs and the following page presents our progress thus far.

Our Focus
Ensure healthy lives and promote well-being for all.

Targets we are contributing to
Achieve universal health coverage, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Our Progress
• Entire workforce is fully vaccinated.
• Safeguards the health of our employees through strict adherence to relevant pandemic SOPs & guidelines.

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.

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.

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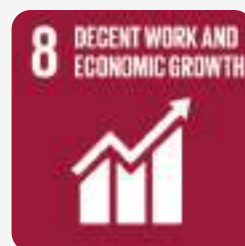
Our Focus
Ensure access to affordable, reliable & sustainable and modern energy for all.

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
• Installation of solar panel on our rooftops to minimise energy consumption and reduce carbon emissions.
• Converting LED lighting in factory & laboratory.

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 FY2023 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.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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.

10 REDUCED INEQUALITIES

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.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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.

13 CLIMATE ACTION

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.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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 minimise our ecological footprint

As an ethical adhesive manufacturer, we are mindful of the role we play to preserve and conserve the environment. We are committed to minimising the impact we have on the environment by improving our processes & reducing our ecological footprint. Our environmental approach is driven by the understanding that our activities have an impact on the environment and that we have a responsibility to reduce this impact whenever possible.

Techbond actively manages the environmental impacts of its operations, people and products. We aim to optimise our production processes by seeking out ways to increase production output and minimise our environmental impacts. We also consistently engage with our employees to be knowledgeable about and accountable for our sustainability targets. We monitor our environmental footprint and continuously innovate for improved sustainability in our technologies and manufacturing practices.

Climate change will have a material impact on our business. Our investment decisions will have a strong bearing on how climate change and its consequences will ultimately unfold.

It is our responsibility to play an active role in accelerating our efforts towards achieving our goal of reducing our carbon emissions by 45% in 2030 benchmarked against the 2020 Carbon Intensity Emission.

Techbond Aquaponic Farm on the rooftop of our HQ in Shah Alam

ENERGY
MANAGEMENT

Energy consumption and the related greenhouse gas ("GHG") emissions are of high relevance for Techbond and care needs to be taken to avoid potential negative environmental impacts. For our operations, this means taking steps to consume energy more efficiently and to promote the usage of renewable energy sources. As part of our Sustainability Target, we have set a goal of both improving energy efficiency and reducing CO2 emissions by 45% in 2030 benchmarked against 2020 Carbon Intensity Emission.

Green Technology

Techbond Group uses energy efficient production system to minimise energy consumption and reduce carbon emissions. We use Liquified Petroleum Gas ("LPG") which is high grade fuel as a power source. LPG is a clean combustion with high heat factor which is more environmentally friendly.

Solar Energy

Further transition towards renewable energy sources is one of the meaningful ways that we see for our production facilities to decrease our carbon footprint. The advantage of solar energy is that it is a sustainable alternative to fossil fuels. While fossil fuels have an expiration date that may be fast approaching, the sun is likely to be around for at least a few billion years.

Solar energy has a substantially reduced impact on the environment compared to fossil fuels. Its GHG emissions are inconsequential as the technology does not require any fuel combustion.

As part of our efforts to reduce our carbon emissions intensity, we have invested RM1.1 million in renewable energy sources to produce cleaner, greener energy for the Group. In line with this, we have installed a solar power system at our Shah Alam facility with an installed annual capacity of 637,507 kWh.

Tracking our Progress

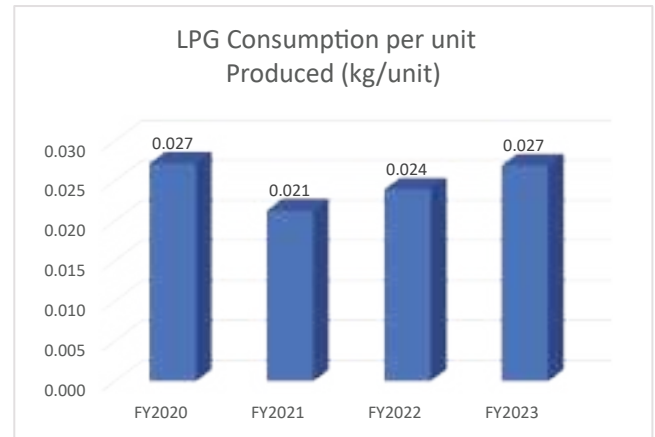For FY2023, we recorded a total increase of 31.48% in our LPG consumption & intensity remains the same comparing to financial year ended 30th June 2020 ("FY2020"). The increase was due to the test of new hotmelt product and the test of the old machine after repair and maintenance.
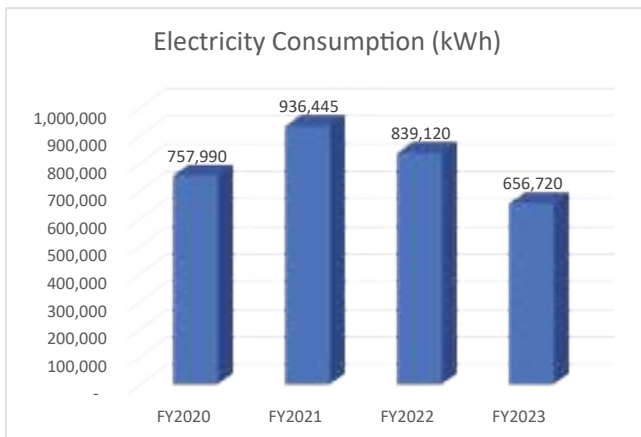
LPG Consumption (kg)

LPG Consumption (kg)

FY2020	FY2021	FY2022	FY2023
46,695	47,116	45,176	61,393

LPG Consumption per unit Produced

LPG Consumption per unit Produced (kg/unit)

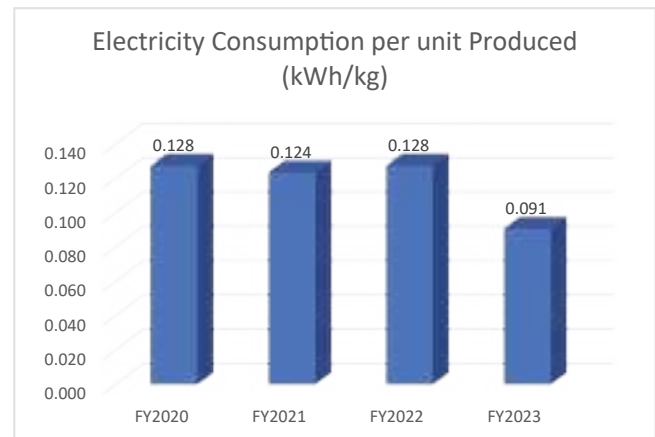| FY2020	FY2021	FY2022	FY2023
0.027	0.021	0.024	0.027
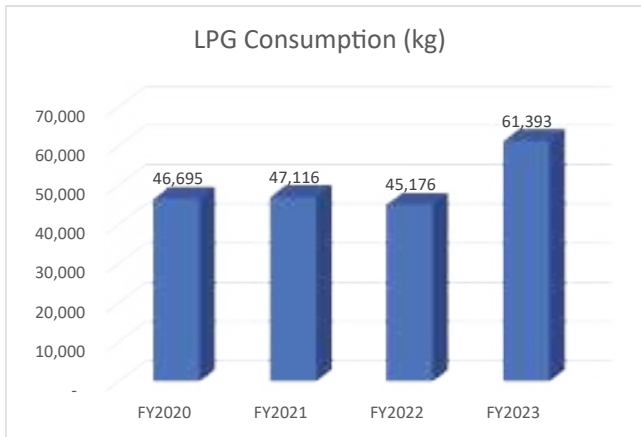
Our LPG consumption intensity stood at 0.027kg per 1 unit (kg) of adhesive produced in FY2023.

Electricity Consumption (kWh)

Electricity Consumption (kWh)

FY2020	FY2021	FY2022	FY2023
757,990	936,445	839,120	656,720

Electricity Consumption per unit Produced

Electricity Consumption per unit Produced (kWh/kg)

| FY2020	FY2021	FY2022	FY2023
0.128	0.124	0.128	0.091

In line with this, our LPG consumption intensity was maintained at 0.027 per unit of adhesive produced in FY2023 and there was a decrease in electricity consumption intensity to 0.091 per unit of adhesive produced. This was mainly attributed to the commissioning of our solar power system.

The reduction in electricity consumption per unit produced shows a saving of 28.91% due to the installation of our solar power systems.

Diesel Consumption (litre)

In FY 2023, a total of increase of 24.98% in our diesel consumption. The increase of diesel consumption was due to the increase in production & sales volume.
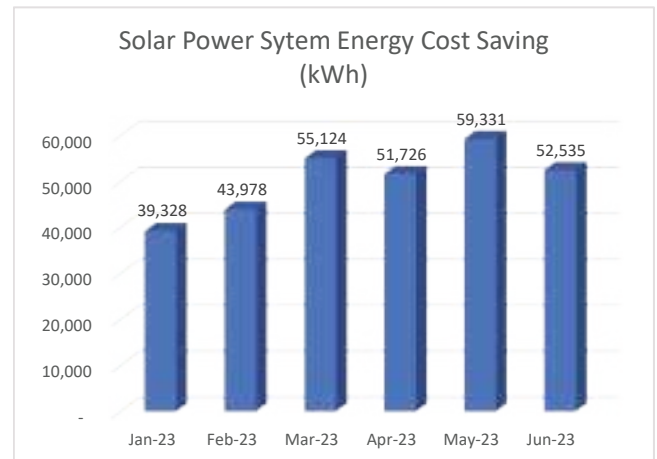
Diesel Consumption (litre)

FY2020	FY2021	FY2022	FY2023
24,349	29,926	27,475	30,431
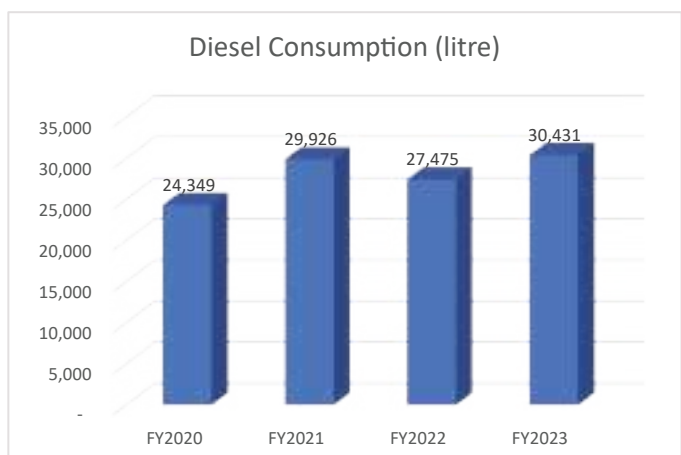
Renewable Energy Usage

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 (kWh)

Solar Power Sytem Energy Cost Saving (kWh)

Month	Value
Jan-23	39,328
Feb-23	43,978
Mar-23	55,124
Apr-23	51,726
May-23	59,331
Jun-23	52,535

Converting to LED Lighting

In our concerted effort for environmental conservation, we replaced the light bulbs in both our factories and lab to green, energy-efficient LED Lighting. We have replaced 62 light bulbs in our factories to energy-saving LED Lighting and also reduced the quantity of lighting used from 62 units to 39 LED lights with lower voltage. Based on electricity usage of 8 hours per day per month, we have achieved a total electricity reduction of 68% due to this initiative. As for our lab, we have installed 308 LED lights that resulted in a 44% electricity reduction.

Converting to LED lighting will result in a positive impact on to our Group's energy consumption. Converting to green, eco-friendly alternatives such as LED lighting serves as one of our small steps in our commitment to reduce our company's energy consumption and its related carbon emission.

TECHBOND®
YOUR TECHNICAL BONDING PARTNER

WATER
MANAGEMENT

Sustainable Water Consumption

Water is becoming increasingly scarce globally. Since our company also depend on the availability of water, sustainable water management is an important part of our environmental stewardship. Sustainable water management serves to maintain water quality and contributes to increased biological and ecological diversity within our surrounding environmental. Water conservation is a core aspect in our operations, and we are constantly optimising our production processes to increase water efficiency and reduce water consumption. Regular monitoring is carried out to track water consumption intensity.

Our water management efforts focus more heavily on our manufacturing sites than our administrative facilities because production generally poses a higher risk.

In FY2023, the Group (Techbond Manufacturing Sdn Bhd ("TMSB") operation) recorded total water consumption intensity of $0.00095m^3$ per unit (kg) of adhesive produced. The increase in our water consumption was due to the construction of our aquaponic farm, increase of production activity and leakage in laboratory area in FY2023.
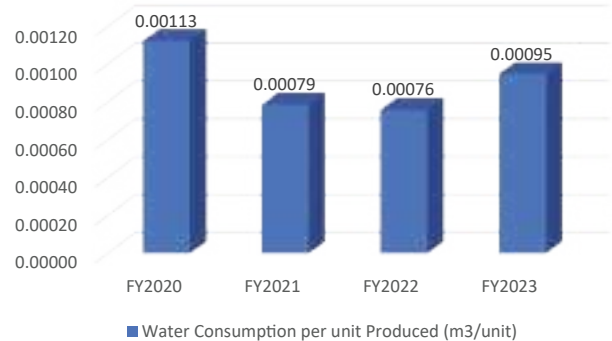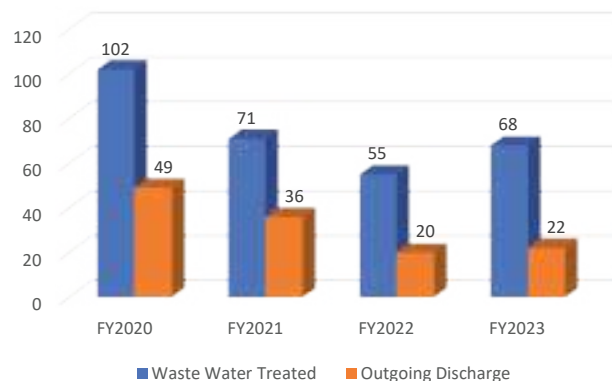
Responsible Wastewater Treatment

The proper treatment of wastewater is important to our environment. We ensure that our water discharge management is in full compliance with ISO 14001:2015 requirements. We assure wastewater is sufficiently treated through our treatment plant before discharge to stormwater drainage.

The total water discharged for FY2023 stood at $22m^3$ to the stormwater drainage. The water discharge volume saw an increase of approximately 10% compared with the previous fiscal period, mainly due to production lines operating at a higher production volume.

When it comes to discharging wastewater, we strictly adhere to government regulations. We conscientiously observe water protection laws and immediately adapt our practices and processes if these laws are tightened. We recorded zero reported incidents of non-compliance with discharge limits in FY2023 and Surpassing the Standard B Effluent discharge benchmark set by the Department of Environment ("DOE") for water quality related parameters such as biological oxygen demand (BOD), chemical oxygen demand ("COD") and total suspended solids ("TSS").

Water Consumption per unit Produced (m3/unit)

FY	Water Consumption per unit Produced (m3/unit)
FY2020	0.00113
FY2021	0.00079
FY2022	0.00076
FY2023	0.00095

Water Waste Treatment (m3)

FY	Waste Water Treated	Outgoing Discharge
FY2020	102	49
FY2021	71	36
FY2022	55	20
FY2023	68	22

WASTE
MANAGEMENT

Waste Management

The Group has developed its own IETS to ensure all its wastewater is properly treated through an environment friendly bio-treatment facility. The Group regularly conduct tests on the quality of treated water to ensure compliance with the requirements of the DOE. The IETS is continuously monitored to ensure it is operating in an optimum performance condition and no untreated water is being discharged from the plant to avoid potential water pollution. We ensure only treated water that fulfill DOE requirements are discharged. The solid scheduled wastes are collected and stored separately for disposal by a licensed company.

Minimising our Waste

The fundamental goal of Techbond's waste management approach is to ensure effective use of resources throughout our operations in order to reduce the amount of waste generated. We are committed to reducing our overall waste, and continuously improving our waste management strategies to eliminate our environmental impact.

Proper waste management practices are essential in reducing our environmental footprint. The Group promotes reducing waste, recycling, proper waste management and waste sorting activities. We work to ensure all waste generated by the Group are handled in accordance with applicable environmental regulations (i.e Environmental Quality (Scheduled Wastes) Regulations 2005 [Malaysia]).

We have established a thorough waste management program for both scheduled and non-hazardous wastes, in accordance with ISO14001:2015 and environmental regulations. Our scheduled wastes are collected by licensed prescribed premises that we have appointed. These licensed prescribed premises are responsible for conducting waste recovery processes on the scheduled wastes generated by us.

Tracking our Progress

Waste Management (kg)
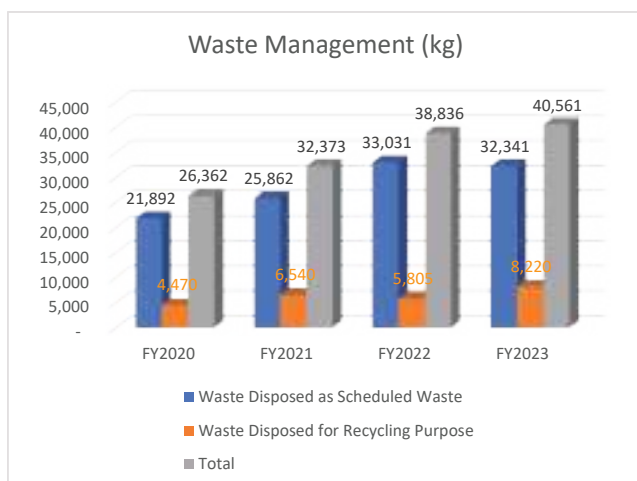
Our total waste is the sum of our scheduled waste and waste disposed for recycling purpose.

Scheduled Waste per Unit Produced (kg/unit)
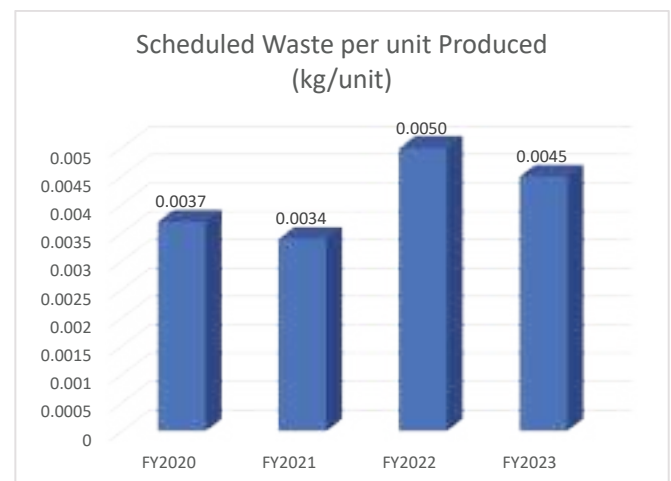
During the year, there were no recorded incidents of noncompliance in relation to waste management.

Total scheduled waste generated intensity for FY2023 stood at 0.0045 per unit of adhesive produced. Our effective practices saw overall waste generated reduced by 10% in FY2023 compared to the previous year.

IETS Process Flow

1. Waste Water Equalization

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

2. Chemical Precipitation Process

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

3. Sludge Disposal

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

4. Biological Process

Wastewater 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

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.

Our filter press process to remove excessive water from solid waste

EMISSIONS
M A N A G E M E N T

Techbond is cognisant that GHG emissions are crucial drivers of climate change and is committed in taking steps to further improve our reporting and performance in this regard. The boundary of our GHG reporting covers Scope 1 & Scope 2 under our operational control. Our GHG emissions include carbon dioxide which are reported in the units of carbon dioxide equivalent (CO2e).

The Group is continuously seeking to enhance the quality of our GHG emissions reporting. We strive to continuously improve our efforts to reduce GHG emissions.

On a consolidated basis, the Group's companywide GHG emissions are set out below:

Tracking our Carbon Footprint

Scope 1 Carbon Emissions (kg of CO2e)

Scope 2 Carbon Emissions (kg of CO2e)

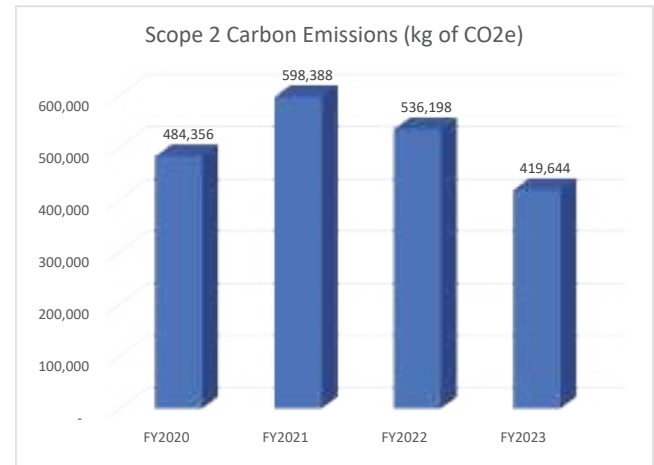Scope 1 Carbon Emissions (kg of CO2e)
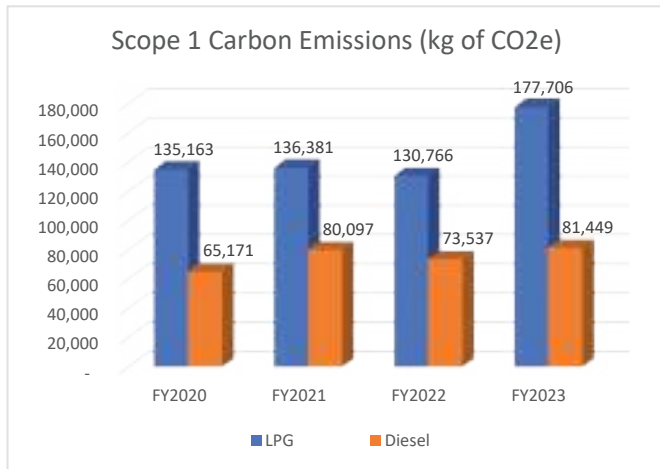
Scope 2 Carbon Emissions (kg of CO2e)

For the financial year under review, carbon emission intensity stood at 0.094 which is lower than last year. We continue to work towards improving efficiencies and lowering our carbon emissions. The scope 1 carbon emission was calculated based on the conversion factor of 1.6117002 kg/litre and 2.676492 kg/litre respectively. The scope 2 carbon emission have been measured following the Peninsular Malaysia's standard of 0.639 tCO2/MWh.

Carbon Emission Intensity CO2e/kg Adhesive Produced

(kg of CO2e)

Carbon Emission Intensity CO2e/kg Adhesive Produced (kg of CO2e)
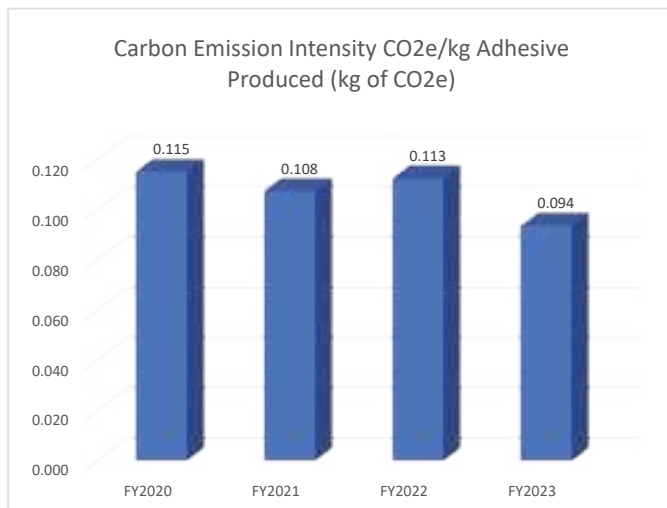
Notes:

- *Scope 1 emissions cover the emissions from LPG consumption from our production facilities includes burner for supply heat to our heating system, forklift and company-owned vehicles on petrol and diesel.*
- *Scope 2 emissions cover purchased electricity from our production facilities includes mixer, tank, pump, cooling system, research development center and other electrical appliances in corporate office.*

In FY2023, our Scope 1 and Scope 2 emissions saw a 18.26% drop in total carbon emissions intensity due to lower purchased electricity consumption. 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.

CLIMATE
CHANGE

The environment is currently facing the biggest challenge it has ever seen. Climate change has become a global environmental issue and is one of the most challenging issues for mankind. Techbond has long recognised that greenhouse gas emissions are contributing to climate change. We support the Paris Agreement's goal to keep the rise in global average temperature this century to below two degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

The pandemic, the devastating floods and the heatwave that affected the nation were clear indicators that we need to expedite responsive solutions towards mitigating and managing climate change.

For this reason, we are committed in our goal to reduce our company-wide carbon emissions by 45% by 2030 bench-marked against 2020 Carbon Intensity Emission.

Climate Change Awareness Training Programme

Techbond recognises the importance of creating awareness among our employees regarding climate change. We believe that everyone has the power to make a difference in creating a more sustainable future. Implementing sustainable approaches within the Group will only be effective when employees believe in the overall goals of the Group. One of the ways to promote sustainability and reduce our environmental impact is through workplace education.

In order to create a knowledgeable workforce, we have conducted a series of Climate Change Awareness Training Programmes with our employees across all levels and functions from our foreign workers up to our Board of Directors. This is one of our initiatives to help our employees understand the impacts of climate change and to empower them with the right knowledge, skills, values and attitudes needed to be drivers of positive change within the workplace.

AQUAPONIC
FARM

Techbond is constantly looking for ways to boost its sustainability practices. With this in mind, Techbond has built an Aquaponic Farm that was completed in December 2022. Nestled on the rooftop of our headquarters in Shah Alam, the 1,500 square foot of greenhouse accommodates a total of 4,300 pots of leafy vegetables that grow on rows and rows of densely packed cylinders. Our fish tank which contains approximately 250 red tilapia fishes complete this aquaponic system.

The Aquaponic system is a sustainable method of farming that combines two productive systems; a recirculating aquaculture system consisting of fish farmed in a tank and a hydroponic cultivation system which consists of vegetables cultured in a medium other than soil.

In this closed-loop circulating system, fish waste acts as a natural fertilizer for the plants. The plants take up those nutrients and clean water is re-circulated back into the aquaculture system. This symbiotic relationship allows for the efficient use of resources. Aquaponics uses 90% less water than traditional farming methods and does not require the use of fertilisers or pesticides.

Aquaponics can also be tailored to specific environmental conditions, such as temperature, lighting and humidity making it possible to grow crops in areas that are traditionally not suited for farming.

Techbond has ample vacant space particularly on our rooftops. We view these empty spaces as reservoirs of under-exploited productive capacity. Integrated into our building, our greenhouse made it possible for us to produce food within the city while upgrading the urban environment, boosting biodiversity and contribute towards carbon reduction by capturing 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 deep changes that are expected to intensify in the coming years. In the contexts of a global pandemic, decarbonizing the economy, and acceleration of the digital paradigm, creating long-term value requires collaborative innovative solutions developed together with our customers, partners, and other scientific and technological players.

What we do matters, as adhesives can be found in nearly every finished good that you encounter in your daily life. While adhesives typically make up a very small percentage of most products, we strive to make the biggest impact downstream in supporting our customers' sustainability goals.

Our R&D team is proactive in ensuring that we develop bonding solutions that would support our customers' responses to changing consumer demand, new product designs, and upcoming regulatory and sustainability efforts.

We invested significantly in innovation, research, and expertise, which are crucial for the continuous extraction of value from our business strategy. This also facilitated the creation of new high-performance solutions that enabled customers to improve their products and processes to better achieve their sustainability programs and help transition from a linear to a circular economy.
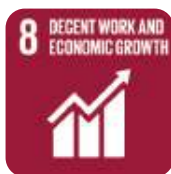
INNOMELT SERIES HOTMELT ADHESIVE

Our INNOMELT combine performance with customer-demonstrated cost savings. INNOMELT offers process ability, performance, cosmetic appearance, and, most importantly, they help save money for end users.

INNOMELT offer high mileage due to aggressive bonding, as well as lower density. They run clean and char-free, resulting in savings in maintenance expenses such as filters and nozzles. As a result, end users experience lower rates of line shut down and thus increased production utilization.

Additionally, the ease of cleaning spilled or misfired beads from the machinery and the lack of angel hair or spider webs result in more savings in terms of reduced labour costs. Reduced wear and tear on the equipment, primarily due to the low acid content of the base polymer used, has been documented.

INNOMELT offers a wider service temperature than those of traditional EVA-based hot melt adhesives. Finally, the lack of odour and smoke from the product improves workplace conditions.

SONICBOND SERIES BOTTLE LABELING ADHESIVE

SONICBOND is an advanced bonding solution that offers to the glass and PET bottle labelling application in food & beverage industries.

Unlike their conventional counterparts (casein-based adhesive), SONICBOND is produced through cold manufacturing process that enable energy saving in daily production

In addition to adhesives excellent wet tack, SONICBOND exhibit good adhesion even to wet and chilled glass surfaces. The food and beverage industry can therefore turn to a powerful and efficient range of products that cover the entire spectrum of bottle labelling needs, including sophisticated adhesive solutions with high ice-water and condensation-water resistance.

Unlike their conventional counterparts (casein-based adhesive), SONICBOND are based on synthetic polymers and are hence independent of the dairy industry. The raw materials employed are thus subject to lower price volatility than casein. For bottling plants, greater price stability means improved cost estimation accuracy in their budgeting. The elimination of casein also yields further benefits, as this resource then becomes available for food production instead of being used for technical purposes.

In addition, SONICBOND give no cause for concern during wastewater treatment. The products contain no alkylphenol ethoxylates, zinc or borax.

PALM OIL BASED POLYURETHANE ADHESIVE

TECHBONDGREENTECH series is an advanced bonding solution that utilises polymer made from sustainable feedstock (palm oil). It makes the polyurethane adhesive versatile and robust enough to adapt to all possible conditions and materials.

In chipboard, plywood and bentwood making industries, it is able to meet upcoming strict regulations and fulfil market demand for low VOC emission. It contains no intentionally added formaldehyde, contributing to lower hazardous emissions and enabling environmental benefits in the workplace and for the user.

Techbond received the Certificate of Merit from ITEX 2021 at the International Invention, Innovation & Technology Exhibition Malaysia & the ITEX 2021 Gold Medal Award for the invention of our Palm-Based Woodworking Polyurethane Adhesives.

These awards are a strong testament to Techbond's continuous pursuit towards environmental, social & governance (ESG) compliance through the production of green and environmentally sustainable adhesive solutions.
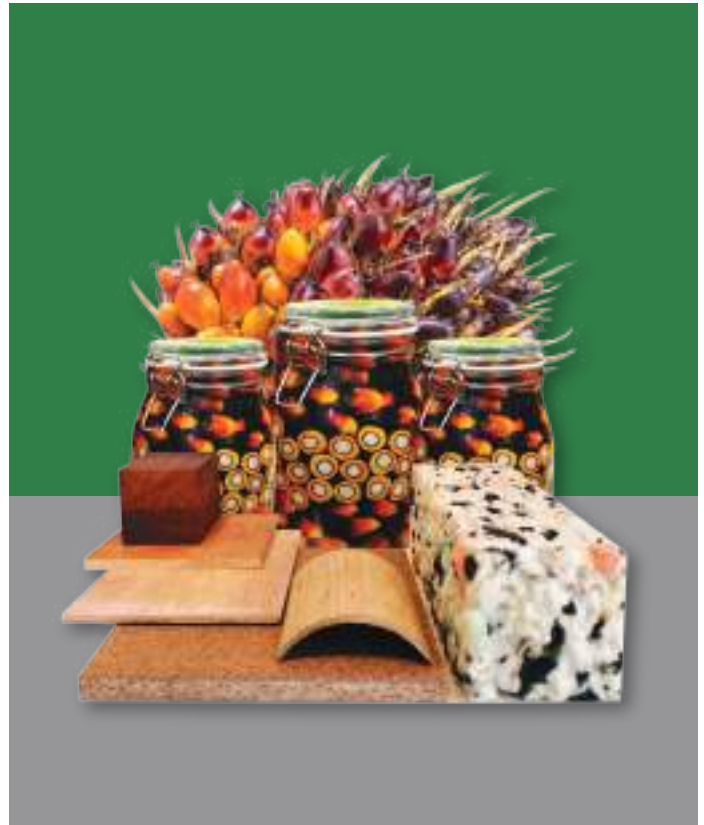
Certificate of Merit from ITEX 2021

ITEX 2021 Gold Medal Award

GLUING SYSTEM SOLUTION

As a technical bonding partner to our customer, we offer a complete gluing machine, comprehensive testing and technical support to assist with consultation, repairs, joint product development, custom designs and more to fit our customers' needs

We supply glue mixing and applicator in the woodworking industries to improve customer's productivity. The machine is own fabricated to suit the application, to enable on site optimization for the output by improving the glue mileage, reduce waste and reducing human error in the mixing process and glue spread variant in the day-to-day manufacturing process.

EMPOWERING
OUR WORKFORCE

The driving force of our success

At Techbond, our people are our biggest assets. The driving force behind our success is the growth of each and every one of our employees. For that reason, we are committed in empowering our people to thrive at work and unlock their full potential.

Techbond is committed to play an active role in inspiring our employees to develop their skills, abilities and confidence through their careers. We believe that the culture of curiosity is the cornerstone of all great things. We therefore aim to provide an environment that gives our employees plenty of scope for creativity that sparks the desire for innovation. This not only empower our employees, but increases our employees' productivity and creates a competitive advantage to attract potential candidates to join our company while retaining our existing talent.
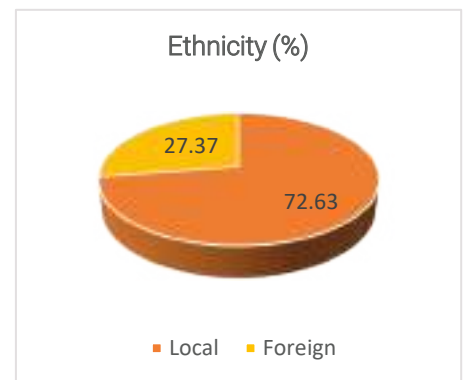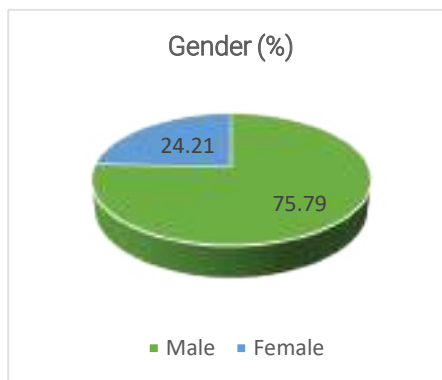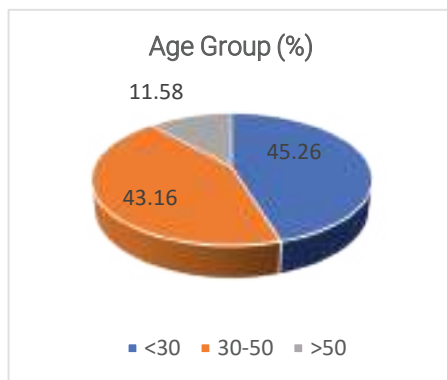
Workforce Diversity

Techbond believes that diversity drives progress and is a critical enabler for the success of the Group. It strengthens our ability to innovate and encourages our employees to be their individual, curious and unique selves.

The Group strives to treat all our employees respectfully and equally irrespective of age, gender, ethnicity, nationality, disability, sexual orientation, cultural background and religious beliefs. Enforcing diversity will reduce our reliance on particular groups and foster an environment that promotes equity and inclusion. We uphold zero tolerance for any form of discrimination and inculcate the value of diversity by hiring based on credibility and merit.

Providing and promoting equitable employment opportunities for all employees is a commitment made by Techbond in its employment practices. We continue to maintain a workforce that is accepting and values everyone's inclusion and diversity. We have about 95 staff members for FY 2023, 30 of whom are new hires. Each employee works on a full-time basis.

All employees are treated equally and fairly where everyone receives equal opportunity for career progression as well as benefits without discrimination.

Employee Demographics

Age Group (%)

11.58
45.26
43.16

■ <30 ■ 30-50 ■ >50

Gender (%)

24.21
75.79

■ Male ■ Female

Ethnicity (%)

27.37
72.63

■ 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	6	67
	Female	3	33
Executive	Male	23	56
	Female	18	44
Non-Executive	Male	40	98
	Female	1	2

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

Employee Category	Age Group	No. of Employees	%
Senior Management	< 30	0	0
	30-50	2	50
	> 50	2	50
Middle Management	< 30	1	11
	30-50	7	78
	> 50	1	11
Executive	< 30	18	44
	30-50	17	41
	> 50	6	15
Non-Executive	< 30	24	59
	30-50	15	37
	> 50	2	4

Percentage of Directors by gender & age group:

Board Diversity	Category	%
Gender	Male	67
	Female	33
Age	< 30	0
	30-50	33
	> 50	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 women 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% of females 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	33.0	3	33.3	21	26.3

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.

TMSB has recorded a total of 30 new hires, achieving a new hire rate of 31.5%, which comprises 70% or 14 males and 30% or 6 females. 70% of new hires are aged below 30, followed by 30% aged between 30 to 50 years and 0% aged above 50 years.

New hire by gender (%)
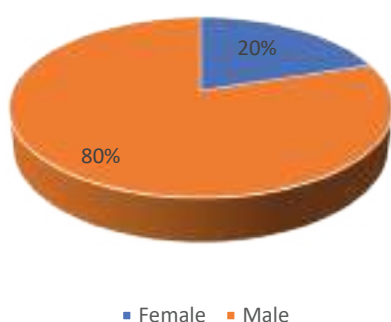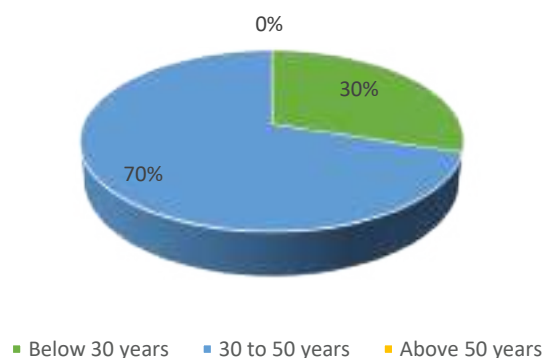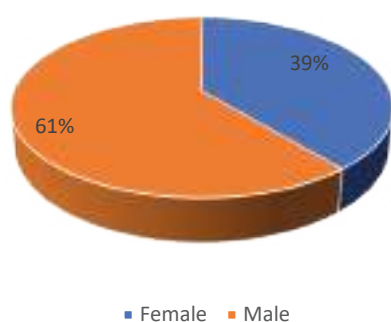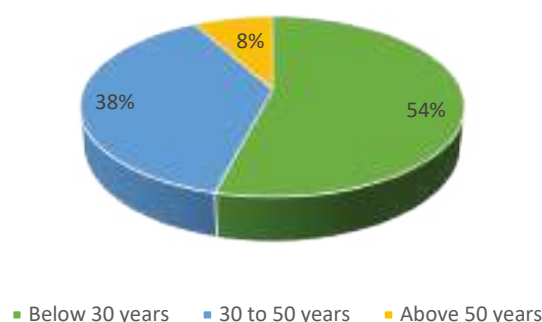
20%
80%

■ Female ■ Male

New hire by age group (%)

0%
30%
70%

■ Below 30 years ■ 30 to 50 years ■ Above 50 years

Turn over by gender (%)

39%
61%

■ Female ■ Male

Turnover by age group (%)

8%
38%
54%

■ Below 30 years ■ 30 to 50 years ■ Above 50 years

Total number of employee turnover by employee category	Senior Management	Middle Management	Executive	Non-Executive
	0	1	8	6

Human Capital Development

Malaysia has shifted from a labour-intensive, agriculture-based economy since its independence in 1957 to a knowledge and innovation-based economy. For our long-term survival and to increase our competitive advantage, the Group has made numerous efforts in continuing to attract talents through its recruitment initiatives. We firmly believe that offering technical training to our staff would help them develop their talents and lower the local unemployment rate.

The Group has also formed strategic partnerships with research organizations and agencies for a number of research and development projects to develop new raw materials sources and explore methodologies and commercial applications. In order to broaden our people's expertise and enrich their experience, our employees are given the opportunity to lead research initiatives with outside organizations.

Techbond values continuous learning and growth and employees are encouraged to develop themselves through upgrading their skill sets, taking on stretch assignments as well as expanded responsibilities that are essential for them to remain effective and relevant. Maintaining employees' long-term employability is a crucial factor that contributes to our success. Techbond firmly believes that, despite a difficult year, investing in employee development through personal development training has enabled our employees to reach their full potential.

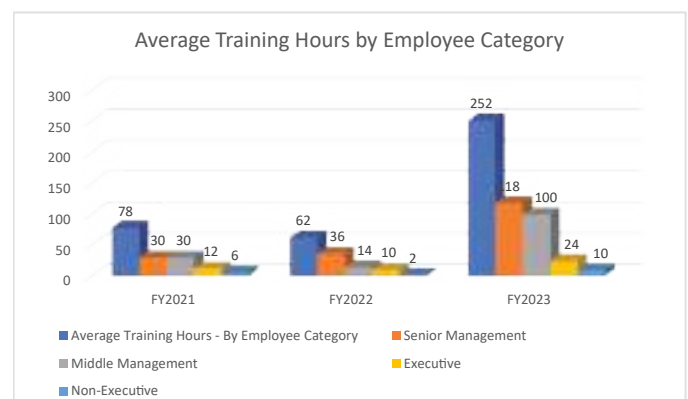In Techbond, these are the learning styles that we adopt.

- 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

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

Learning & Development

Total Training Hours - By Gender

	FY2021	FY2022	FY2023
Total Training Hours - By Gender	787	681	3032
Male	512	431	1858
Female	275	251	1174

Average Training Hours - By Gender

	FY2021	FY2022	FY2023
Average Training Hours - By Gender	28	20	77
Male	12	7	26
Female	16	13	51

Total Training Hours by Employee Category

	FY2021	FY2022	FY2023
Total Training Hours By Employee Category	787.75	681	3032
Senior Management	119.5	144.5	473.75
Middle Management	211.5	115.5	897.25
Executive	347.25	355	1261
Non-Executive	109.5	66	400

Average Training Hours by Employee Category

	FY2021	FY2022	FY2023
Average Training Hours - By Employee Category	78	62	252
Senior Management	30	36	18
Middle Management	30	14	100
Executive	12	10	24
Non-Executive	6	2	10

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.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

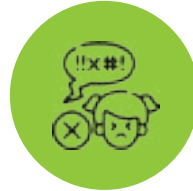**10 REDUCED INEQUALITIES**

1. Hiring & Employment

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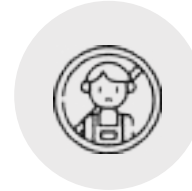
2. Safe Working Environment

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

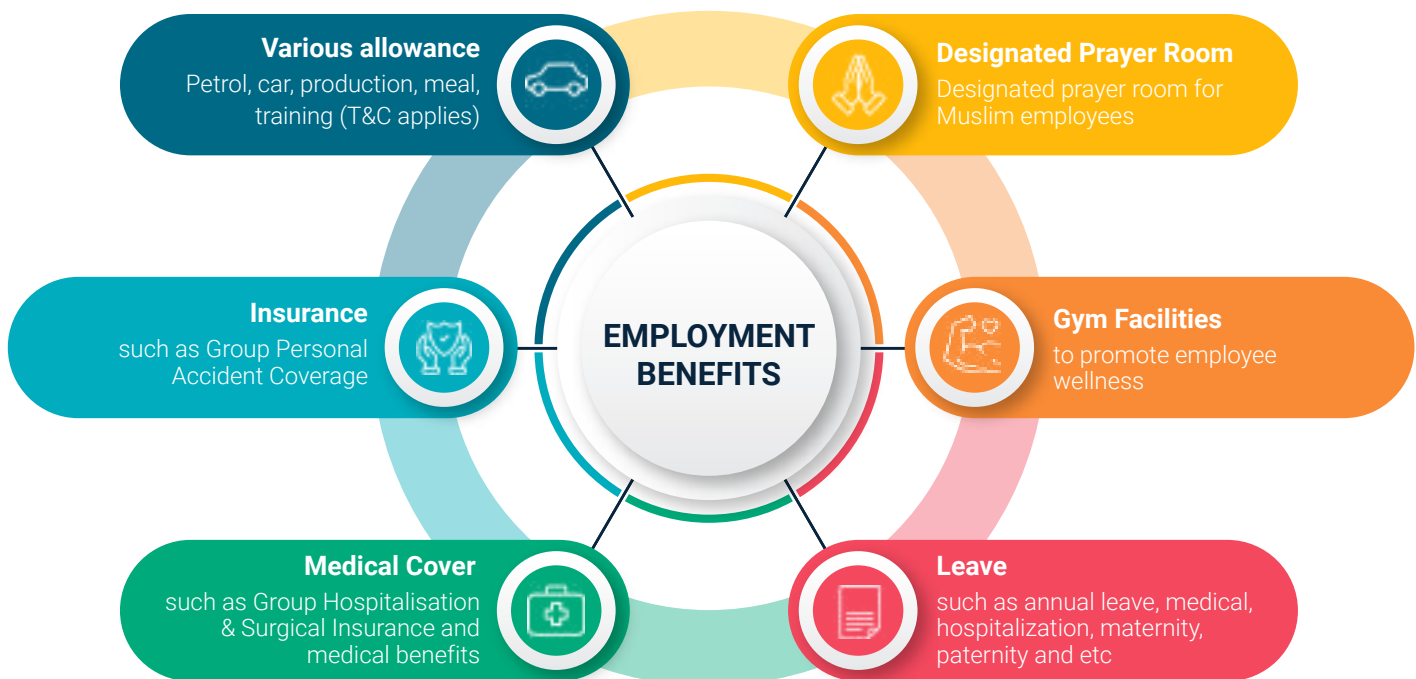Does not use child, forced, prison, indentured or involuntary labour.

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:

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

EMPLOYMENT BENEFITS

Gym Facilities
to promote employee wellness

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

Leave
such as annual leave, medical, hospitalization, maternity, paternity and etc

The Management also implemented the following initiatives to remediate the burden on employees' finances during the MCO period.

- Employees continue to receive bonuses and annual increments for FY2022.
- No salary deduction/ forced leave imposed throughout the Movement Control Order period.
- Employee's RTK and PCR tests were at the expense of the Company.
- Additional PPE such as face masks and self-test kits are provided to all employees.
- No additional cost burden shifted to employees due to Covid-19 Standard Operating Procedures (SOPs).

Covid-19 Management

Techbond Group has been consistently applying its own set of SOPs to address the transition of Covid-19 from a pandemic to an endemic phase. Here are the measures that have been undertaken during this transition period:
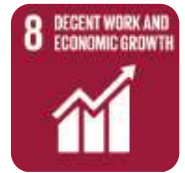
Sanitation

Hand sanitizers are available at various locations of our premises. Employees or visitors are required to use the hand sanitizer after temperature check. Sanitizers are also given to every employee for their own use.

Social Distancing

Social Distancing is practiced at our work place. Employees or visitors are required to observe at least 1-meter distance from one another. Virtual meetings are held to stay connected and ensure business continued as usual.

Disinfection

Disinfection and cleaning of the entire company premises are as per SOP. The disinfection processes for Company factories were carried out twice a day to maintain hygiene and prevention against the virus.

We take proactive measures by placing employees who are regarded as close contact under quarantine and isolation and also undergo subsequent screenings. We also carry out deep cleaning and disinfecting exercise at the premises and dormitories in Shah Alam.

The Company is committed and strictly adheres to the SOP issued by the authorities and continues to undertake precautionary and preventive measures for Covid-19 as part of its sustainability and business continuity management.

Employee Engagement

Highly engaged employees are essential for business success. We implement an open-door policy that encourages our employees to discuss any job-related issues with their supervisors. All employees are encouraged to communicate and express their views to the management through management meetings and their department managers are expected to escalate their concerns to higher management for appropriate actions to be taken.

Departmental Meetings are held by each respective department to discuss relevant matters and to provide solutions and guidance. Our Monthly 5 Pillars Meeting is held to update and conclude each department's KPI performance. Performance Review is also done annually to review employees' performances as well as to give feedback for further improvement. Exit interviews are also conducted to find out the areas that need improvement. Techbond Employee Handbook including updates on Employee Policy is accessible to all staff.

Our Fraud & Whistleblowing Policy provides a clear reporting channel for all employees and members of the public to disclose any improper conduct or any action that is harmful to the reputation of the Group or compromises the interest of stakeholders. Any concerns about malpractices are escalated verbally or in writing either to the Chairman of the Audit & Risk Management Committee or the Managing Director. All reports are treated with high confidentiality and whistle-blowers making the allegation remain anonymous. In FY2023, no whistleblowing cases were reported.

8 DECENT WORK AND ECONOMIC GROWTH
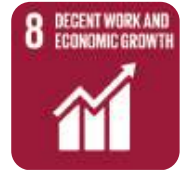
Employee Welfare

Apart from employee engagements, trainings and benefits to staffs, Techbond Sport Club Committee is 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 and family day were organized, to breakdown barriers and promote social interactions within all level of employees.

However, in order to avoid big gatherings due to unprecedented measures to stem Covid-19, we celebrated social events with takeaway food and voucher for employees to bring home. As the underlying themes of most events generally promote healthy lifestyle, it is reported that 80% of employees participated in all of the company's events.

All our employee is covered under Group Personal Accident (GPA) and Group Hospitalization & Surgical (GHS) Insurance. GPA 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, permanent disablement, temporary total disablement, temporary partial disablement, medical and surgical treatment as well as funeral. Whilst, GHS is provided for the cost of medical treatment and hospitalization, due to accidents and illnesses.

Occupational Safety & Health (OSH)

Techbond regards workplace safety as one of the Group's fundamental concern. We collectively uphold safety by adhering to strict health and safety standards and strive to meet our obligation to ensure that all our employees and contractors are not placed in an environment that is inherently hazardous.

We aim to foster a risk-averse working environment, eliminate safety hazards and target zero fatalities and accidents across the Group. Techbond champions a safe and healthy working environment in all aspects of its operations by taking HSE considerations as an utmost priority.

Every employee is provided with training to ensure that they are aware and fully equipped with the knowledge on all ISO safety procedures and actively contribute to the overall reduction of industrial accidents.

Techbond implements and strictly practices our Occupational Health and Safety management system as a guide that fortifies the Group's compliance to employee's safety and health and outlines the Group's response and stance in the following area:

- *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*

8 DECENT WORK AND ECONOMIC GROWTH
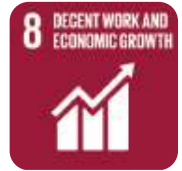
The role of OSH committee involves, but not limited to:

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
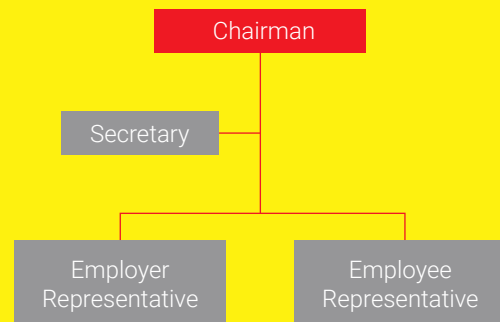
We also seek to enforce the role of each employee at all levels and enforce personal accountability to sustain a culture of zero harm at all times. The Health and Safety Committee oversees the governance and performance of the Group's Occupational Safety & Health. The OSH Committee convenes regularly during its quarterly meeting to discuss, assess and identify possible health and safety risk. The OSH Committee also continuously monitor these incidents and offer recommendation for improvement actions. Employees are also continuously reminded of the mission, vision and policies of the company and are briefed on relevant information regarding health and safety.

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

Chart data:
- FY2021: Recordable Fatalities 0, Recordable Injuries Rate 0, Lost Workday Injury Rate 0, Trained on Health & Safety Standards 63
- FY2022: Recordable Fatalities 0, Recordable Injuries Rate 1, Lost Workday Injury Rate 60, Trained on Health & Safety Standards 89
- FY2023: Recordable Fatalities 0, Recordable Injuries Rate 0, Lost Workday Injury Rate 0, Trained on Health & Safety Standards 209

■ Recordable Fatalities   ■ Recordable Injuries Rate
■ Lost Workday Injury Rate   ■ Trained on Health & Safety Standards

Safety Precaution – Locked-Out System for Ribbon Mixer

In FY2022, we recorded 1 injury which is a knife cut involving our factory supervisor whose duties include administering our Ribbon Mixer machine. The employee stated that he had administered the Ribbon Mixer many times during his employment, however, during the incident, the employee intended to remove hardened hotmelt on the valve of the machine while it was running. He thought that he had already turned off the machine. This resulted in a minor knife cut on the employee's finger. The employee's actions are deemed negligent, as they were provided with the necessary personal protective equipment ("PPE"), including safety shoes, safety goggles, cut-resistant gloves, heat-resistant gloves, a respirator, earplugs, and a safety vest, and the SOP for managing this machine were in place.

Our Health and Safety Committee has reported the incident to Department of Occupational Safety and Health (DOSH).

Corrective and preventive action was taken and in response to this accident, we have implemented the Locked-Out System for Ribbon Mixer.


Ribbon Mixer Machine

Due to the accident that occurred in FY2022, we have enhanced our Ribbon Mixer machine valve to include an additional padlocked cover to prevent employees from placing their hands on the machine valve while the machine is running. The key for the padlock can only be released when the machine is turned off. This will completely eliminate any potential occurrence of accidents involving the valve of the Ribbon Mixer machine. Our Ribbon Mixer machine is also supplemented with a clear signage on the safety precautions involved in handling the machine translated in both Malay and Nepali language to prevent future accidents.

We continuously aim to do better by learning from past incidents. The root cause of all accidents is investigated thoroughly with lessons learnt being shared and corrective actions being implemented across the Group. To reduce number of incidents in the workplace, the Group has also established a Health and Safety Policy where all employees are required to comply with the safety procedures and the relevant employees are also required to attend safety awareness programmes conducted by the Company.

We also conduct safety awareness and PPE briefing to all related departments. We remain steadfast in our endeavour to uphold at highest priority the safety, health and well-being of our people and continue to aim for zero accident for next year.

Safety & Health Initiatives

The Group has developed the following safety and health initiatives:
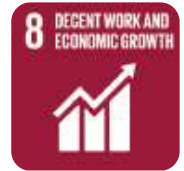
1

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.

2

Installation of Drain Spill Stopper

When a chemical spill occurs, it is necessary to take prompt and appropriate action. To ensure proper management of hazardous chemical spills, we have installed a drain spill stopper at our main drainage systems. This drain stopper is one of our precautionary measures to stop chemical spills from leaking into the environment in the event of a leakage.

3

ISO Safety Awareness

The ISO Safety Awareness is conducted once a year to inform and educate our employees on procedures in handling accidents, illnesses and hazards in the workplace. Safety assembly and fire drills are conducted on planned and unplanned intervals to ensure awareness and personal safety.

4

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.

Emergency Preparedness & Response

We strive to ensure the safety of our workforce and communities by keeping our infrastructure healthy and fit and by maintaining a high level of emergency preparedness and response. Hence, Techbond has in place its Emergency Preparedness & Response Procedure ISO 14001:2015 Environmental Management System under the supervision of our Safety Team that is responsible for the overall management of critical events which require support.

The Safety Team shall be responsible to handle actual emergency situations and to prevent and mitigate any associated adverse environmental impact. The Safety Team ensures periodical maintenance and test on all firefighting and preventive system such as the following is carried out to ensure their functionality is maintained:

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

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 believes that ensuring the health and safety of its workforce is essential to provide a safe and healthy working environment for all. We also have in place our Emergency Response Plan in the event of **Fire, Electric Shock and Accident** under the ISO 14001:2015 Environmental Management System to facilitate the containment and management of these incidents.

Mock Fire Drill

BUSINESS WITH
INTEGRITY

Upholding key business ethics and principles

Techbond is committed to being a responsible corporate citizen and attempt to uphold ourselves to the highest standard of ethical conduct and integrity. We play a pivotal role in incorporating ethical behaviours throughout the Group & is cognisant that integrity in business is an essential ingredient for the Group's sustainable, long-term business success.

We are a strong advocate of compliance and integrity that has become the cornerstone to our ethical business practices and overall company policy. We pursue a zero-tolerance approach towards corruption and other breaches of the law and is committed to complying with all legal and regulatory requirements. We have policies, procedures and platforms in place to ensure that accountability and responsibilities are upheld throughout the Company and across all stakeholder relations.

Our zero-tolerance approach requires a holistic compliance system of measures to ensure that business is always carried out in full accordance with the law. The entire management team is required to commit to compliance to ensure that all business decisions and activities conform to the relevant legal requirements and follow our own values and company policies.

We are focused on our responsibilities to all our stakeholders and strive to ensure the integrity of our operations while creating long-term value. We respect social norms and international guidelines and act with high ethical standards, transparency and accountability that is deeply rooted in the company culture.

Corporate Governance

We have established best practice internal mechanisms and procedures to promote transparency and accountability throughout the value chain. The Board is guided by the Board Charter ("the Charter") based on elements of the Malaysian Code of Corporate Governance ("MCCG"). The Charter acts as a guide for the Directors regarding their roles and responsibilities as Board members and the various legislations and regulations enforced on the Board. The Charter also states the Group's support of gender diversity in the Boardroom. The Charter is reviewed periodically to ensure the practices and processes are consistent and relevant to prevailing codes, laws and corporate governance regulations.

Similarly, members of the three (3) Board Committees: Audit Committee, Nomination Committee and Remuneration Committee, are directed by the corresponding Terms of Reference ("ToR") for each of Committees that outlines the objective and responsibilities in assisting the Board.

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

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.

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

Building a Responsible Supply Chain

The Group is committed in conducting all its business operations sustainably by applying the highest ethical standards. Supply chain management is an enabler of our sustainable growth and overall success. The Group's supply chain is guided by the Group's Supplier Code of Ethics on Business Integrity and Supplier Qualification procedure to evaluate the capabilities of potential suppliers to ensure that all comply with the principles and apply high standards to meet our requirements.

Supplier's material selections, quality, labour practices and overall sustainable practices are considered along with formal certification including:

ISO 9001: 2015 Quality Management System; and
ISO 14001:2015 Environmental Management System

Our primary engagement objective revolves around ensuring the sustainable supply of high-quality services and materials, a commitment that underscores our dedication to excellence. To achieve this objective, we employ a diverse range of engagement channels. Supplier evaluation and appraisal are key components of our approach, allowing us to maintain a rigorous standard for our partners. Site visits provide firsthand insights into our suppliers' operations, fostering transparency and accountability. Regular business meetings facilitate open communication, ensuring our objectives align with those of our partners. The corrective action report process allows us to address issues promptly, fostering continuous improvement. Electronic mail keeps our channels of communication efficient, while our Code of Ethics and Conduct serves as a foundational guideline for all our engagements.

Within the realm of sustainability, several critical matters take center stage in our discussions. Competitive pricing ensures our services and materials remain accessible without compromising quality. We prioritize sustainable packaging materials to reduce environmental impact. Sustainable supply chain management is integral to our long-term environmental responsibility and resilience. Data privacy and security are paramount in today's digital age, and we uphold the highest standards in this regard. Incoming quality inspection ensures that materials meet our stringent quality criteria before they become part of our supply chain. These sustainability matters underscore our commitment to responsible business practices and the continuous enhancement of our services and materials.
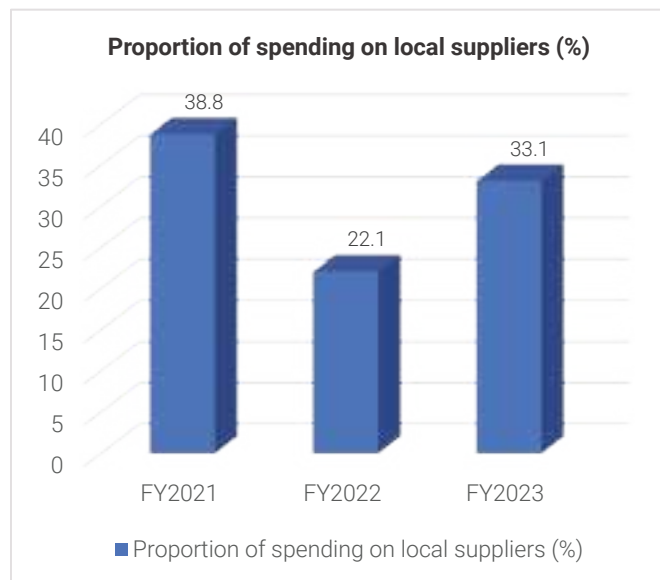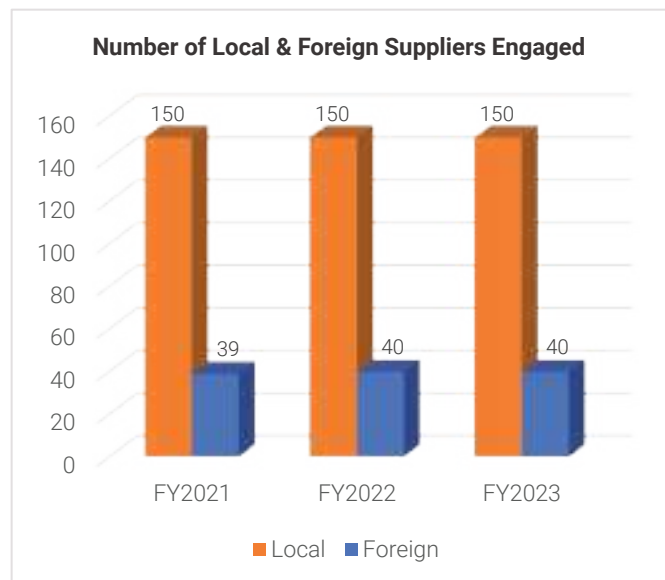
Our organization has set an objective to enhance customer satisfaction. We recognize the importance of fostering strong connections with our customers, and to achieve this, we employ a diverse range of engagement channels. These include the utilization of customer feedback forms, customer audits, and corrective action reports to continuously improve our products and services. Furthermore, we promote transparency and trust through on-site factory visits, where customers can witness our manufacturing processes firsthand. Regular business meetings provide a platform for open communication, while our electronic mall simplifies the ordering process. Upholding a strong Code of Ethics and Conduct is fundamental in all our engagements.

In addition to customer-centric approaches, sustainability is a key focus area in our discussions. We prioritize consistent product quality and rigorous quality control measures to minimize environmental impact and ensure long-term customer satisfaction. Our support services contribute to the sustainable growth of our business and the broader community. Holding an ISO Certificate underlines our commitment to quality and environmental responsibility. Furthermore, we are dedicated to safeguarding customer data privacy and security, aligning with evolving standards in this regard. These sustainability matters underscore our dedication to responsible business practices and customer-centricity.

Fair Trade Practice

Local procurement creates value for local communities. The Group strives to engage local suppliers in its efforts to spur the growth of the local economy in the countries in which it operates. The Group prefers sourcing local suppliers in the pursuit of excellence in accessibility, communication, logistics and timely response. The Group continuously tracks its composition of local to overseas suppliers with the objective of sourcing more local raw materials to support the local industries.

Number of Local & Foreign Suppliers Engaged

	FY2021	FY2022	FY2023
Local	150	150	150
Foreign	39	40	40

Proportion of spending on local suppliers (%)

	FY2021	FY2022	FY2023
Proportion of spending on local suppliers (%)	38.8	22.1	33.1

The Group also conducts periodical review of its packaging materials to continuously identify opportunities to reduce wastages and costs by using flexi-bags within the shipping containers. This significantly reduces the need for metal drums and efforts are in place to recycle flexi-bags to reduce waste generation.

Ethics & Integrity

Integrity is a fundamental business philosophy and deeply rooted in the corporate culture. The Group has adopted a zero-tolerance approach and takes a strong stance against all forms of corruption and bribery throughout our value chain.

The Group is guided by a robust governance structure and upholds high standards of ethics and integrity in our business conduct. We have also implemented an extensive array of policies, codes and procedures to ensure Techbond and those we engage with operate ethically.

Code of Conduct

Techbond recognises its responsibilities as a developer and manufacturer of industrial adhesives and is committed to being a responsible corporate citizen and that it must conduct its business in accordance with internationally accepted practices and procedures.

The core principles, which the board and senior management are committed to uphold are encapsulated in the Company's Corporate Code of Conduct and Ethics Policy (the "Code"). The Code applies to Techbond Group Berhad and each of its subsidiaries (collectively, the "Company"), its employees and officers. Failure to do so could result in disciplinary action which may include termination.

The Code reflects our core values and the principles of behaviour that supports the maintenance of the highest standards of professional, legal and ethical conduct. These principles govern our relationships with customers, suppliers, shareholders, competitors, the communities in which we operate and extends to all employees of the Company. The Company is also committed to create a workplace, at all its working locations, that, at all times, is free from harassment and discrimination, where co-workers are respected, and provide an appropriate environment so as to encourage good 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.

All Board members and employees have completed the Anti-Bribery Management System Policy conducted by external trainer. Whereas, ABMS training is made compulsory during the induction programme for new hires. For FY2023, all new hires attended an ABMS training during induction.

100% of Techbond's employees had completed an annual refresher training programme as well as an online declaration and assessment to acknowledge that they are aware of, have read, and are compliant with Techbond's corporate policies and guidelines, including th ABMS Policy.

The Managing Director oversees our compliance with anti-corruption policies and compliance. Every employee is responsible for preventing and reporting the instances of corruption, bribery, suspicious activity or wrongdoing which may lead to bribery using our whistleblowing channels. Employees found to have been involved in bribery are subject to disciplinary action that can lead to instant dismissal.

The Group strives to build and strengthen its relationships with Business Associates. In ensuring that the Business Associate adhere to industry best practices and accepted standards of behaviour, Business Associates are required to understand and adopt the Anti Bribery Management System Policy.

During the FY 2023, all employees were briefed on the MACC Act and none of our employees were involved in any incidents of corruption and bribery activities.

Material Matters	2022 Performance	2023 Performance
Percentage of operations assessed for corruption-related risks	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 FY2023, 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 have established mechanisms to ensure the Group's compliance with applicable laws and regulations and to account for any changes in the regulatory landscape.

Techbond enforces strict compliance throughout our operations by observing applicable regulatory and statutory laws of the countries within which we operate. Techbond has implemented various mechanisms across our markets to remain up-to-date with the evolving regulatory requirements as a multinational organisation.

We engage professionals to conduct internal audits to ensure compliance with applicable laws and account for changes in regulatory requirements. Internal audit report summarises key findings and highlights areas of non-compliance or weakness.

This system highlights the procedures for internal and external compliance audits of Techbond and relevant external third parties in the event of a non-compliance incident.

Techbond experienced zero (0) incidences of reported non-compliance for FY2023.

Material Matters	Target	2022 Performance	2023 Performance
Ethics and Integrity	Zero confirmed cases of corruption within Techbond	Achieved	Achieved
Ethics and Integrity	Zero fines and penalties from the authorities on unethical practices	Achieved	Achieved
Regulatory compliance	Zero non-compliance of applicable laws and relation year-on-year	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 safeguard our customers' data and privacy from data breaches with established policies and procedures.

Techbond received (0) incidences of reported substantiated complaints concerning breaches of customer privacy and losses of customer data for FY2023.

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

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

TECHBOND®
YOUR TECHNICAL BONDING PARTNER

COMMUNITY
CARE & ENGAGEMENT

Creating shared value for society

We are driven to empower and uplift the lives of the local communities where we operate. We recognise the importance of building positive relationships with our community and conducting our business operations in a manner that fully acknowledges and respects the rights of the people impacted by our operations.

Disaster Relief

We provide disaster relief and support to people in need especially those living within the vicinity of our factory operations. In December 2021, continuous rainfall in the peninsular that occurred over several days caused flooding which affected eight states in the country. Kuala Lumpur and Selangor were badly affected especially the township of Taman Seri Muda which is a neighbouring town to our headquarters in Shah Alam.

During this time of need, financial relief and support were given to our employees affected by the flood. Besides that, we also provided aid and support to the local communities affected by the flood by participating in the save and rescue mission.

Food from the Heart

We encourage volunteerism among our employees. During the FY2022, our employees volunteered at the Kechara Food Kitchen Centre in Kuala Lumpur in preparing hearty, hot meals for the homeless, refugees and the less privileged communities. This is one of our acts of compassion and goodwill motivated by our goal in uplifting the lives of our local community.

Response to Covid-19

The Covid-19 pandemic has been unrelenting in its impact to the world. In the ongoing fight against Covid-19, Techbond provided support to our employees by donating a total of 75,000 unit of face masks and 2,022 Covid Test Kits to all our employees.
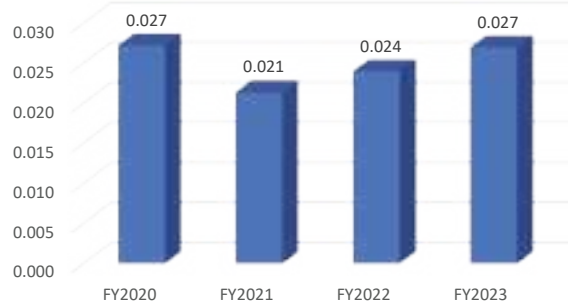
OUR PERFORMANCE
DATA

ENVIRONMENTAL
P E R F O R M A N C E

Total Energy Consumption

LPG Consumption (kg)

FY2020	FY2021	FY2022	FY2023
46,695	47,116	45,176	61,393

LPG Consumption per unit Produced (kg/unit)

FY2020	FY2021	FY2022	FY2023
0.027	0.021	0.024	0.027

Electricity Consumption (kWh)

FY2020	FY2021	FY2022	FY2023
757,990	936,445	839,120	656,720

Electricity Consumption per unit Produced (kWh/kg)

FY2020	FY2021	FY2022	FY2023
0.128	0.124	0.128	0.091

Diesel Consumption (litre)

FY2020	FY2021	FY2022	FY2023
24,349	29,926	27,475	30,431

Solar Power Sytem Energy Cost Saving (kWh)

Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
39,328	43,978	55,124	51,726	59,331	52,535
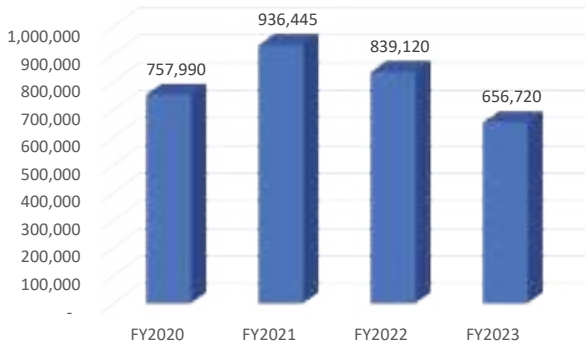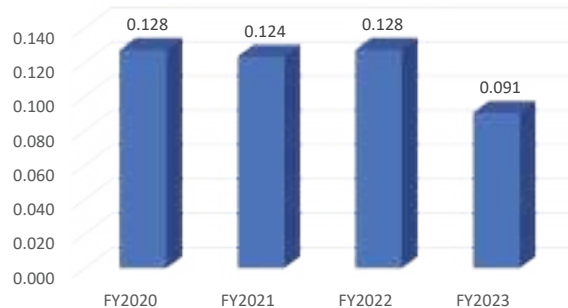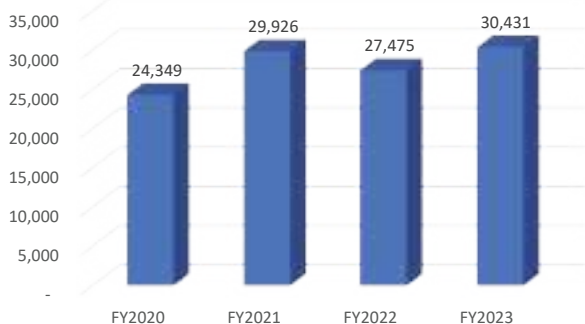
ENVIRONMENTAL
PERFORMANCE

Water & Effluents

Water Consumption per unit Produced (m3/unit)

- FY2020: 0.00113
- FY2021: 0.00079
- FY2022: 0.00076
- FY2023: 0.00095

■ Water Consumption per unit Produced (m3/unit)

Water Waste Treatment (m3)
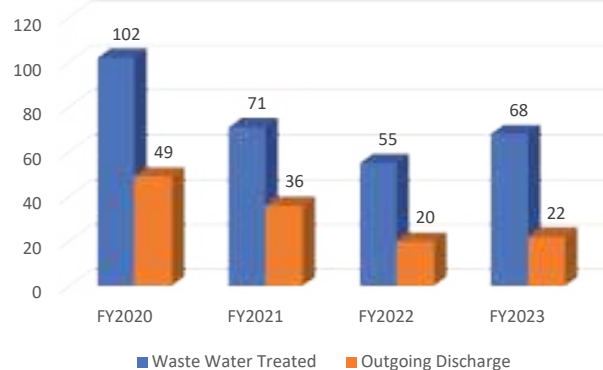
	Waste Water Treated	Outgoing Discharge
FY2020	102	49
FY2021	71	36
FY2022	55	20
FY2023	68	22

■ Waste Water Treated   ■ Outgoing Discharge

Waste Management

Waste Management (kg)

	Waste Disposed as Scheduled Waste	Waste Disposed for Recycling Purpose	Total
FY2020	21,892	4,470	26,362
FY2021	25,862	6,540	32,373
FY2022	33,031	5,805	38,836
FY2023	32,341	8,220	40,561

■ Waste Disposed as Scheduled Waste
■ Waste Disposed for Recycling Purpose
■ Total

Scheduled Waste per unit Produced (kg/unit)

- FY2020: 0.0037
- FY2021: 0.0034
- FY2022: 0.0050
- FY2023: 0.0045
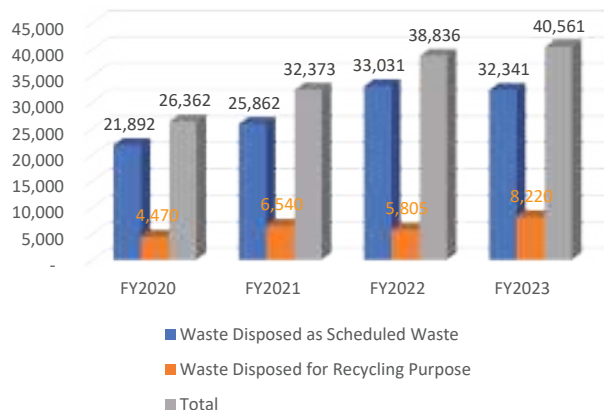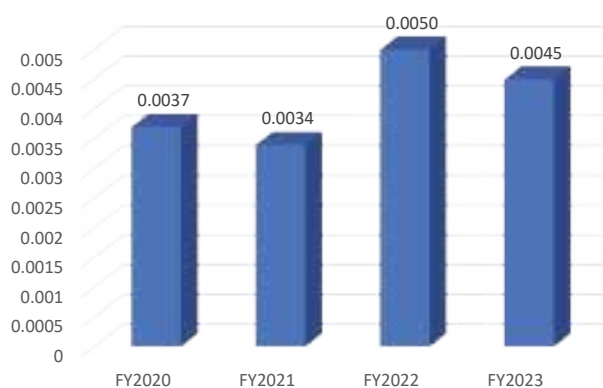
ENVIRONMENTAL
P E R F O R M A N C E

**Emissions Management
Scope 1 Emissions**

Scope 1 Carbon Emissions (kg of CO2e)
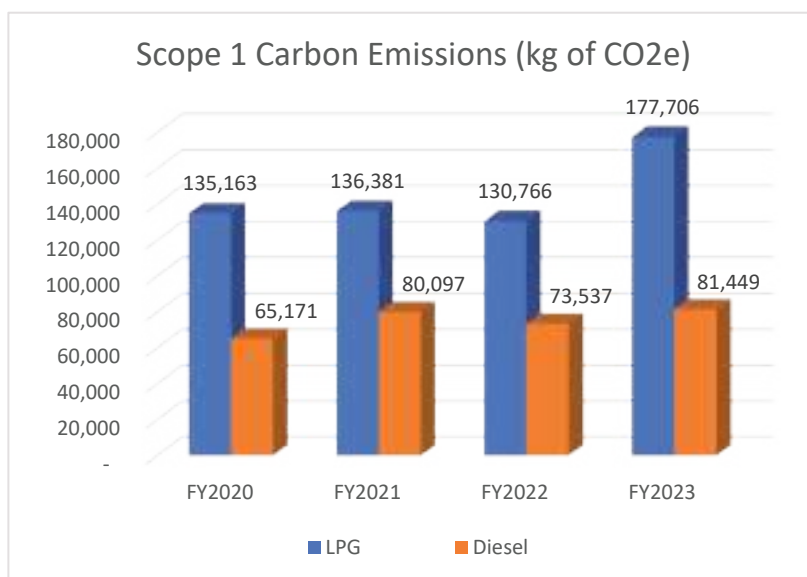
**Emissions Management
Scope 2 Emissions**

Scope 2 Carbon Emissions (kg of CO2e)

Carbon Emission Intensity CO2e/kg Adhesive Produced (kg of CO2e)
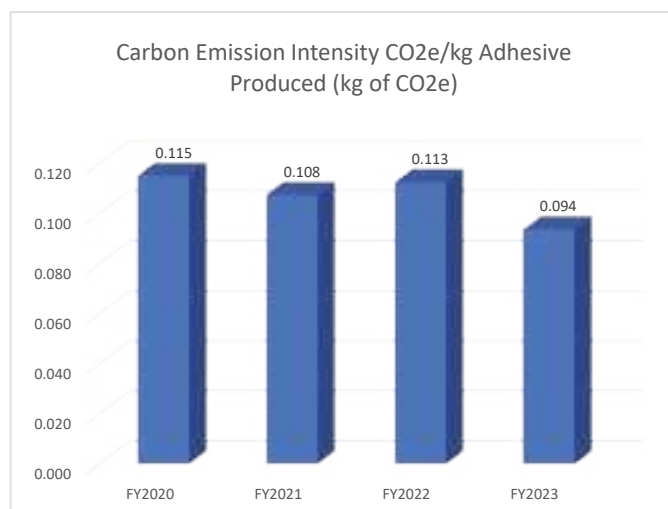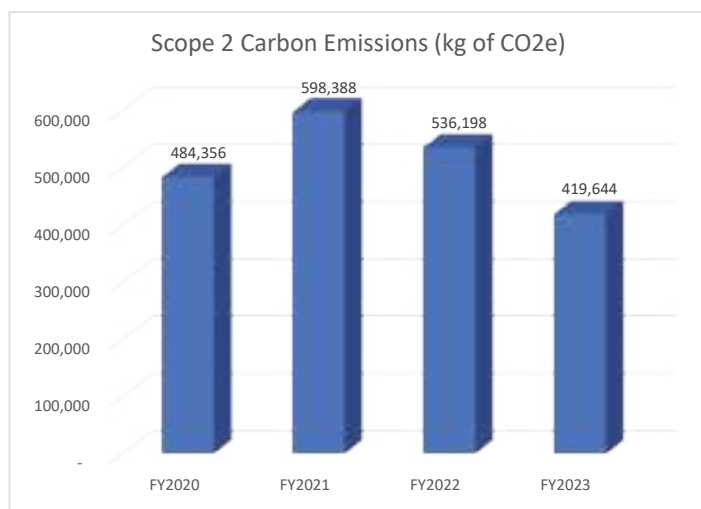
SOCIAL
PERFORMANCE

Employee Demographics

Age Group (%)

11.58
45.26
43.16

■ <30 ■ 30-50 ■ >50

Gender (%)

24.21
75.79

■ Male ■ Female

Ethnicity (%)

27.37
72.63

■ 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	6	67
	Female	3	33
Executive	Male	23	56
	Female	18	44
Non-Executive	Male	40	98
	Female	1	2

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

Employee Category	Age Group	No. of Employees	%
Senior Management	< 30	0	0
	30-50	2	50
	> 50	2	50
Middle Management	< 30	1	11
	30-50	7	78
	> 50	1	11
Executive	< 30	18	44
	30-50	17	41
	> 50	6	15
Non-Executive	< 30	24	59
	30-50	15	37
	> 50	2	4

SOCIAL
PERFORMANCE

Percentage of Directors by gender & age group:

Board Diversity	Category	%
Gender	Male	67
	Female	33
Age	< 30	0
	30-50	33
	> 50	67

There are no contractors or temporary employees employed within the Group, all employees are employed under the Group.

Women Representation	Board Level		Manager & Above		Overall Organisation	
	Pax	%	Pax	%	Pax	%
	2	33.0%	3	33.3%	21	26.3%

New hire by gender (%)

- Male 20%
- Female 80%

New hire by age group (%)

- Below 30 years 0%
- 30 to 50 years 70%
- Above 50 years 30%

Turn over by gender (%)

- Male 39%
- Female 61%

Turnover by age group (%)

- Below 30 years 54%
- 30 to 50 years 38%
- Above 50 years 8%
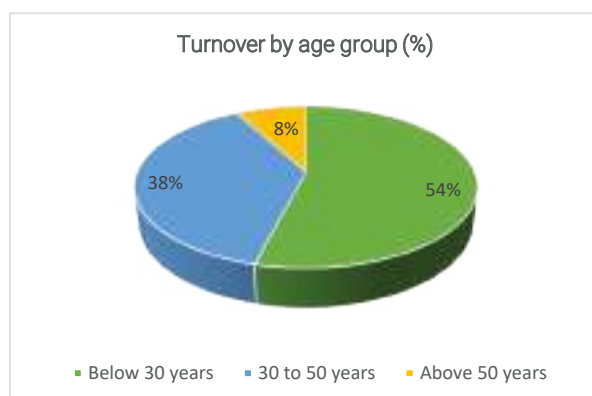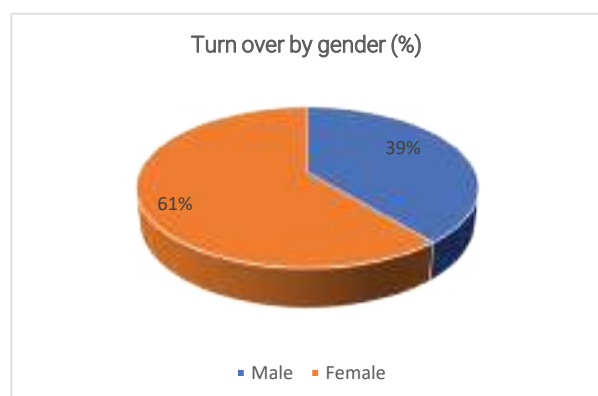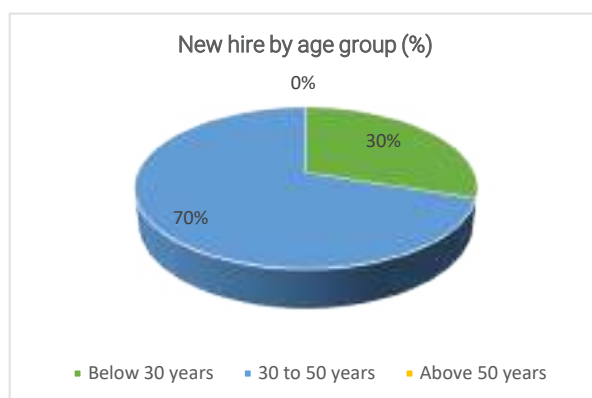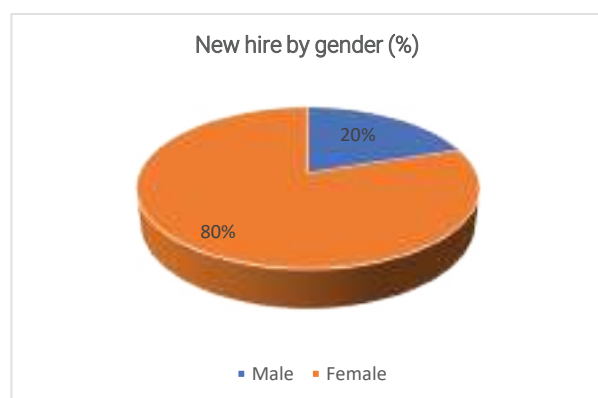
SOCIAL
PERFORMANCE

Total Number of Employee Turnover by Employee Category

Total number of employee turnover by employee category	Senior Management	Middle Management	Executive	Non-Executive
	0	1	8	6

Learning & Development

Total Training Hours - By Gender

FY2021: 787, 512, 275
FY2022: 681, 431, 251
FY2023: 3032, 1858, 1174

■ Total Training Hours - By Gender ■ Male ■ Female

Average Training Hours - By Gender

FY2021: 28, 12, 16
FY2022: 20, 7, 13
FY2023: 77, 26, 51

■ Average Training Hours - By Gender ■ Male ■ Female

Total Training Hours by Employee Category

FY2021: 787.75, 119.5, 211.5, 347.25, 109.5
FY2022: 681, 144.5, 115.5, 355, 66
FY2023: 3032, 473.75, 897.25, 1261, 400

■ Total Training Hours By Employee Category ■ Senior Management
■ Middle Management ■ Executive
■ Non-Executive

Average Training Hours by Employee Category

FY2021: 78, 30, 30, 12, 6
FY2022: 62, 36, 14, 10, 2
FY2023: 252, 118, 100, 24, 10

■ Average Training Hours - By Employee Category ■ Senior Management
■ Middle Management ■ Executive
■ Non-Executive

SOCIAL
PERFORMANCE

Occupational Safety & Health

Bar chart data (FY2021, FY2022, FY2023):
- Recordable Fatalities: 0, 0, 0
- Recordable Injuries Rate: 0, 1, 0
- Lost Workday Injury Rate: 0, 60, 0
- Trained on Health & Safety Standards: 63, 89, 209

Legend:
- ■ Recordable Fatalities
- ■ Recordable Injuries Rate
- ■ Lost Workday Injury Rate
- ■ Trained on Health & Safety Standards

Number of Local & Foreign Suppliers Engaged

- Local: FY2021 150, FY2022 150, FY2023 150
- Foreign: FY2021 39, FY2022 40, FY2023 40

Legend: ■ Local ■ Foreign

Our proportion of spending on local suppliers (%)

- FY2021: 38.8
- FY2022: 22.1
- FY2023: 33.1

Legend: ■ Proportion of spending on local suppliers (%)

SOCIAL
PERFORMANCE

Anti Bribery Management System Policy

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

Regulatory Compliance

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

Customer Privacy

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

Cloud-Based System

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

GRI
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colspan="4" GRI 2: General Disclosures 2021			
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		p/g 6	About Techbond - Who We Are & What We Do
2-2	Entities included in the organisation's sustainability reporting	p/g 1	About This Report – Reporting Scope & Boundary
2-3	Reporting period, frequency and contact point	p/g 1	About This Report – Reporting Period & Feedback
2-5	External assurance	p/g 1	About This Report – Statement of Assurance
2-7	Employees	p/g 30	Empowering our Workforce
2-8	Workers who are not employees	p/g 30&31	Employee Demographics
2-9	Governance structure and composition	p/g 8	Unwavering Leadership Commitment – Sustainability Governance Structure
2-11	Chair of the highest governance body	p/g 8	Unwavering Leadership Commitment – Sustainability Governance Structure
2-12	Role of the highest governance body in overseeing the management of impacts	p/g 8	Unwavering Leadership Commitment – Sustainability Governance Structure
2-27	Compliance with laws and regulations	p/g 41 - 46	Business with Integrity
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3-2	List of material topics	p/g 12	Our Sustainability Matters
3-3	Management of material topics	p/g 12	Our Sustainability Matters
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	p/g 42	Building a Responsible Supply Chain
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	p/g 44	Anti-Bribery Management System Policy
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205-3	Confirmed incidents of corruption and actions taken	p/g 44	Anti-Bribery Management System Policy

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302-4	Reduction of energy consumption	p/g 19	Renewable Energy Usage
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	p/g 20	Water & Effluents – Sustainable Water Usage
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GRI 305: Emissions 2016			
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305-2	Energy indirect (Scope 2) GHG emissions	p/g 23 -24	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			
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306-3	Waste generated	p/g 21	Waste Management
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GRI 401: Employment 2016			
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403-2	Hazard identification, risk assessment, and incident investigation	p/g 37	Occupational Safety & Health
403-5	Worker training on occupational health and safety	p/g 37	Occupational Safety & Health

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