TECHBOND®
YOUR TECHNICAL BONDING PARTNER



2026 ESG REPORT

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

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ABOUT THIS REPORT

This ESG Report is published alongside the Techbond Group Berhad Annual Report 2026. The climate-related financial disclosures herein relate to the same reporting entity as the audited financial statements: Techbond Group Berhad and its wholly owned subsidiaries (Techbond Manufacturing Sdn Bhd, Malayan Adhesives & Chemicals Sdn Bhd, and Techbond MFG (Vietnam) Co., Ltd.). The reporting period is identical (1 July 2025 to 30 June 2026), and all monetary values are presented in Malaysian Ringgit (MYR), consistent with the presentation currency of the financial statements. Key assumptions used in climate-related disclosures (e.g., emission factors, long-term impacts, asset useful lives) are consistent with those used in the financial statements unless otherwise noted. Any significant differences are disclosed in the Measurement Uncertainty table on page 26.



Basis of Preparation

This Sustainability Statement has been prepared in accordance with the Bursa Malaysia Main Market Listing Requirements and the National Sustainability Reporting Framework (NSRF). Techbond Group Berhad confirms that its climate-related financial disclosures in this ESG Report for the fiscal year ended 30 June 2026 comply with all relevant requirements of IFRS S2 Climate-related Disclosures as issued by the International Sustainability Standards Board (ISSB). Where specific disclosures are omitted due to commercial sensitivity or impracticability (e.g., forward-looking quantitative financial effects where reliable estimation is not possible), the omission is noted and explained in accordance with IFRS S1 General Requirements.

Furthermore, this report references the GRI Universal Standards 2021 and aligns with the United Nations Sustainable Development Goals (UNSDGs). Data contained herein has been managed and disclosed via Bursa Malaysia's Centralized Sustainability Intelligence (CSI) Platform.

Reporting Scope & Boundary

The scope of this report covers the period from 1 July 2025 to 30 June 2026. Following our strategic expansion, we have re-baselined our ESG data starting from FY2024 to include all entities under our direct operational control:

- Techbond Manufacturing Sdn. Bhd. (Malaysia)
- Malayan Adhesives and Chemicals Sdn. Bhd. (MAC) (Malaysia)
- Techbond MFG (Vietnam) Co., Ltd. (Vietnam)

To ensure transparent data comparability and methodological consistency across our expanded operational footprint following the integration of M.A.C. and our Vietnam operations, the Group has established a new consolidated baseline effective FY2024.

This comprehensive baseline encompasses Scope 1, Scope 2, and relevant Scope 3 emissions across all consolidated entities. Crucially, this baseline has been established without reliance on carbon offsets or credits, reflecting genuine operational decarbonisation. This standardized framework provides our stakeholders with a robust, Group-wide benchmark for tracking our long-term net-zero trajectory and performance progress.

While the new Group-wide baseline serves as our primary reporting benchmark, we remain committed to granular performance management. We continue to track individual subsidiary performances to identify site-specific efficiency opportunities and climate risks. In alignment with our previous disclosures for corporate headquarters, we maintain FY2020 as a secondary baseline specifically for Techbond Manufacturing, ensuring multi-year trend continuity and transparent progress tracking for its Scope 1 and Scope 2 emissions.

Significant Judgements in Climate-Related Disclosure

In preparing our climate-related financial disclosures, management has applied significant judgements that have a material effect on the information presented.

- **Materiality of Climate Topics -** The identification of "Emissions Management" as a material topic resulted from a rigorous assessment involving internal management and key stakeholder feedback. A topic was judged material if it possessed a significant impact on our business performance or influenced stakeholder decision-making.

- **Selection of Scope 3 Categories -** For FY2026, we continue to report on "Business Travel" and "Employee Commuting." Following a value-chain screening, these categories were judged to be the most significant sources of indirect emissions where reasonably reliable data (e.g., travel records, surveys) is currently available. Other Scope 3 categories are currently under review as we enhance our data collection capabilities.



Data Integrity & Assurance

This report reflects our dedication to delivering credible ESG information. Prior to release, the report was rigorously reviewed by the management team and Board members. While the report is internally reviewed, Techbond is continuously exploring opportunities for external assurance to further enhance the credibility and accuracy of disclosures for FY2027.

Correction of Prior Period Errors

In accordance with GRI Standards and IFRS S2, Techbond has established a formal process for the correction of material errors in prior-period climate-related financial disclosures.

Identification

Potential errors identified through internal audit or management reviews are escalated to the Sustainability Working Committee and the Audit & Risk Management Committee (ARMC) for materiality assessment.

Disclosure Protocol

If a material error is identified, the Group will:

- Correct the error in the comparative information presented for the current period.
- Disclose the nature of the error in a dedicated note.
- State the amount of the correction for each period presented, where practicable.

This process reinforces our commitment to the principles of transparency and accountability outlined in our Corporate Code of Business Conduct & Work Ethics Policy.

Statement of Omissions

In preparing this report, Techbond Group is committed to full compliance with the requirements of both IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-Related Disclosures. For the reported period ended FY2026, no material information required by IFRS Sustainability Disclosure Standards has been omitted due to legal or regulatory prohibitions. Should such circumstances arise in future reporting periods, the Group will identify the type of information not disclosed and explain the specific law or regulation prohibiting its disclosure, in alignment with IFRS S1 and IFRS S2 requirements.

Feedback

Feedback from stakeholders is essential to improving our sustainability reporting. We welcome your comments, thoughts, and suggestions to enhance the usefulness of this report. Feedback can be directed to:

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

IFRS S1 & IFRS S2
DISCLOSURE INDEX

IFRS Standard & Disclosure Requirement		Report Section	Page
GOVERNANCE	S1: Governance body/individual oversight of sustainability risks and opportunities.	Sustainability Governance Structure / Sustainability Working Group	9–11
	S2: Governance body/bodies responsible for oversight of climate-related risks and opportunities.		
	S1: Management's role in governance processes, controls, and procedures for sustainability.	Sustainability Working Group / Roles & Responsibilities	10–11
	S2: Management's role in assessing and managing climate-related risks and opportunities.		
STRATEGY	S1: Sustainability-related risks and opportunities affecting entity's prospects.	Material Sustainability Matters / Strategic Risk Management	12–15
	S1: Current/anticipated effects on business model, strategy, and financial planning.	Strategic Outlook & Value Creation	14–16
	S1: Resilience of strategy and business model to sustainability-related risks.	Risk Management & Resilience	16–18
	S2: Climate-related risks and opportunities affecting entity's prospects.	Climate Change / Climate-Related Risks & Opportunities Index	16–19
	S2: Effects of climate-related risks and opportunities on strategy and decision-making.		
RISK MANAGEMENT	S1: Process(es) to identify, assess, prioritize, and monitor sustainability risks & opportunities.	Materiality Assessment / Business Opportunities & Market Positioning	12–15
	S1: Integration of sustainability risk processes into overall risk management.	Risk Management Framework	13–14
	S2: Processes used to identify, assess, prioritize, and monitor climate-related risks.	Material Sustainability Matters / Climate Change	13–14, 17
METRICS & TARGETS	S1: Metrics used to measure and manage sustainability-related risks and opportunities.	Our Sustainability Matters / Economic, Environmental & Social Performance	21–38
	S1: Targets set to monitor progress against sustainability goals and statutory requirements.	Tracking Our Progress / Sustainability Goals	39–43
	S2: Metrics used to measure and monitor climate-related risks and opportunities.	Energy, Water, Waste, & Emissions Management	21–38
	S2: Scopes 1, 2, and 3 greenhouse gas (GHG) emissions.	Tracking Our Carbon Footprint	40–42
	S2: Targets set to monitor progress toward climate-related goals.	Tracking Our Progress	43

MESSAGE
FROM OUR MANAGING DIRECTOR

Dear Value Stakeholders,

Since our founding in Shah Alam in 1996, Techbond has grown from a local adhesive solutions provider into an international enterprise operating across more than thirty countries, supported by our robust manufacturing facilities in Malaysia and Vietnam. Our strategic trajectory has been further bolstered by key milestones, such as the 2023 acquisition of Malayan Adhesives and Chemicals, which expanded our technical expertise, and the continued development of our Binh Duong facility as a vital hub for polymer manufacturing and sustainable operations.

Moving forward, we are committed to deepening our market presence while proactively driving product innovation and environmental stewardship. Our dedicated research and development team is continuously formulating safer, more efficient, and lower-impact solutions to meet evolving market demands. Moreover, we remain firmly on track toward our target of reducing carbon emissions intensity by 45% by 2030, accelerated through targeted investments in energy efficiency and renewable energy initiatives.



ME. LEE SENG THYE
Managing Director
TECHBOND GROUP BERHAD

This year marks a pivotal transformation in our sustainability reporting journey as we establish a fully consolidated, group-wide baseline of 3 years encompassing both Malayan Adhesives and Chemicals and our Vietnam operations. To align our disclosures with rigorous global best practices, we have successfully transitioned our reporting framework from the GRI Standards to the ISSB Standards, adhering strictly to IFRS S1 and S2 requirements.

While we anticipate minor data variability during this early harmonization phase across our operating entities, this transition ultimately strengthens our long-term data integrity and transparency. For the first time, we are proud to present a complete three-year comparison of our group-level performance against a single consolidated baseline.

As we navigate an evolving industry landscape, we remain deeply dedicated to balancing our global reach with strong local roots, supporting regional economies, hiring locally, and partnering with communities wherever we operate. Disciplined in the present and innovative for the future, we are confident in our strategic direction and our enduring ability to deliver sustainable value to all our stakeholders.

> “Innovation is not just a goal, it is our way forward!”

KEY AWARDS
& RECOGNITION

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



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



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



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



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



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



Sin Chew Business Excellence Award 2014
Product & Service Excellence Award



Golden Eagle Award 2014
Excellent Eagle 2016



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



Golden Bull Award 2011
Outstanding SMEs Winner



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



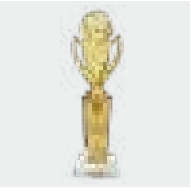
SME Malaysia Platinum
SME Export Excellence Award



ITEX 2021 Gold Medal
Malaysian Invention
& Design Society



MATRADE Mid-Tier Companies Development Programme



Asia's Top Trusted Brand Award 2023

ADHERANCE TO GLOBAL SAFETY STANDARDS

TECHBOND
MANUFACTURING
SDN BHD



ISO 9001:2015



ISO 14001:2015



DOSH Certificate

TECHBOND
MFG (VIETNAM)
CO., LTD



ISO 9001:2015



ISO 14001:2015



ISO 45001:2018

MAC
MALAYAN ADHESIVES
& CHEMICALS



ISO 9001:2015



ISO 9001:2015


TECHBOND GROUP BERHAD
AT A GLANCE
274
Employees FY2026
30+
Years Of Experience
Facilities
Located in Malaysia & Vietnam
In-House
Manufacturing Capabilities
R&D
Dedicated for Innovation

ABOUT
TECHBOND GROUP BERHAD

WHO WE ARE

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

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



Techbond Manufacturing Sdn. Bhd.



Techbond MFG (Vietnam) Co., Ltd.



Malayan Adhesives and Chemicals Sdn. Bhd.

Specializing in industrial adhesives and sealants, Techbond serves diverse sectors including woodworking, paper and packaging, automotive, building and construction, personal care, as well as cigarette and mattress industries. Geographically, our clientele spans beyond domestic borders, with exports to over 30 countries across Asia, Europe, and Africa. Continuously expanding globally, the Group strives to provide tailored solutions to meet market demands.

CORPORATE CORE VALUES

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



S Simplicity



T Teamwork



I Impact



C Customer Focused



K Keep Learning



Y Yes-Minded

UNWAVERING
LEADERSHIP & COMMITMENT



Sustainability Governance Structure

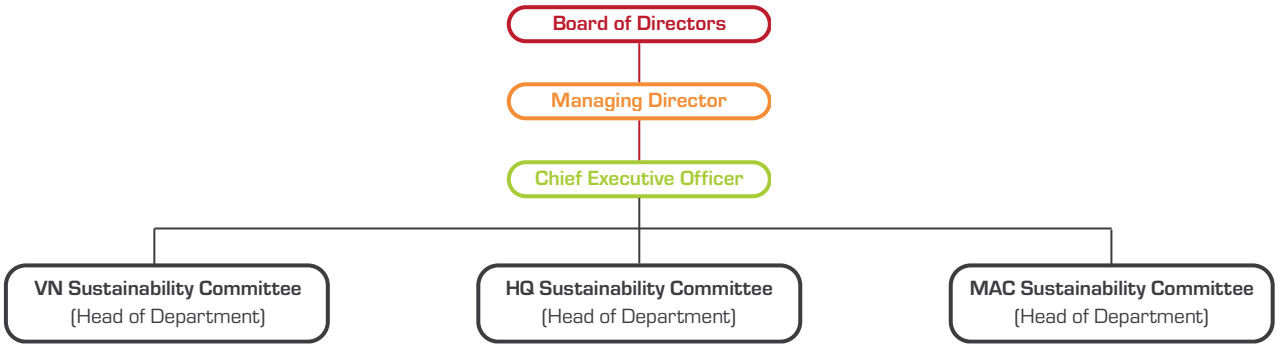
Integrating sustainability into Techbond's top-level governance ensures a strategic emphasis on Environmental, Social, and Governance (ESG) considerations, fostering long-term value creation. Techbond remains committed to promoting sustainable practices that benefit all stakeholders, including shareholders, employees, business partners, local communities, and the environment. This commitment is upheld through a strong sustainability governance framework that ensures our business operations align with these responsibilities.

Our sustainability initiatives are overseen by the Board, which ensures alignment with corporate objectives and sustainability goals. The Board is responsible for supervising the integration of sustainability and ESG considerations into the Group's strategic planning, involving climate related risks & opportunities. Supporting the Board, the Managing Director provides strategic oversight of the Group's sustainability efforts. ESG factors are a key part of our decision-making process, with department heads tasked with identifying, assessing, and managing existing and potential ESG risks.

TECHBOND
SUSTAINABILITY WORKING GROUP

In the FY2026 Sustainability Report, Techbond shared our Sustainability Working Group structure. This diagram reflects the integration of sustainability members from three operating business entities, outlining their respective roles and responsibilities. The Board places emphasis on sustainability matters such as climate change, human rights, and Health & Safety. In Techbond, the Board oversees the Group's sustainability objectives, ongoing initiatives, and policies, with Mr Lee Seng Thye, as the Managing Director, serving as the Person-in-Charge (PIC) for Board oversight on sustainability matters.

Under the guidance of the CEO, Mr Lee Seh Meng, the Sustainability Working Group (SWG) serves as a cornerstone of our governance framework, ensuring effective oversight by assessing SWG's skills and competencies through a formal technical skills matrix. It is supported by Department Heads from Finance, Operations, Production, Research & Development (R&D), Business Development, Human Resources, and Purchasing. This process ensures that the governance body possesses the necessary knowledge in climate risk modelling, GHG Protocol standards, and IFRS S2 requirements. In FY2026, Board members and SWG department heads have yet to but will be participating in technical climate training provided by external experts in FY2027. The SWG identifies climate-related risks and opportunities at the departmental level, which are then discussed during monthly management meetings chaired by the Managing Director, Mr Lee Seng Thye. Climate-related opportunities are also regularly communicated to and reviewed through these monthly meetings, enabling timely assessment and response as appropriate. The Board is subsequently briefed on climate-related issues and performance metrics on a quarterly basis ensuring continuous and effective oversight.



Board of Directors

- Final oversight on sustainability matters and climate-related risks and opportunities
- Oversees the development & adoption of sustainability strategy and related policies
- Includes matters such as integrity, anti-corruption, code of conduct, occupational health & safety, talent management & risk
- Consider diversity of skills, experience and perspectives needed to effectively oversea sustainability issue

Managing Director

- Develops Techbond's overarching sustainability framework
- Aligns the Group's sustainability strategy with long-term business growth and goals
- Informs the Board's strategic planning and monitoring climate-related risks and opportunities

Chief Executive Officer

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

Sustainability Committee

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



TECHBOND HQ ESG Committee



TECHBOND Vietnam ESG Committee



MAC ESG Committee

MATERIAL SUSTAINABILITY MATTERS

To manage Environmental, Social, and Governance (ESG) risks across our operations, Techbond Group has adopted a structured framework to identify and evaluate material risks, with a specific focus on climate-related physical and transition risks. By aligning with stakeholder expectations and analysing global trends, we have prioritized critical risk areas, enabling us to focus on the most significant current and emerging challenges impacting our operations. Consequently, we have implemented targeted action plans and resilience-building initiatives to ensure sustained value creation for our stakeholders in a low-carbon economy.

Identifying Our Material Sustainability Matters

Material sustainability matters represent the key environmental, social, and governance (ESG) issues of strategic importance to Techbond and our diverse stakeholders. To ensure a robust understanding of these priorities, we conducted a comprehensive materiality assessment, incorporating an in-depth review of stakeholder expectations, industry benchmarks, regulatory trends, and climate-related financial disclosure standards.

Our Current Business Strategy:

- Relevant requirements, guidelines, and policies, including those issued by Bursa Malaysia Securities Berhad, its Sustainability Reporting Guide, and IFRS S1 (General Requirements) & IFRS S2 (Climate-related Disclosures).
- ESG themes and indicators utilized by the FTSE4Good Index, in addition to aligning ourselves with the applicable United Nations Sustainable Development Goals (UNSDGs) and climate adaptation strategies.
- Internal discussions involving management and business units to identify climate vulnerabilities and input gathered from interactions with our key stakeholders.

Our Material Assessment Approach & Processes

At Techbond, we place strong emphasis on continuous stakeholder engagement to understand the evolving relevance of specific ESG material topics. In FY2026, we conducted a comprehensive materiality assessment aligned with globally recognized principles and climate scenario analysis. This assessment followed a rigorous three-step process:

IDENTIFICATION

Mapping a wide range of ESG topics based on internal and external factors, including industry standards, peer analysis, and stakeholder feedback. This includes the identification of Physical Risks and Transition Risks.

ASSESSMENT

Evaluating the impact of established sustainability topics on our financials, environment, product quality, reputation, and regulatory standing. For climate-related matters, we utilize scenario analysis to assess business resilience under different global warming pathways.

VALIDATION

Reviewing the outcomes with senior management to ensure strategic alignment and consistency with our long-term sustainability & climate-related objectives.

The materiality assessment is reviewed and approved by the Board of Directors.

The results of materiality analysis assessment are as follows:

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

Important To Business Operations



Stakeholders	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 & Media	• To cultivate investors' and public confidence level	• Reporting • Annual General Meeting • Corporate Website • Investor's Briefing • Public Announcements • Press Conference • Interviews & 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 & Conduct	• Consistent Product Quality & 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 & Appraisal • Site Visit • Regular Business Meetings • Corrective Action Report • Electronic Mail • Code of Ethics & 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 & Meetings • Employees Training Needs Assessment • Employee engagement activity • Employee Handbook • Job enrichment through rotation	• Training & Development • Talent Attraction & Retention • Occupational Safety & 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 & Requirements To Maintain Licenses • Human Capital Development & Labour 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

CLIMATE CHANGE MATERIALITY

The environment is confronting one of the most critical challenges in history, with climate change emerging as a serious global threat. Techbond recognises the substantial role greenhouse gas emissions play in driving this crisis. We fully support the Paris Agreement and its targets to limit global temperature rise to well below 2°C above pre-industrial levels, while pursuing efforts to cap the increase at 1.5°C.

In response, the Group has established FY2024 as our new baseline, committing to a 45% reduction in the Group's carbon intensity (kg CO_2e/kg adhesive produced) by 2030. To ensure precise oversight across our operations, individual reduction targets are tailored to each entity, with Techbond Manufacturing Sdn Bhd (HQ) utilizing FY2020 as its baseline year to reduce carbon intensity by 45% by 2030, Techbond Vietnam adopting FY2024 to achieve a 45% carbon intensity reduction by 2030, and Malayan Adhesives and Chemicals Sdn Bhd (M.A.C.) targeting a 40% reduction in total carbon emissions by the upcoming financial year 2027 before aligning with the Group's intensity reduction goal. This comprehensive framework reflects our deep commitment to addressing climate change, ensuring structured accountability across all entities, and protecting the planet for future generations.

Central to our strategy is a focus on adaptation, we view this as an ongoing process of refining our governance and operational policies to remain resilient amidst evolving global regulations and shifting climate conditions. By proactively adapting our internal frameworks, we ensure that Techbond remains agile and compliant in an increasingly complex environmental landscape.

Climate Change Risk Materiality & Strategic Opportunity

Techbond Group recognises that climate change presents a fundamental material risk to our business operations, supply chain, and the markets we serve. Physical risks, such as extreme weather events, could disrupt our supply chain and manufacturing facilities, while transition risks, including changing regulations and market shifts towards low-carbon products, could impact our competitive landscape.





According to the Aqueduct Water Risk Atlas, Techbond Manufacturing and Malayan Adhesive & Chemicals faces a medium risk for both coastal flood risk and drought risk, whereas Techbond MFG (Vietnam) faces high risk in coastal flood risk & medium risk in drought, highlighting the necessity of our proactive management approach.

Based on publicly available developments in regional carbon pricing, including Singapore's carbon tax trajectory announced by the National Climate Change Secretariat, Singapore's carbon tax increased to S$45/$tCO_2e$ effective 1 January 2026 for the 2026–2027 period, with a stated pathway towards S$50–80/$tCO_2e$ by 2030. Given Singapore's close economic and geographical proximity to Malaysia, the Group considers Singapore's carbon pricing pathway as a reasonable regional benchmark for climate scenario analysis. Accordingly, a shadow carbon price assumption of approximately RM50/tCO_2e is applied in the near to medium term, with potential escalation towards RM80/tCO_2e by 2030 under a higher-transition scenario.

While Techbond Group does not currently implement a formal internal carbon pricing mechanism within its investment appraisal process, management takes into consideration the potential financial implications of future carbon taxes and transition-related regulations when making operational and strategic decisions. In anticipation of rising regional carbon costs, the Group has proactively invested in initiatives aimed at reducing its carbon footprint, including rooftop solar photovoltaic systems and the transition from conventional fuel-powered forklifts to electric vehicle (EV) forklifts across selected operations. These initiatives enhance operational efficiency, reduce emissions exposure, and strengthen the Group's preparedness for future carbon pricing regulations in Malaysia and Vietnam.

Simultaneously, this global challenge offers significant opportunities for innovation, efficiency gains, and leadership in the transition to a low-carbon economy. Our strategy is therefore designed to mitigate these risks while capitalizing on the opportunities, ensuring our long-term resilience and sustainable growth.

Climate-Related Risk Management Process

Techbond manages climate risks through a multi-disciplinary risk management process. This process is driven by our Sustainable Working Group (SWG), which ensures climate considerations are integrated into our standard business planning.

OVERSIGHT

The Board of Directors and the Managing Director provide the high-level mandate for our sustainability strategy, ensuring it aligns with the Group's long-term business growth.

IDENTIFICATION

Department heads from Finance, Production, R&D, and Operations proactively identify emerging risks such as Transition Risks in the supply chain or Physical Risks at our manufacturing sites.

ASSESSMENT

To assess these risks and prioritised relative to other risks (such as operational or liquidity risks) based on a weighted scoring system that considers the magnitude of financial impact and the likelihood of regulatory transition and adapt our internal policies in real-time. Climate risks are automatically elevated to a 'High' priority if they threaten the continuity of production facilities located in high-risk zones.

MONITORING

The SWG monitors the progress of our sustainability initiatives and reports to the Board on a quarterly basis. This ensures that Techbond remains agile, compliant with international standards, and prepared for the transition to a low-carbon economy.

Climate Scenario Analysis

To ensure long-term resilience across our regional operations in Malaysia and Vietnam, Techbond conducts climate-related scenario analysis focusing on flood, drought, and water stress vulnerabilities across short (2020–2023), medium (2023–2030), and long-term (2050) horizons. The Group utilises the WRI Aqueduct Water Risk Atlas cross-mapped with NGFS Phase V narratives to test resilience under three distinct pathways:

- Optimistic (NGFS Orderly/Net Zero 2050) ranging from 1.3°C to 2.4°C
- Business-as-Usual (NGFS Current Policies) from 2.8°C to 4.6°C
- Pessimistic (NGFS Hot House World) from 3.3°C to 5.7°C

Transition risk modelling will assist Techbond in adopting a shadow carbon price of RM50/tCO_2e in the medium term, scaling to RM80/tCO_2e by 2030, to assess potential jurisdictional policy shifts. Techbond commits to adopting this as a formal internal shadow price, utilising it to evaluate capital expenditures and future project viability. Looking ahead, this framework will be progressively extended to integrate supply chain emissions, allowing the Group to apply the shadow carbon price to supplier data as upstream information becomes available. Macroeconomic inputs remain aligned with SSP2 "Middle of the Road" assumptions to ensure regional GDP and energy mix variables stay consistent with global scientific benchmarks. Additionally, water stress defined as the ratio of human water demand relative to available supply is projected to remain within the low to medium range through 2030 across all Group entities under these scenarios.

Assessment of Resilience and Strategic Response

While Malaysia-based operations are projected to remain in a low-risk category for seasonal variability, the assessment initially identified our Vietnam operations as facing high coastal flooding risk under regional hydrological models. However, a site-specific technical evaluation verified through whatismyelevation.com modelling confirms that Techbond Manufacturing Sdn Bhd and MAC are located approximately 9 metres above sea level, while Techbond Vietnam is situated at approximately 46 metres above sea level. This significant elevation provides a critical degree of natural resilience against severe inundation, effectively reducing our residual risk profile to a Med-Low Risk classification.

Should the Pessimistic scenario materialize, the Group anticipates a potential financial impact from damage assets, the Group has insured estimated approximately to RM182.44 million in assets. Techbond demonstrates a robust capacity to adjust and adapt through strategic capital deployment, having already recognized RM3.47 million in climate-related capex such as solar PV and operational decarbonisation (Refer to Pg 25). These insights enable the Sustainability Working Group (SWG) to ensure that adaptation measurement includes infrastructure maintenance and R&D for bio-based, palm-oil-derived adhesives to remain aligned with our transition to reduce transition and physical risks as well as toward becoming a net-zero carbon enterprise by 2050.



Our Strategic Response Across Time Horizons

Our approach to climate-related risks and opportunities is structured across short, medium, and long-term time horizons, allowing us to manage immediate challenges while steering towards our future ambitions (Details in Climate-Related Risks & Opportunities Table in Pg 19).

- **Short-Term (Year 2020-2023):** Our immediate focus was on enhancing operational efficiency and data accuracy. Key initiatives included expanding solar panel installations to mitigate Transition Risks related to operational costs and implementing rigorous tracking of our Scope 1 and 2 emissions. This period established our 2020 HQ baseline and our 2024 re-baseline for the consolidated Group (including MAC and Vietnam operations) to ensure data comparability across our expanded footprint.

- **Medium-Term (Year 2023-2030):** In this phase, we will intensify our decarbonisation efforts and innovate our product portfolio. This includes major capital investments in energy-efficient machinery, completing the transition to electric forklifts, and developing new adhesive solutions that help our customers reduce their own environmental footprint. We are also prioritising R&D for "all-weather" solutions and low-VOC chemistries to manage Transition Risks regarding shifting market demands, informed by an assumed shadow carbon price of RM50–RM80/tCO_2e. Our medium-term goal is to achieve a 45% Gross greenhouse gas emissions intensity reduction (kg CO_2e/kg adhesive produced) by 2030. This plan is resourced through internal capital allocation, with a cumulative of approximately RM2.5 million already deployed through FY2026 for solar PV infrastructure and operational decarbonisation.

- **Long-Term (Year 2050)**: Our long-term vision is to operate as a net-zero carbon enterprise by 2050, aligning our business strategy with the 1.5°C goals of the Paris Agreement. This will involve pioneering new technologies, including carbon capture and utilisation, and ensuring our entire supply chain is decarbonised. A cornerstone of this phase is maintaining Strategic Continuity against Physical Risks. Specifically, we address the high coastal flooding risk identified for our Vietnam facility in regional models, which carries a potential financial impact by 2030.

Advancing Industrial Standards and Awareness

As a Technical Bonding Partner, Techbond remains observant of evolving global benchmarks such as Life Cycle Assessment (LCA). We recognise the importance of these frameworks in evaluating the environmental footprint of industrial products from raw material sourcing through manufacturing. By keeping these international best practices in view, we ensure that our long-term focus on material efficiency and R&D innovation, including the development of low-VOC and bio-based solutions, remains aligned with the shifting sustainability requirements of the global markets we serve.

Climate Change Awareness Training

We recognise that these technical advancements are most effective when supported by a knowledgeable workforce. Techbond is committed to fostering a corporate culture where every employee understands their capacity to contribute to a sustainable future. For our environmental practices to truly take root, we consistently provide climate change training to all team members, beginning at the on boarding stage. This proactive initiative ensures our workforce understands the global climate landscape and is equipped with the values and skills necessary to support our collective objectives and drive positive transformations across the Group.

CLIMATE-RELATED
RISKS & OPPORTUNITIES

Climate-Related	Category	Risks	Opportunities	Term
Transition	Raw Materials	Currently, reliance on petroleum-derived resins leaves the supply chain vulnerable to carbon pricing implemented upstream. As global oil markets face increasing "green taxes," the cost of traditional synthetic inputs is expected to rise.	Commercialising palm-oil-based adhesives and expanding upstream polymerisation capabilities present opportunities to strengthen supply chain resilience and cost competitiveness. By using localised renewable feedstock and producing key raw materials internally, the Group may reduce exposure to oil price volatility, improve supply security, and offer lower embodied carbon products that appeal to sustainability-focused customers.	Long
	Volatile Organic Compounds (VOCs)	Stricter international air quality standards are targeting VOC emissions in manufacturing. There is a regulatory risk that traditional solvent-based adhesives could face bans or heavy taxation in key export markets before the R&D for low-VOC, bio-based alternatives is ready for mass production.	The current R&D focus on bio-based chemistry positions the company to lead the market in compliance-ready products. Moving toward naturally low-VOC formulations allows the company to capture "Green Premiums" from multinational clients in the furniture and packaging sectors who must meet strict indoor air quality and sustainability certifications.	Medium
	Operational Costs	With manufacturing plants in Malaysia and Vietnam, the Group remains exposed to future carbon pricing and energy-related regulatory changes. While carbon taxes are currently not applicable in both countries, the introduction of carbon fees could increase operating costs for heat-intensive polymerisation processes. Based on preliminary considerations & assumed carbon price of RM50-80 per tCO_2e. This shadow price will be recognised internally to be applied in our value chain during purchase of raw materials. (Refer to PG 17).	The Group seeks opportunities in renewable energy through existing solar investments and potential battery storage systems supporting grid independence and peak shaving. Reducing manufacturing carbon intensity may strengthen cost competitiveness, reduce exposure to future carbon pricing, and enhance its position as a low-carbon supplier. These initiatives may help mitigate future carbon-related costs while supporting climate resilience and energy efficiency (Refer to PG 17).	Long
	Change in Demand	Climate change is driving unpredictable weather patterns, leading to rapid swings in temperature and extreme humidity fluctuations. Standard adhesives may face "performance drift", becoming brittle in sudden cold or losing bond strength in extreme heat. This increases the risk of product failure and liability as traditional formulas struggle to meet the "all-weather" demands of global customers.	As climate change shifts environmental conditions, it creates a constant stream of new opportunities to provide specialised solutions. As customer requirements evolve to meet these new extremes, our dedicated R&D initiatives ensure we are at the forefront of innovation. We are committed to continuously identifying and filling market gaps created by the changing climate, transforming shifting demands into long-term growth by providing the right solutions at the right time.	Medium
Physical	Flood	With manufacturing facilities in Southeast Asia, the Group remains exposed to increasing monsoons and flash floods, which may disrupt operations through damage to physical assets, raw material stock, finished goods inventory, transport routes, and even certain machineries used in manufacturing.	Although physical climate hazards are increasing globally, the Group has strengthened its risk management through comprehensive flood and fire insurance coverage to minimise potential financial impacts from climate-related events. With Assets insured of approximately RM74.41 Million for Techbond Manufacturing Sdn Bhd, RM37.65 Million for MAC and RM70.38 Million for Techbond MFG (Vietnam) Co., Ltd. (taking 4.0775 as conversion rate from USD). Techbond Manufacturing Sdn Bhd and Malayan Adhesive & Chemical are located approximately 9 metres above sea level, while Techbond Vietnam is approximately 46 metres above sea level, providing a degree of elevation resilience against severe flooding risks. Informed by the high-risk classification under the Aqueduct Water Risk Atlas, these measures support business continuity planning, reduce exposure to climate-driven capital losses, and enhance stakeholder and B2B customer confidence in the Group's long-term operational stability and recovery preparedness. Hence reducing Risks to Med-Low Risk.	Long
	Fire	Rising global temperatures and prolonged heatwaves increase the risk of fire. For an industrial manufacturer handling chemical formulations, this includes both the risk of external wildfires affecting the supply chain and heat-induced risks such as hotspots within storage or production environments where volatile materials are present.		

To effectively track our resource usage, the Group has analysed the risks and impacts of the resources towards the operations activities. The team continuously finding opportunities to reduce the wastage of resources and improve productivity of our productions.

Category	Assessment	Details
Water Usage	Risk & Impact	Water scarcity is likely to present multifaceted challenges for manufacturing industries, as limited availability may disrupt operations, potentially leading to production delays or an increased costs. The rising water prices or the need for water treatment, which could impact business profitability. Additionally, the reliance on water-intensive suppliers or regions prone to scarcity is assumed to pose risks to the continuity of the supply chain.
	Opportunities	Consider implementing water-saving technologies such as conducting regular water usage monitoring to detect leaks, including underground ones. Implement recycling and reuse systems to reduce water consumption and operational costs; for example, reusing wastewater for various purposes. Plan spare capacity for resilient water supplies to ensure operational continuity and reduce unnecessary water use, including addressing leaks and optimising supply networks. Analyse production water consumption to determine appropriate storage capacity and identify opportunities for reducing water dependency. To modernise the slurry separation process, the team had decided to use the screw-press machine which contributes to clean water reduction of 960 m3 monthly. Further initiatives to minimize water reliance in specific processes are under review.
Energy Efficiency	Risk & Impact	Rising energy costs likely pose a significant challenge for businesses, as fluctuations in energy prices or increased demand are assumed to directly impact operational expenses, potentially reducing profitability. Geopolitical uncertainties, including global conflicts and related disruptions in energy markets, can further contribute to price volatility, supply instability, and sustained energy insecurity. However, the impact of these risks is partially mitigated through the Group's existing investment in solar energy, which helps reduce reliance on external energy sources and improves energy resilience. The high energy consumption contributes to greenhouse gas emissions, raising climate change concerns and increasing the risk of carbon taxation. Furthermore, disruptions in energy supply within the supply chain are presumed to pose a significant risk, potentially halting production. Aging machinery and outdated technology are likely contributors to energy inefficiencies, leading to higher operating costs and further amplifying energy-related risks.
	Opportunities	Strengthen energy resilience through optimisation of existing solar systems and potential future deployment of energy storage solutions (e.g. batteries) to improve stability and load management. Enhance efficiency through structured energy audits on high-consumption processes and targeted improvements. Improve production planning via load balancing and shift optimisation to reduce peak demand. Promote low-carbon mobility by exploring EV charging infrastructure powered by solar energy to encourage employee adoption of electric vehicles. Increase efficiency through gradual upgrades of high-energy equipment and adoption of more efficient technologies, focusing on high-intensity areas. Embed energy performance considerations into operational reviews to support continuous cost and consumption optimisation.
Waste Management	Risk & Impact	High moisture levels in sludge can significantly raise waste management expenses. The disposal of rejected products contributes to higher waste management costs and may further strain resources and operational budgets. Failure to meet regulatory standards for waste management can lead to fines, legal actions, and reputational damage. Compliance issues can drive up operational expenses due to corrective measures and potential litigation costs. Non-compliance might disrupt the waste management cycle, affecting the efficiency and reliability of waste handling and disposal processes, which can impact overall business operations.
	Opportunities	Implement the 4R approach for cost savings, resource efficiency, and brand reputation. Utilise waste-to-energy technologies like incineration or anaerobic digestion. Embrace circular economy principles for product redesign and closed-loop systems. Collaborate with suppliers to optimise packaging and reduce waste. Invest in sustainable waste management training and awareness. Explore alternatives like using less sludge-producing chemicals and investing in efficient sludge press dryers for improved production processes.
Natural Resources	Risk & Impact	Depletion of critical natural resources, combined with geopolitical uncertainties and global conflicts, can lead to supply shortages and disruption in the availability of essential materials. This may result in supply chain interruptions, production delays, increased costs, and reduced operational efficiency. Such shortages can impact production output, leading to potential revenue losses and manufacturing constraints. Inadequate resource management practices and technologies may further exacerbate environmental, social, and economic impacts, posing significant financial and supply chain risks.
	Opportunities	Leverage innovation and technology to improve efficiency in resource use, reduce material consumption, and develop alternative materials to avoid impact from resource scarcity. Embrace circular economy principles to reduce waste and improve resource recovery across the product lifecycle. Implement resource-efficient technologies and processes, including material recycling and conservation practices, to enhance efficiency and reduce operational costs. Diversify supply sources to reduce dependency on single regions or suppliers, helping avoid disruptions from geopolitical uncertainties. Invest in sustainable and green technologies to improve efficiency, reduce environmental impact, and strengthen long-term resilience and competitiveness.

OUR SUSTAINABILITY MATTERS

ENVIRONMENTAL	Energy Management	Identifying and monitoring sources of energy consumption to ensure optimal energy usage across all operational plants.
	Carbon Emission	Monitoring the GHG emissions of the Group throughout our operations and mitigating their effects on the surrounding environment.
	Water Management	Monitoring the Group's water usage, ensuring conservation efforts, and optimising processes to enhance water efficiency.
	Waste Management	Ensure that the disposal of waste and effluents meets regulatory standards and limits.
	Sustainable Development of Products	Taking into account sustainability factors in our manufacturing processes and product development by continually improving processes, conducting research and development, and leveraging technology applications.
	Environmental Management	Internal controls and mechanisms for overseeing environmental effects, with a focus on air emissions, waste handling, water conservation, energy usage, and responses to climate change.
	Recycle Materials Management	Tracking the usage of recycle materials which includes recycling unused papers and reusing the packaging materials in business operations.
SOCIAL	Occupational Safety & Health	Creating a safe and healthy work environment entails implementing essential measures to prevent injuries and mitigate workplace health and safety hazards.
	Employee Engagement	Attracting and retaining employees is achieved by cultivating an exceptional workplace environment, which involves managing employee well-being, promoting a healthy lifestyle, and hosting regular social interactions with staff members.
	Human Capital Development	Fostering talent involves offering career development opportunities and training programs that broaden their skillset and knowledge base.
	Diversity & Non-Discrimination	Ensure equitable treatment of all employees, devoid of discrimination.
	Supply Chain Management	Consideration of emerging social, environmental and economic factors within our supply chain through risk assessment. To ensure fair trade, there are supply chain policy as part of the guidelines to suppliers engaged.
	Community Development	Enhance the well-being of communities where the Group operates through corporate social responsibility (CSR) initiatives.
GOVERNANCE	Occupational Safety & Health	Creating a safe and healthy work environment entails implementing essential measures to prevent injuries and mitigate workplace health and safety hazards.
	Employee Engagement	Attracting and retaining employees is achieved by cultivating an exceptional workplace environment, which involves managing employee well-being, promoting a healthy lifestyle, and hosting regular social interactions with staff members.
	Human Capital Development	Fostering talent involves offering career development opportunities and training programs that broaden their skillset and knowledge base.

THE UNSDGs CONTRIBUTION



SUSTAINABLE DEVELOPMENT GOALS

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



Our Focus

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

Targets we are contributing to

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

Our Progress

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



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 50% women.
- Top Management comprise of 35.71% 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

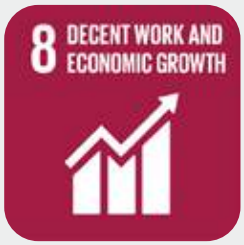
Ensure access to affordable, reliable & sustainable and modern energy for all.

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

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



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

- 40.5% local suppliers engaged in FY2024 to support the growth of local enterprises.
- TECHBOND respects the human rights of all its workers.
- Health & Safety Trainings are implemented & Safety procedures are enforced throughout the Group.



Our Focus

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

Targets we are contributing to

- 9.5 Enhance scientific research & encouraging innovation.

Our Progress

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



Our Focus

Reduce inequality within & among countries.

Targets we are contributing to

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

Our Progress

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



Our Focus

Ensure sustainable consumption & production patterns.

Targets we are contributing to

- 12.2 Achieve the sustainable management & efficient use of natural resources.
- 12.4 Achieve the environmentally sound management of chemicals.

Our Progress

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



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 intensity by 45% in 2030 benchmarked against 2020 Carbon Intensity Emission. TECHBOND respects the human rights of all its workers.
- Conducted awareness development & training on Climate Change to the BODs, the Management Team and all employees.



Our Focus

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

Targets we are contributing to

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

Our Progress

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

OUR ENVIRONMENTAL COMMITMENT

Our Material Assessment Approach & Processes

Techbond, as a global adhesive manufacturer, recognises that environmental responsibility is integral to sustainable growth. As an industrial leader in the adhesives and sealants industry, we are committed to aligning our operations with environmentally sound practices that support a greener future.

Across the Group, we continuously strive to minimise the environmental impact of our manufacturing activities while promoting sustainable practices throughout our value chain. In line with this commitment, we have set a target to reduce carbon footprint and greenhouse gas emissions intensity by 45% by 2030 at our headquarters manufacturing plant. We also ensure that our operations are designed to optimise energy usage and that wastewater is properly treated prior to discharge into the environment.

Our product portfolio includes water-based adhesives, which require higher water consumption during production, used not only as a key raw material in our products but also for cleaning processes and general operational use within our manufacturing facilities. While Malayan Adhesive & Chemicals (MAC) underwent system transitions to align with Techbond's rigorous compliance framework, the Group incurred zero wastewater penalties or incidents of non-compliance, ensuring that all treated effluent remained strictly within regulatory discharge limits.

Furthermore, Climate-related risks and opportunities have already affected our financial position during the reporting period. In FY2026, the Group recognised RM3.47 million in climate-related capital expenditure for renewable energy and operational decarbonisation. Additionally, the Board explicitly considers trade-offs when overseeing climate strategy. For example, during the approval of the RM1,550,702 Solar PV investment at the MAC production facility, the Board weighed the immediate impact on financial liquidity against the long-term strategic benefit of reducing Scope 2 emissions and hedging against future energy price volatility

Climate-Related Capital Expenditure		
Initiatives	**Amount (MYR)**	**Category**
Solar PV – MAC	~1,550,702	Renewable energy
Solar PV – Techbond HQ	~939,000	Renewable energy
EV forklift transition - Techbond HQ	~712,000	Operational decarbonisation
Water Treatment System - MAC	~271,474	Water & waste
Total Climate-Related Capex (FY2026)	**~3,473,176**	







ENERGY MANAGEMENT

Green Energy Usage

Techbond Group Berhad remains steadfast in its commitment to sustainable growth and environmental stewardship, viewing decarbonisation as a strategic imperative to mitigate climate-related transition risks (Pg 19) . As part of our transition toward a low-carbon economy, we have accelerated initiatives to decouple our industrial growth from carbon intensity through the large-scale adoption of renewable energy.

Renewable Energy Infrastructure

A cornerstone of our Climate Mitigation Plan is the phased transition to solar power. We have successfully completed the installation of solar photovoltaic (PV) systems at our corporate headquarters in Shah Alam at RM939,000, commissioning on January 2023 and our subsidiary, Malayan Adhesives and Chemicals Sdn Bhd (MAC) at RM1.55 million, commissioning August 2024. This investment at the MAC production facility represents a critical step in mitigating our Scope 2 greenhouse gas (GHG) emissions and hedging against future energy price volatility (Pg 20) . This installation marks the first phase of a broader strategic rollout to implement solar energy solutions across all entities within the Techbond Group, ensuring a standardised approach to renewable adoption.

Operational Resilience & Decarbonisation

By leveraging solar power, we have successfully reduced our reliance on grid electricity, resulting in substantial cost savings and a measurable decrease in our carbon footprint.

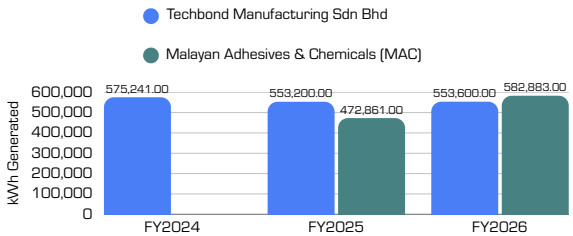
This transition directly addresses transition risks associated with shifting energy regulations and global trends toward carbon neutrality. These installations serve as a vital component of our business resilience strategy, ensuring Techbond is prepared for the regulatory requirements of a low-carbon market.



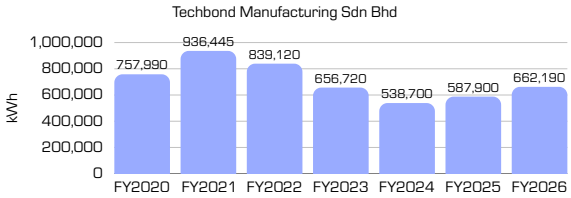
Renewable Energy Usage

The total solar energy generated across our facilities from FY2024 to FY2026 is illustrated in the graph below, highlighting our continuous commitment to expanding renewable energy integration and reducing our reliance on conventional power grids.

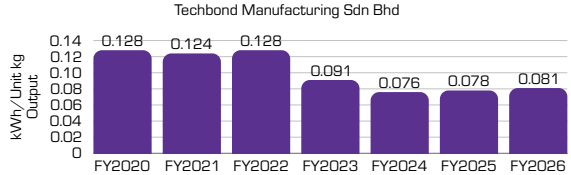
Solar Output



Electricity Consumption

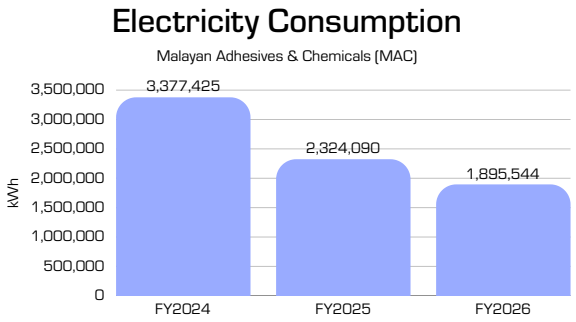


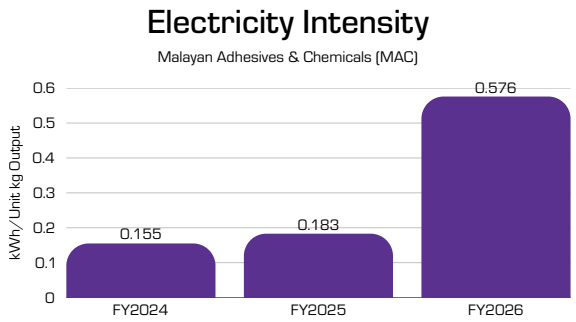
Electricity Intensity



Transition to Solar Energy

At Techbond Manufacturing Sdn Bhd, a direct comparison before and after the commissioning of our onsite solar photovoltaic system on January 1, 2023, demonstrates clear structural improvements. Prior to solar adoption, annual electricity consumption reached up to 936,445 kWh in FY2021 and 839,120 kWh in FY2022 with a consistent electricity intensity of 0.128 kWh/Unit kg Output. Following integration, grid electricity consumption dropped to a low of 538,700 kWh in FY2024 which is a 35.8% reduction and adjusted to 662,190 kWh in FY2026 partially driven by our transition from diesel to electric forklifts while onsite solar systems consistently generated robust outputs of approximately 553,000 to 553,600 kWh annually to offset grid dependency. Consequently, electricity intensity improved markedly, dropping to 0.076 kWh/Unit kg Output in FY2024 and maintaining efficiency at 0.081 kWh in FY2026.





Similarly, at Malayan Adhesives & Chemicals (MAC), comparing performance before and after the commissioning of our solar system on August 24, 2024, reveals a profound shift in our energy profile. Prior to implementation in baseline FY2024, annual electricity consumption stood at 3,377,425 kWh with an electricity intensity of 0.155 kWh/Unit kg Output. Following solar integration, grid consumption dropped sharply to 2,324,090 kWh in FY2025 and further reduced to 1,895,544 kWh in FY2026, a total of 43.9% reduction in electrical consumption, supported by onsite solar generation that ramped up from 472,861 kWh in FY2025 to 582,883 kWh in FY2026. It is true that the the electricity intensity figure in FY2026 increased but it reflects a direct effect from MAC's transitional phase to reduce its carbon footprint by 45% urgently. This figure represents the actual intensity during this period of operational transition, and we expect intensity levels to rise again moving forward in the next coming financial years while also expect another round of electricity consumption to reduce.

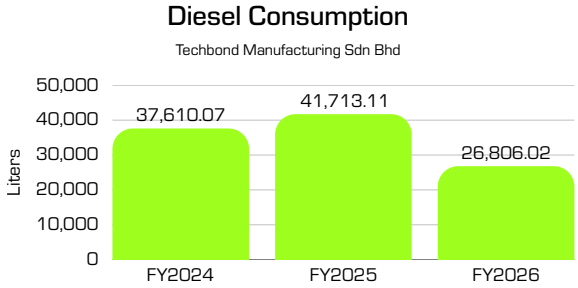


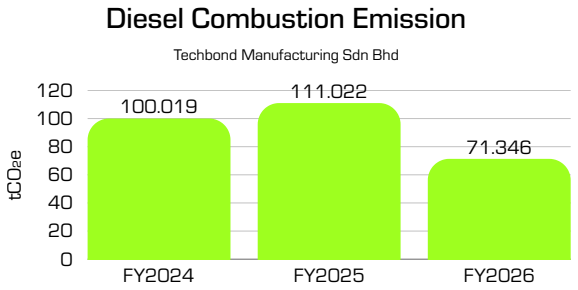
Transition to Electric Forklifts, Progress & Impact

In line with our environmental sustainability objectives under the Group's ESG framework, Techbond Manufacturing Sdn Bhd has completed the 75% transition of diesel-powered forklifts to electric forklifts across our production facilities. Representing an investment of approximately RM712,000, this transition directly supports our commitment to reducing direct (Scope 1) emissions and improving operational energy efficiency.

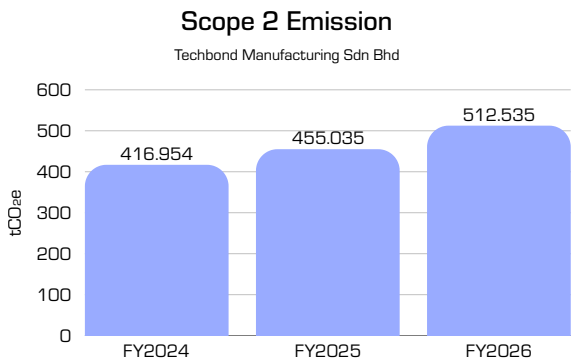
The replacement of our diesel fleet aims to eliminate direct carbon contributions from fuel combustion. By converting to electric alternatives, Techbond estimates an annual reduction of approximately 51,400 kg of Diesel Combusted CO_2e annually, alongside concurrent improvements in indoor air quality and workplace safety.

This initiative directly supports our broader objective of phasing out fossil fuel dependence across our manufacturing activities. To ensure a seamless transition and optimal equipment utilisation, comprehensive training sessions were conducted for all production personnel. The curriculum covered electric forklift operation, battery management protocols, safety procedures, and energy-efficient driving practices.





As part of our ongoing sustainability disclosures, the transition has resulted in a substantial 35.74% reduction in direct diesel combustion emissions, equivalent to 39,676 kg of CO_2e, lesser than forecasted reduction goal.



Similarly with the proactive transition to electric forklifts, the facility achieved a vital milestone in eliminating direct fossil-fuel dependency, resulting in a modest 12.64% increase in electrical consumption (74,290 kWh) from FY2025 to FY2026 due to expanded operations and overnight charging. While management anticipated a more substantial positive impact on our emissions profile in FY2026 from the ongoing fleet electrification, actual performance indicates a different dynamic. Rather than an immediate reduction in net grid reliance, the data reflects the broader scaling of cleaner, electrified operations. Because installed onsite solar photovoltaic capacity remains fixed post-installation, the progressive transition of material-handling equipment to electric forklifts alongside increased night-timecharging cycles has driven a natural rise in overall facility electricity consumption. Consequently, operational energy demand has outpaced current local solar generation capacity, resulting in a temporary increase in grid electricity intake for FY2026.

Looking ahead, this operational insight provides a strategic roadmap for scaling future onsite renewable energy capacity to match our electrification trajectory. For upcoming implementations across other subsidiaries, our future rollout strategy will evaluate transitioning forklifts to electric vehicles prior to expanding solar capacity, executing both initiatives concurrently, or staggering them based on facility readiness. However, this deployment sequence remains inherently flexible, subject to localised site factors and regulatory frameworks

Although electric systems involve minor charging losses and higher production requires increased operating hours, transitioning to electric forklifts remains a profoundly greener choice, delivering 85% to 90% motor efficiency compared to diesel engines, eliminating local tailpipe pollution, and benefiting from long-term grid greening. Furthermore, reported Scope 2 figures represent a conservative baseline that excludes net generation offsets from the Net Energy Metering Program (NEM) with Tenaga Nasional Berhad (TNB) (Refer to kWh generated from Solar Output). Current energy data is captured via facility-wide gross invoice, prompting Techbond Manufacturing Sdn Bhd to actively evaluate targeted metering upgrades for more granular tracking of electric forklift charging versus the increase in production output.

Looking forward, the rise in recorded Scope 2 emissions could theoretically be mitigated by deploying battery energy storage systems (BESS) to capture and store solar-generated energy for night-timeforklift charging. However, this deployment is not economically viable under our current consumption profile and market conditions. Our preliminary feasibility assessments indicate that high upfront capital expenditures, coupled with prevailing industrial supply-demand dynamics and our current load structure, result in an extended payback period with negligible return on investment.

While we continue to explore metering infrastructure upgrades to achieve more granular tracking of our energy usage, we also maintain an active market watch on storage technologies and cost trajectories. Should economic feasibility improve in alignment with our operational energy consumption patterns, we remain prepared to re-evaluate BESS integration within our broader decarbonisation roadmap.

LED Lighting Implementation to Enhance Energy Efficiency

As part of Techbond Group Berhad's ongoing commitment to environmental sustainability and operational excellence, we continue to uphold the use of LED lighting systems across all Group facilities. This practice remains a central pillar of our energy efficiency strategy, reflecting our dedication to advancing our Environmental, Social, and Governance (ESG) goals through consistent resource management.



To maintain the effectiveness of this initiative, we ensure that any faulty or broken bulbs are replaced with high-efficiency LED alternatives. By staying consistent with this transition, we significantly reduce energy consumption and associated greenhouse gas (GHG) emissions, directly supporting our efforts to lower our overall environmental footprint. Compared to conventional lighting, the superior energy efficiency and longer lifespan of LED technology continue to provide the Group with lower utility costs and reduced maintenance needs.

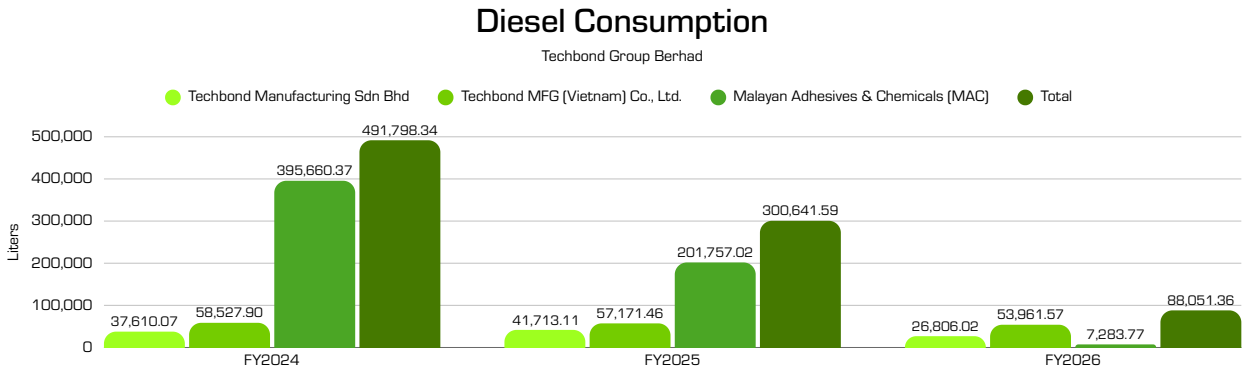
Beyond the environmental and financial advantages, the sustained use of LED lighting provides consistent, high-quality illumination across our workspaces, which supports the safety, well-being, and productivity of our workforce. This disciplined approach reinforces Techbond's proactive stance on sustainability, ensuring that environmentally responsible practices remain deeply integrated into our daily operations as we move toward a low-carbon future.

TRACKING OUR FUEL CONSUMPTION EFFICIENCY

In FY2026, Techbond Group had tracked the efficacy usage of each energy in each production plant which including our subsidiary. Continuously the usage is traced by the recorded of daily, weekly and monthly usage ensuring efficacy in output of our products to not only keep inline with the Groups resource usage efficiency but also the track our impact on climate related matter (Pg 19 & 20)

Diesel Consumption Progress

From FY2024 to FY2026, Techbond Group Berhad achieved a cumulative 82.10% reduction in diesel consumption, totalling 403,746.98 litresof Diesel saved and equivalent to a reduction of 40,690.26 kg CO_2e in the Group's Diesel Consumptions.



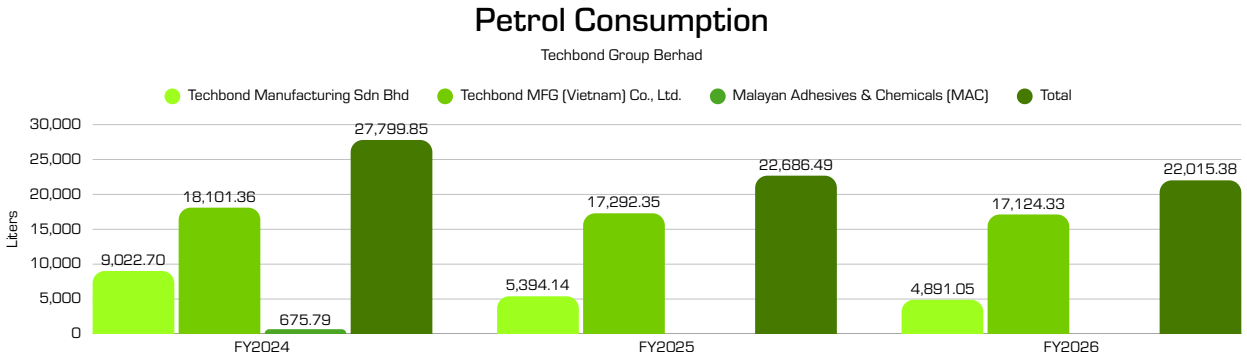
This journey began in FY2025 with a 38.87% decrease in diesel usage, driven primarily by the modernisation of production processes at our subsidiary, Malayan Adhesives & Chemicals Sdn Bhd (M.A.C). Previously reliant on diesel for core thermal operations, the plant successfully transitioned to natural gas as a cleaner, more efficient energy alternative during the financial year.

Building upon this progress, the Group recorded a further 70.71% reduction in diesel consumption in FY2026. This subsequent decrease was propelled by the strategic consolidation of M.A.C's manufacturing operations, alongside the 75% transition from diesel-powered to electric forklifts at Techbond Manufacturing Sdn Bhd.

Looking ahead, the Group remains committed to further curbing fossil fuel dependency by scaling up the deployment of electric-powered material-handling equipment across our remaining operational entities in upcoming reporting periods.

Petrol Consumption Progress

From FY2024 to FY2026, Techbond Group Berhad achieved a cumulative 20.81% reduction in petrol consumption, totalling 5,784.48 litresof Petrol saved and equivalent to a reduction of 13,678.90 kg CO_2e in the Group's Diesel Consumptions.



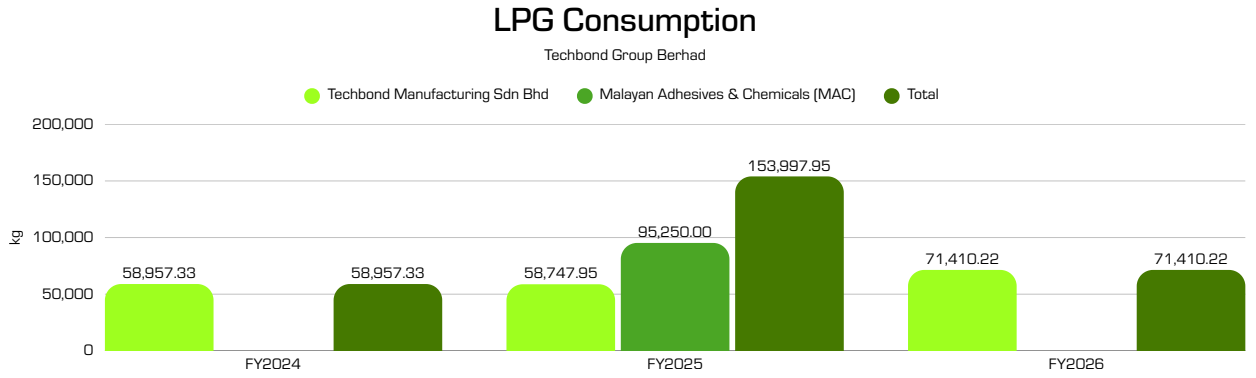
Techbond Group Berhad recorded an 18.39% reduction in petrol consumption, followed by a subsequent 2.96% decrease in the following financial year. These consecutive reductions in direct mobile combustion emissions are directly attributable to operational optimisation, including the targeted reduction of company vehicle usage at Techbond Manufacturing Sdn Bhd and the complete removal of company-assigned vehicles at Malayan Adhesives & Chemicals Sdn Bhd (M.A.C), reflecting the Group's ongoing commitment to fleet rationalisation and fossil fuel reduction.

Building upon our ongoing fleet rationalisation efforts, the Group continues to evaluate further opportunities to curb mobile combustion emissions. Looking ahead, our future plans involve exploring greener transport alternatives such as hybrid or electric vehicle (EV) integration for our remaining administrative and operational fleets, ensuring a continuous pathway toward fossil fuel reduction across all business entities.

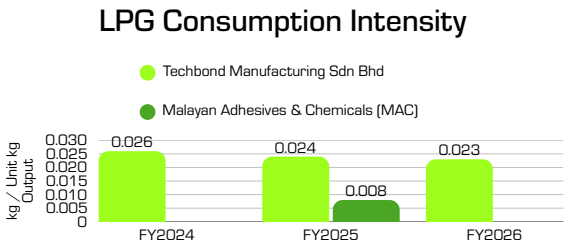
Liquefied Petroleum Gas (LPG) Consumption Progress

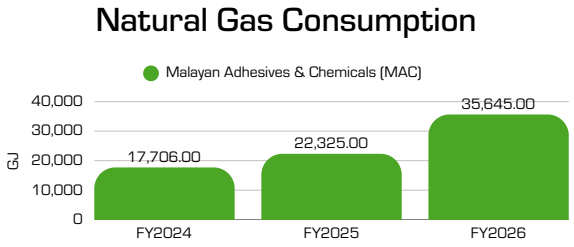
From FY2024 to FY2026, Techbond Group Berhad recorded a cumulative 21.12% increase in LPG consumption, totalling 12,452.89 kg. While this multi-year trend reflects specific operational adjustments across the Group, FY2025 notably experienced a sharp 161.2% hike in LPG consumption. This spike was driven by temporary operational reliance on LPG at Malayan Adhesives & Chemicals (M.A.C.) as an alternative energy source during the April 1, 2025 natural gas pipeline explosion in Putra Heights, which disrupted regional supplies, caused severe production halts, and triggered widespread supply chain challenges across the Klang Valley.

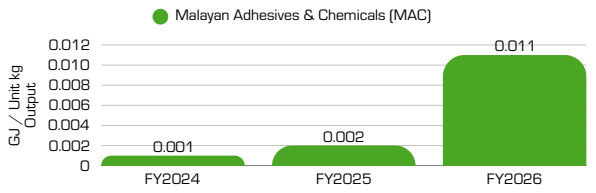
As natural gas infrastructure was fully restored, M.A.C. successfully transitioned back to standard natural gas usage, resulting in a subsequent 53.73% reduction in LPG consumption from FY2025 to FY2026.



By setting aside the temporary disruptions at Malayan Adhesives and Chemicals, Techbond Manufacturing Sdn Bhd achieved a cumulative 10.15% reduction in LPG consumption intensity from FY2024 to FY2026, lowering consumption by 0.003 GJ per unit produced. This means Techbond Manufacturing facility used less energy per unit of output over time, reflecting steady gains in everyday operational efficiency.







Natural Gas Consumption Progress

Natural gas is consumed exclusively at Malayan Adhesives & Chemicals (M.A.C.), where the facility recorded a cumulative 101.32% increase totalling 17,939.00 GJ from FY2024 to FY2026. While the multi-year trajectory shows an overall upward trend, consumption in FY2025 was unusually depressed due to the April 2025 natural gas pipeline explosion in Putra Heights, which temporarily cut off supply and forced a shift to LPG as an emergency alternative fuel. Therefore NG Data are undergoing a Transition Friction.

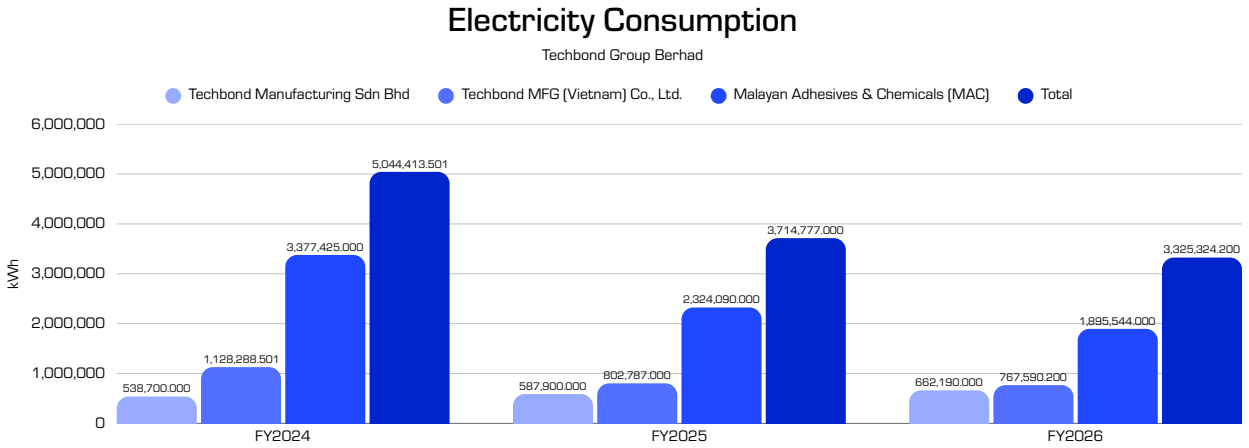
Consequently, the sharp jump of 61.44% Consumption Intensity seen in FY2026 from FY2025 reflects a normal operational rebound following the restoration of the pipeline. This growth was further propelled by M.A.C. successfully shifting core heating operations away from diesel and onto natural gas, alongside a 24.32% increase in microsphere production output from FY2025 to FY2026.

Note: This reasoning is supported by the corresponding data trends across our environmental disclosures, where the sudden drop in M.A.C. diesel consumption and the corresponding temporary spike in LPG usage directly illustrate this operational fuel transition and supply recovery.

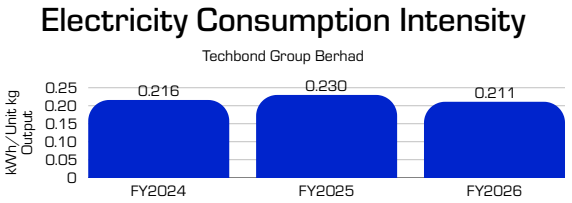
Looking ahead, monitoring both natural gas and LPG consumption will involve observing how energy use stabilises as Malayan Adhesives & Chemicals moves past the recovery period. Having experienced this pipeline disruption first-hand, the team has gained practical insight into handling emergency fuel switches, which helps inform our readiness for potential supply risks. Key areas to watch will include tracking thermal efficiency relative to microsphere production output and observing how backup fuel reserves are managed during routine operations.

Electricity Consumption Progress

As a Group, overall electricity consumption achieved a cumulative reduction of 34% from FY2024 to FY2026, totalling a 1,719,089.30 kWh reduction, which is equivalent to 1,048,632.45 kgCO2e reduced. Furthermore, the Group's electricity consumption intensity demonstrated a cumulative reduction of 2% from FY2024 to FY2026, reflecting improving overall energy efficiency across our operations.



In FY2024, Malayan Adhesives & Chemicals (M.A.C.) represented the highest electricity consumption across the Group, accounting for 66.95% of the total group electricity consumption. Through targeted strategic initiatives, we successfully reduced M.A.C.'s consumption by 43.88%, lowering its contribution to 57% of the total group consumption in FY2026. These adjustments were driven by strategic facility optimisation and targeted production realignment



Concurrently, electricity consumption at Techbond MFG (Vietnam) Co., Ltd. maintained a downward trend, decreasing by 31.97% from FY2024 to FY2026. This reduction was supported the implementation of streamlined operational standard operating procedures (SOPs) such as minimizing idle time for electrical equipment and fittings.

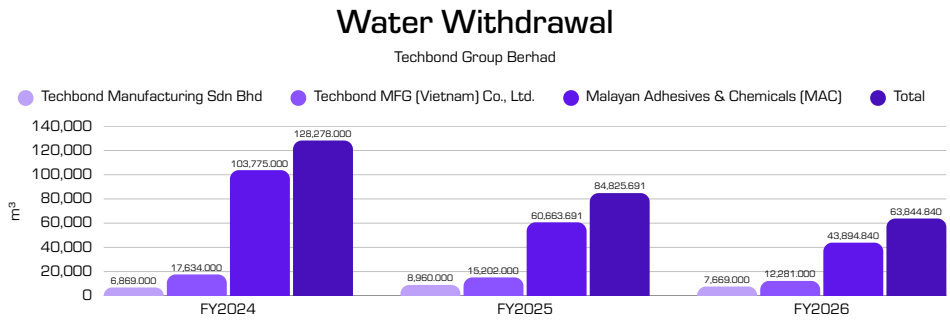
Meanwhile, minor upward adjustments at Techbond Manufacturing Sdn Bhd reflect ongoing operational evolutions, including the integration of electric forklifts to enhance logistical support alongside growing production volumes. (Refer to Energy Management)

Moving forward, the Group will maintain and monitor the ongoing impacts of our current energy and transition initiatives before determining our next strategic steps. Specifically, we will evaluate potential opportunities to transition diesel forklift to EV forklifts and then further install solar power systems at our Vietnam facility.

WATER MANAGEMENT

Responsible Water Management Across Techbond Group

At Techbond Group Berhad, water is a critical resource essential for product formulations, plant cleaning processes, and wastewater management across our manufacturing facilities. With Air Selangor supplying our operations in Malaysia, responsible water stewardship sits at the core of our environmental strategy. Clean water is vital for our adhesive production, equipment rinsing, and strict quality standards. To minimise our environmental footprint and mitigate the water scarcity and drought risks (Pg 16), we actively implement systematic water efficiency measures across all facilities.



Water Withdrawal Progress

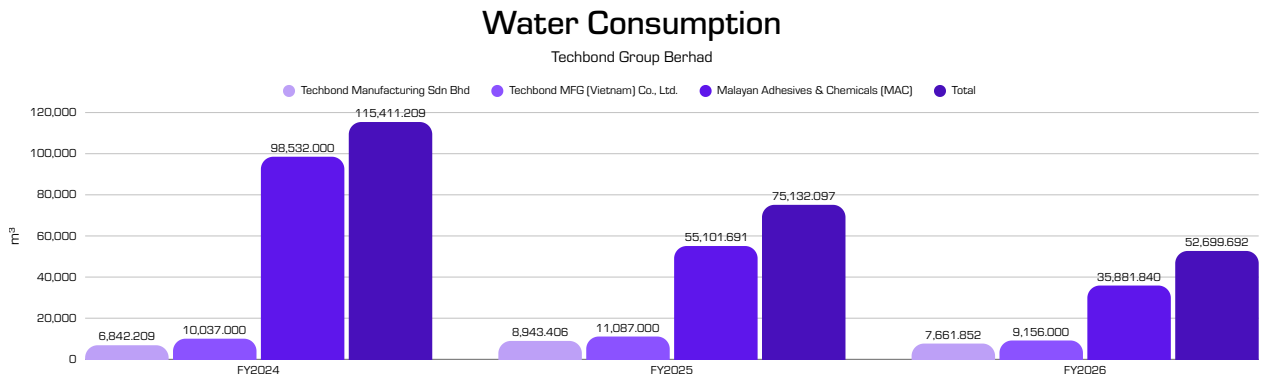
In FY2024, Malayan Adhesives & Chemicals Sdn Bhd (M.A.C.) recorded the highest water withdrawal among all entities at 80.9% contribution in the Group reporting, driven by intensive sludge cleaning processes and broader operational activities. To address this and streamline its manufacturing processes, we established a target to reduce M.A.C.'s water usage by 30% in FY2026.

To achieve this, we invested RM271,000 to upgrade our waste treatment system. The modernisation this new system replaced traditional water-intensive cleaning operation, cutting out excessive rinsing, shortening the drying cycle, and targeting an overall water withdrawal reduction of roughly 70%. By FY2026, M.A.C. achieved a cumulative water withdrawal reduction of 57.7% from FY2024 levels, saving a total of 59,880.160 m^3. While this surpassed our initial 30% reduction goal, it fell slightly short of the 70% estimation.

This Achievement was not only supported by the installation of the new waste treatment system, but was also influenced by the broader consolidation and strategic operational modernisation of the MAC plant. During these optimisation initiatives, we engineered a transformative upgrade to the existing vacuum system within the CP plant by transitioning it into a more efficient circular water configuration rather than utilising resource-intensive continuous intake, the refined process flow strategically incorporates a heat exchanger network to cool and continuously recirculate water through the existing infrastructure. By meticulously fine-tuning operational workflows and optimising production parameters across our machinery lines, we maximized cooling efficiency and drastically minimized absolute water demand.

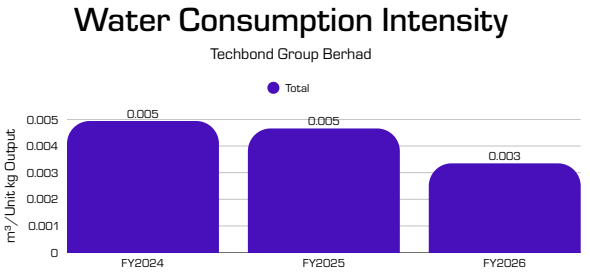
Building on our successful implementation of a rainwater harvesting system at our Vietnam plant which effectively reduced its water withdrawal by 19.21% from FY2025 to FY2026. This shows that by implementing rainwater harvesting system adds more impact above the introduction of general water usage SOP which was implemented on FY2024 with only 13.79% reduction by FY2025. As a result, Vietnam has reduced its cumulative water withdrawal by a total of 30.36% from FY2024 to FY2025. As a result from both Vietnam & MAC initiative, in FY2026, the Group has experience a total of 50.23% reduction in water withdrawal when compared to baseline year FY2024.





Water Consumption Progress

In FY2026, the Group total water Consumption was significantly reduced 54.34%, totalling to 62,711.52 m³ reduction when compared to FY2024 for production processes. Hence contributing to our cumulative water consumption intensity to reduce by 32.23%. This downward trend highlights our successful decoupling of manufacturing growth from resource consumption, proving that our facility modernisation and targeted conservation investments are effectively maximising resource efficiency across our operations. This shows our resilience to tackle water risks.



Future Outlook & Impact Assessment

The Group will take Vietnam initiative as a benchmark model to explore similar system solutions such as rainwater harvest across our other manufacturing facilities for non-potable applications such as general cleaning, toilet flushing, and landscaping. Complementing these alternative supply measures, our long term water sustainability roadmap focuses on closed loop systems, advanced treatment technologies, and rigorous discharge minimisation strategies.

In light of regional water security challenges, Techbond Group remains dedicated to robust water stewardship and to maintaining its intensity at 0.003 in the next financial year. By optimising consumption patterns, mitigating discharge waste across our manufacturing footprint, and proactively addressing long term drought risks, these initiatives directly contribute to reducing exposure to a low to medium risk level over the long term. Furthermore, these proactive measures support Sustainable Development Goal 6 regarding Clean Water and Sanitation and advance our strategic commitment to resource efficiency and operational resilience.









WASTE MANAGEMENT

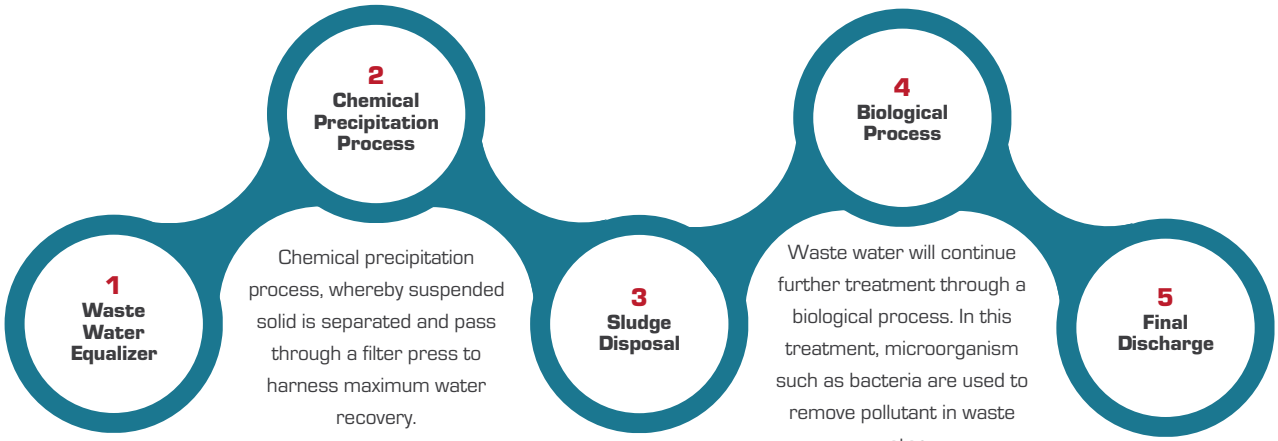
Responsible Wastewater Management for Environmental Protection

As a leading adhesive and sealant manufacturer, Techbond Group Berhad places high importance on effective and responsible wastewater & schedule waste management across all operations (Pg 20). We recognise that our manufacturing processes generate industrial wastewater containing residues, making robust risk management essential.

To mitigate environmental impact and ensure strict compliance, we have implemented dedicated Industrial Effluent Treatment Systems (IETS) across our production sites. This bio-treatment process effectively treats all generated wastewater before any discharge occurs, supporting water quality preservation and preventing contamination.

To uphold the highest standards, regular effluent quality testing is conducted to ensure treated water consistently meets the discharge standards set by the Department of Environment (DOE), Malaysia. Furthermore, solid scheduled wastes separated during the process are securely collected, stored, and disposed of exclusively by licensed contractors, ensuring full traceability and regulatory adherence. This integrated approach underscores our commitment to environmental protection, operational integrity, and transparent ESG performance.

IETS PROCESS FLOW – TECHBOND MANUFACTURING SDN BHD



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 labouratories to ensure it meets the final discharge standard.
- IETS performance monitoring will be reported to the Management during periodic meetings and monthly online submissions to DOE.

WASTEWATER TREATMENT SYSTEM – TECHBOND MFG (VIETNAM) CO., LTD.

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

5 Final Discharge
Treated wastewater complying with the allowed standards of the Industrial Park.

Monitoring Process

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

IETS PROCESS FLOW – MALAYAN ADHESIVES & CHEMICALS (MAC)

1 Waste Water Balancing Pits
Waste water generated from production is collected to remove heavy solids.

2 Equaliser Tank
Equalisation tanks provide storage to create homogenous mix.

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

4 Chemical Precipitation Process
Process to separate suspended solids that is converted into dry sludge through a belt press simultaneously maximising water recovery.

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

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

7 Final Discharge
Treated water is recycled to effluent plant for internal use such as washing and cleaning.



Our filter process to remove excessive water from solid waste

Compliance and Operational Excellence

Our wastewater treatment facilities are managed by trained personnel and a DOE-certified Competent Person in accordance with Industrial Effluent regulations. The facilities are supported by routine operational monitoring, preventive maintenance and compliance testing to ensure the effective treatment of industrial effluent and adherence to regulatory discharge requirements. During FY2026, the Group recorded zero incidents of non-compliance with applicable wastewater discharge regulations.

Throughout FY2026, treated effluent discharged from our manufacturing facilities remained within the Department of Environment (DOE) Standard B discharge limits for key water quality parameters, including Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS). Continuous monitoring and regular labouratory testing help ensure compliance with regulatory requirements while minimising the potential environmental impact of wastewater discharge.

Advanced Waste Reduction Technologies

To stay in line with its commitment to environmental sustainability, Techbond's subsidiary, M.A.C., is implementing advanced process technologies to significantly minimise water consumption, reduce wastewater generation, and decrease the volume of scheduled waste. These initiatives support the Group's broader goals of improving resource efficiency and optimising sustainability performance.

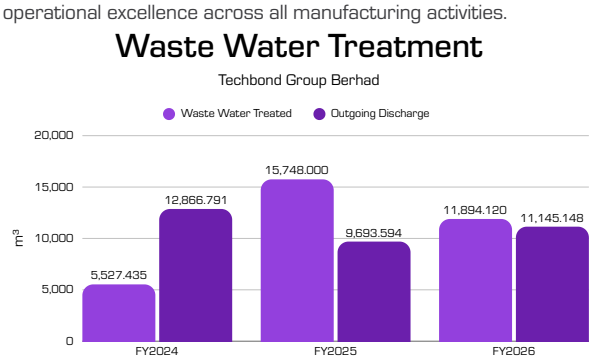
Key resource optimisation and waste minimisation initiatives currently under deployment include:

- Modernisation of waste treatment system. Replacing conventional cleaning with an advanced screw press system that eliminates excessive rinsing, shortens drying cycles, and drastically cuts both water withdrawal and generated sludge volume.

- CP Plant Closed-Loop Vacuum System. Transitioning the plant's vacuum cooling infrastructure into a circular loop via an integrated heat exchanger network, effectively eliminating continuous water intake and reducing wastewater discharge.

- Dry Waste Collection System at Microsphere Plant. Shifting from a wet to a dry collection process to significantly cut production-phase water consumption, eliminate liquid waste streams, and reduce hazardous and scheduled waste outputs.

Together, these initiatives reflect Techbond's proactive approach to minimising environmental impact, curbing resource consumption and scheduled waste generation at the source, and driving operational excellence across all manufacturing activities.



Waste Water Treatment Progress

In FY2026, the Group successfully narrowed the variance between total treated wastewater and final discharge to 6.30% (748.97 m^3), marking a substantial improvement from the 38.45% (6,054.41 m^3) discrepancy recorded in FY2025.

Achieving near-parity between treated wastewater volumes and outgoing discharge demonstrates a stable, steady-state mass balance, confirming system integrity and the absence of unmeasured leakage. (Note: Minor remaining variances could be contributed by other factors such as natural water evaporation during the treatment process).

Restatement and Data Methodology Disclosures

To ensure data integrity, transparency, and alignment across our reporting framework, the following adjustments and methodological refinements were implemented for this reporting period:

- FY2024 Baseline Adjustment: Incoming wastewater data for the Vietnam plant during FY2024 was omitted due to an absence of recorded figures resulting from the transitional alignment of data collection protocols across the Group for ESG reporting. Furthermore, this baseline data differs from the figures previously published in the FY2025 report due to a calculation error identified during subsequent data reviews. Consequently, the resulting data gaps render any year-on-year comparisons between FY2024 and FY2025 immaterial and obscured.

- Discharge Data Refinement: Outgoing wastewater figures for our Vietnam operations differ from those reported in the FY2025 disclosures due to a previous misalignment in data sourcing. Previously, figures combined meter readings with third-party invoicing, the latter of which introduced variances and lower accuracy compared to direct measurement. To correct this and enhance data reliability, we have standardised our reporting methodology for this financial year to rely exclusively on direct meter readings for outgoing discharge.

Future Outlook & Impact Assessment

Looking ahead, the Group remains committed to advancing our water stewardship journey by refining how we monitor and assess our operational footprint.

To ensure robust, objective, and transparent reporting moving forward, we are currently exploring engagements with qualified external environmental consultants and sustainability specialists. These professionals will assist us in conducting comprehensive assessments of our water discharge locations and identifying localized impact areas, ensuring our future disclosures meet rigorous international standards.

Through our operational transition as a group, these enhanced efforts, we aim to better align our overall waste and water management strategies with Sustainable Development Goal 6 (Clean Water and Sanitation) and 12 (Responsible Consumption and Production).

Minimising Our Waste

At Techbond Group, waste minimisation is a strategic priority that spans our entire operational footprint, bridging everyday workplace practices with advanced industrial manufacturing. We recognise that true environmental stewardship requires aligning our corporate culture with our operational processes under the framework of the circular economy.

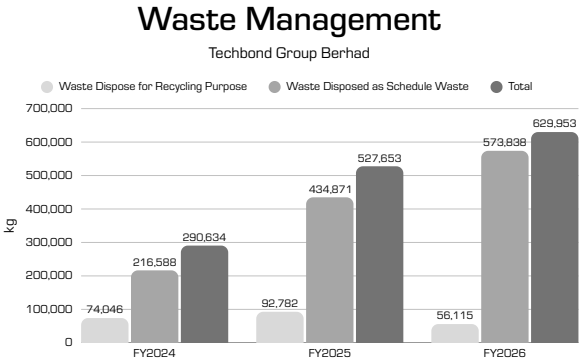
To achieve this, our comprehensive waste management program is governed by ISO 14001:2015 Environmental Management System standards and strict compliance with relevant regulations, such as Malaysia's Environmental Quality (Scheduled Wastes) Regulations 2005. We intentionally align our initiatives across two activities as below:

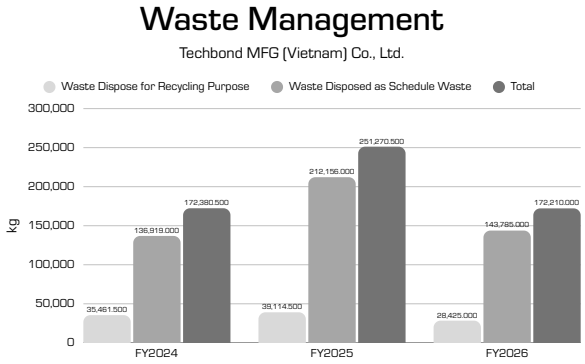
Office and Workplace Sustainability

To foster an everyday culture of sustainability and long-term business resilience, recycling stations and clearly labelled bins taken from unused and old packaging pails are strategically placed across our headquarters and plant areas. These established practices ensure that environmental stewardship is consistently lived out as a core part of day-to-day activities.



This encourages employees to actively segregate non-hazardous materials like paper and plastics at the source, preventing them from mixing with general waste. While these office-level recycling efforts focus primarily on workplace engagement rather than formal metrics tracking, all collected materials continue to be sent to licensed recycling facilities for proper processing, keeping our resource management transparent, compliant, and integrated seamlessly across all entities within the Group.





Production and Industrial Waste Management

On the manufacturing floor, waste minimisation is driven by lean manufacturing principles, material optimisation, and workflow refinement. Both non-hazardous production scrap and hazardous materials are managed under rigorous operational procedures to ensure safe storage, handling, and disposal exclusively through licensed contractors.

Building on our ongoing operational improvements, while the Group's earlier shifts from FY2024 to FY2025 were primarily driven by scaling activities at Techbond Vietnam, the Group established a ambitious target to reduce Vietnam's total waste by 30% for FY2026.

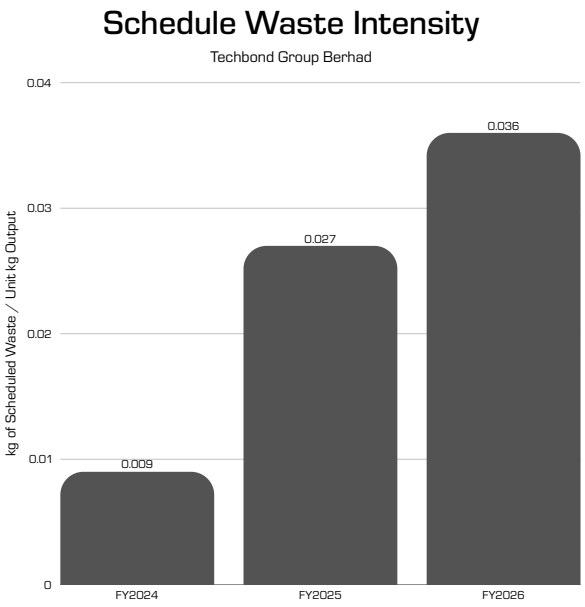
Waste Management Progress

Through dedicated reduction initiatives and tighter operational controls, Techbond Vietnam successfully surpassed this target, achieving a remarkable 31.46% reduction in total waste for FY2026 as per graph above.

Between FY2025 and FY2026, the Group recorded a 19.39% increase in total waste disposal, totalling 102,300 kg. This upward trend into FY2026 was largely shaped by MAC as it underwent a strategic operational consolidation. This transition involved facility restructuring, workflow optimization, and inventory cleanouts necessary to streamline production and advance our long-term emission reduction goals.

As part of our commitment to transparent ESG performance, the Group's cumulative scheduled waste increased by 164.94% (357,250 kg) from FY2024 to FY2026, alongside an increase in scheduled waste intensity (refer to the Group's Waste Management Graph).

This upward movement was primarily driven by a temporary, strategic transition at MAC, where the Group's scheduled waste intensity is affected and shifted from 0.027 to 0.036 kg per unit of output. Proactively addressing potential transitional risks associated with regulatory shifts and low-carbon expectations, this phase reflects a pivotal modernisation effort as MAC actively modernises older facilities with advanced, energy-efficient technologies. While this capital-intensive restructuring temporarily elevated waste generation, it marks a necessary and deliberate step forward in our journey to mitigate long-term operational and environmental exposure, significantly reduce our overall carbon footprint, and build a more resilient, future-ready manufacturing ecosystem.





Looking ahead, Techbond Group remains steadfast in embedding sustainability into our operational DNA, recognising our current facility upgrades as a crucial transitional phase. As these modernisation efforts conclude and infrastructure stabilizes, we aim and expect to achieve a 45% reduction in MAC's scheduled waste by the next financial year 2027.

Future Outlook & Impact Assessment

Building on this momentum, our strategy focuses on strengthening source minimisation, enhancing resource recovery, proactively managing transitional risks, and maintaining data-driven accountability. By aligning everyday workplace habits with advanced industrial stewardship, Techbond is well-positioned to navigate this transition successfully, minimise our environmental footprint, and drive long-term value for all our partners and stakeholders.

Restatement and Data Methodology Disclosures

Figures for FY2026 differ only slightly from those previously published for FY2025 following a thorough data realignment and the correction of minor historical calculation variances identified during the consolidation of group reporting. While these actual values show slight adjustments, the underlying trajectory and overall environmental performance trend remain entirely consistent. This restatement reflects our ongoing commitment to data integrity, transparency, and the unification of our sustainability reporting standards across all operating entities.



EMISSIONS
MANAGEMENT

Techbond acknowledges the vital impact of greenhouse gas (GHG) emissions on climate change and is firmly committed to improving both our reporting practices and environmental performance. Our GHG reporting includes Scope 1, Scope 2, and selected Scope 3 emissions specifically from business travel and employee commuting falling within our operational control. We calculate emissions of carbon dioxide, methane, and nitrous oxide, and express them in carbon dioxide or equivalent to provide a standardised measure. As part of our ongoing sustainability efforts, we remain dedicated to enhancing the accuracy of our GHG reporting and continuously strive to reduce emissions across our operations. Below is a summary of our consolidated GHG emissions across the organisation.

Measurement Uncertainty in Environmental Data

Techbond Group is committed to transparent and credible reporting of its environmental performance. In doing so, we recognise that certain environmental indicators involve a degree of measurement uncertainty due to the use of estimates, assumptions, proxy data, and limitations in data collection processes. Such uncertainties are inherent, particularly for indicators that rely on indirect data sources or third-party information.

The key performance indicators presented in the "Tracking Our Progress" section that are assessed to have a higher degree of measurement uncertainty are outlined below, together with the primary sources of uncertainty and the methodologies and assumptions applied. These methodologies are applied consistently to enable meaningful monitoring of performance trends over time.

Metrics	Primary Source of Uncertainty	Methodology & Assumptions
Scope 1 GHG emissions from fuel combustion – Petrol, Diesel	Unverified fuel compositions, specifically regarding potential biofuel content within purchased petrol and diesel.	Emissions are derived from fuel invoices. To ensure a conservative reporting approach, we assume a 100% fossil fuel composition, thereby avoiding any potential underestimation of emissions.
Scope 1 GHG emissions from fuel combustion – Natural Gas	Unverified fuel composition therefore, any biofuel component cannot be accurately verified or excluded.	Natural gas consumption is converted from GJ to kWh (1GJ = 277.7778 kWh). We apply a standard gross calorific value and assume 100% fossil fuel content to maintain data conservatism.
Scope 2 GHG emissions from electricity consumption	Regional variations in emission factors and a lack of specific data regarding the energy supplier's fuel mix introduce minor uncertainty.	Consumption is tracked via invoices and meters. We apply location-specific emission factors for Malaysia and Vietnam, utilising standard local grid factors where specific supplier data is unavailable or unknown.
Scope 3 GHG Emissions	Data relies on employee surveys and fuel expense claims, which may not fully capture daily variations in travel patterns or individual vehicle efficiencies.	Distances are estimated using mapping tools based on survey input. Emissions are then calculated using average fuel consumption rates to reflects a modelled estimation rather than direct measurement.
Total Waste Generated	While internal weighing is conducted for operational reference, official reporting relies on third-party waste management contractor reports.	Reported figures are based strictly on weights stated in licensed contractor invoices. To maintain a consistent audit trail, we do not adjust these official figures to match internal measurements.

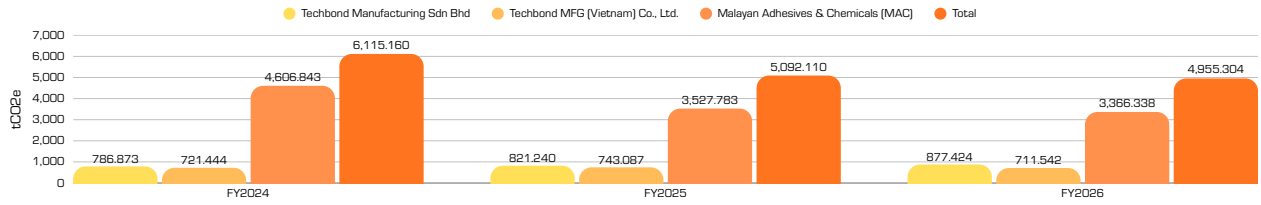
Note: Techbond Group comprises three operating entities. Environmental data is collected using standardised definitions and methodologies, with compilation performed by personnel at each entity. Minor variations in interpretation, timing, or level of detail may occur. Group-level performance is reported as the aggregation of entity-level data, assuming consistent application of reporting processes. Any residual variability from human or operational factors is considered minor and is not expected to materially affect overall trends.

TRACKING OUR CARBON FOOTPRINT

Scope of Reporting			
Entities	**Scope 1**	**Scope 2**	**Scope 3**
Techbond Manufacturing Sdn Bhd	• Diesel • Petrol • LPG	• Electricity	• Employee Commuting • Business Travel
Techbond MFG (Vietnam)	• Diesel • Petrol		
Malayan Adhesive & Chemical Sdn Bhd	• Diesel • Petrol • LPG • Natural Gas		

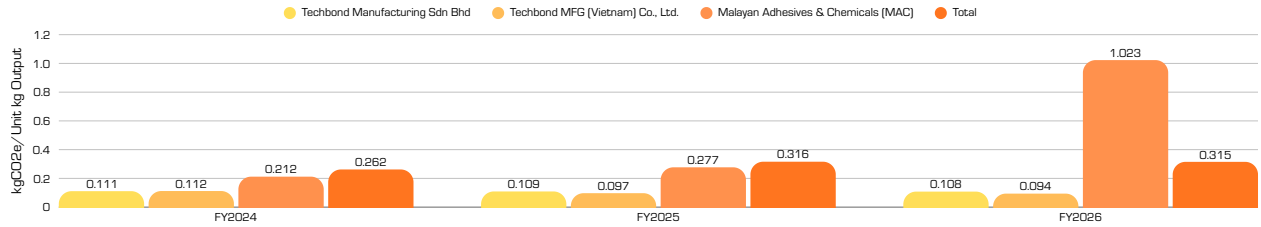
Total Carbon Emission

Techbond Group Berhad



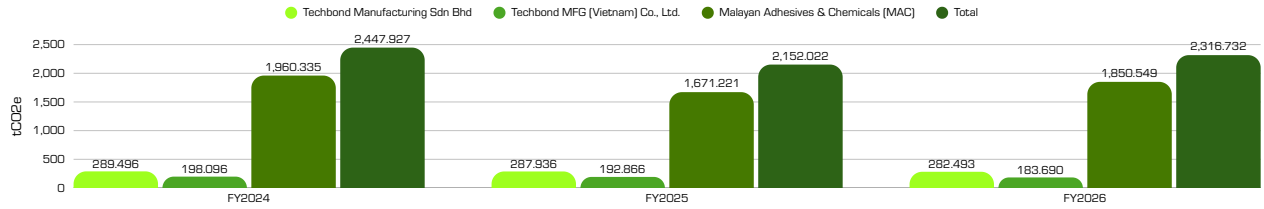
Carbon Intensity

Techbond Group Berhad



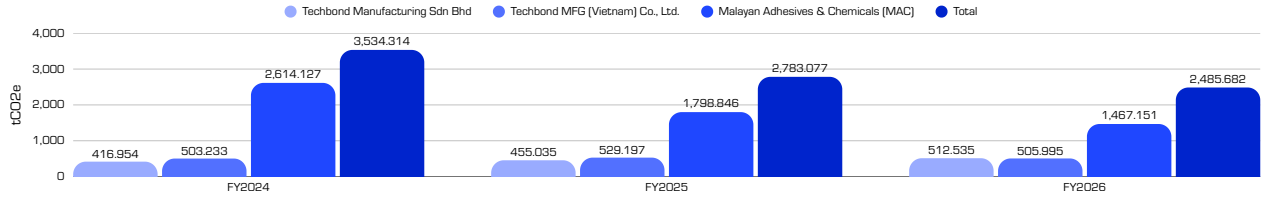
Scope 1 Emission

Techbond Group Berhad



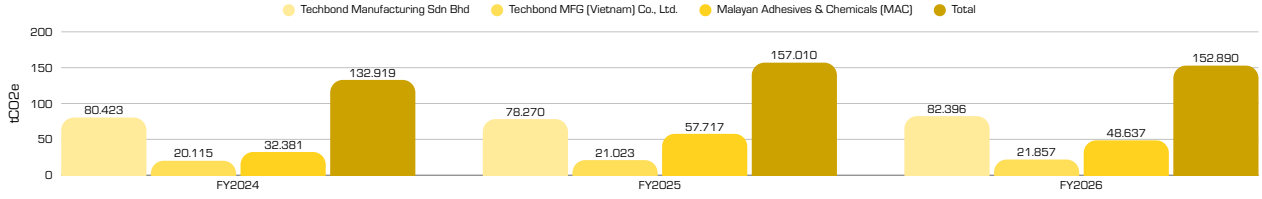
Scope 2 Emission

Techbond Group Berhad



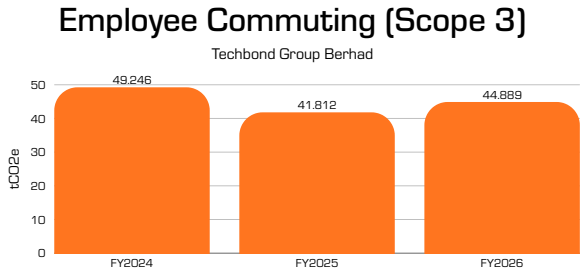
Scope 3 Emission

Techbond Group Berhad



Mobile Combustion from Employee Commuting

Scope 3 emissions encompass indirect greenhouse gas emissions from an organisation's value chain, such as employee commuting. While falling outside our immediate operational boundary, these emissions represent a material component of the Group's carbon footprint.



To quantify and manage these impacts, we utilise structured employee transportation surveys and travel expense submissions to analyse travel distances, modes of transportation, and frequencies. In FY2026, we systematically monitored commuting emissions across our entire workforce across all entities, recording all associated petrol consumption to total 44,899 kg CO_2e.

To address these emissions, Techbond Vietnam maintains an organised carpooling system utilising company-operated vehicles to transport employees from centralised pick-up points to the factory, enhancing transport efficiency and supporting our broader carbon reduction goals.

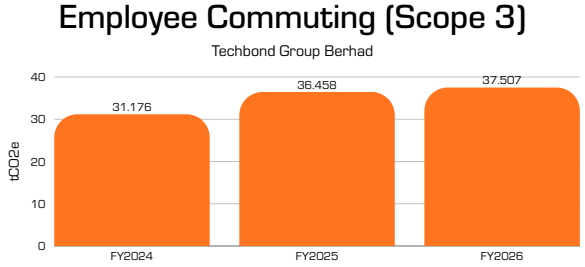
Restatement and Data Methodology Disclosures

Due to data record limitations during the ongoing transition to standardised group-wide ESG reporting, certain historical commuting metrics for our Vietnam operations were omitted or estimated based on localised sample surveys.

Similarly, because baseline data prior to the implementation of the structured carpooling initiative in Vietnam was incomplete during this transitional phase, we are currently unable to precisely quantify the exact historical emissions reduction achieved solely by the carpooling system versus pre-carpooling levels. Future reporting periods will establish clearer year-on-year comparative tracking as data collection matures.

Mobile Combustion from Business Travel

Cultivating strong partner relationships requires regular domestic and international travel. To account for the associated Scope 3 impacts from employee transit and air travel, Techbond employs a targeted tracking framework evaluating travel patterns, expense records, and mileage.



In FY2026, the Group recorded 37,507 kg CO_2e from business-related fuel consumption (petrol and diesel). Recognising that physical travel carries a significant environmental footprint, Techbond places a strong emphasis on prioritizing virtual communication platforms as the default approach for routine interactions, internal coordination, and preliminary discussions.

Physical travel is strictly reserved for instances where face-to-face engagement is deemed operationally essential such as critical client commissioning, hands-on technical support, and major strategic negotiations where digital alternatives cannot suffice. By actively challenging the necessity of every trip and maximising the use of virtual meetings whenever possible, we significantly minimise unnecessary movement, reduce emissions at the source, and guide employees toward more responsible, low-carbon business practices.

Restatement and Data Methodology Disclosures

Emissions from ad-hoc e-hailing services or ordered third-party transportation have been considered immaterial and omitted from the data due to a current lack of centralised data gathering and monitoring mechanisms for these specific incidental transit types.

Because the utilisation of third-party ordered transportation for business travel occurs with very low frequency across our operations, these sources are deemed immaterial and have been omitted from the reported inventory.

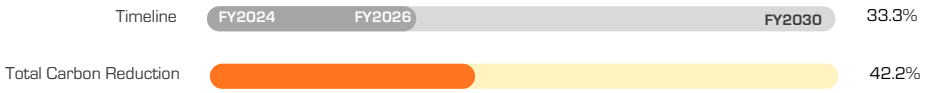
Future Outlook & Impact Assessments

Looking ahead, Techbond Group is taking a proactive step forward by expanding our carbon accounting to include upstream supply chain emissions, covering raw materials and packaging and plans to start next financial year. To ensure data integrity, we aim to empower our internal teams and top 50% suppliers with targeted training and establish robust frameworks to collect primary data, moving beyond broad estimations.

Beyond carbon accounting, our strategic vertical integration, as exemplified by our polymerisation plant in Vietnam, does more than secure our supply chain and insulate operations against market volatility. By manufacturing a portion of our own raw materials internally, we significantly reduce the emissions traditionally associated with long-distance material transportation and external processing. Within this context, this operational model generates meaningful unrealised emission reductions, producing essential inputs closer to our production lines inherently avoids the heavy maritime shipping and overland freight emissions that would have otherwise occurred if these materials were sourced externally from distant suppliers. Incorporating these upstream activities will provide a transparent view of our lifecycle environmental impact, driving meaningful action as we accelerate toward our long-term decarbonisation goals.

TRACKING OUR PROGRESS

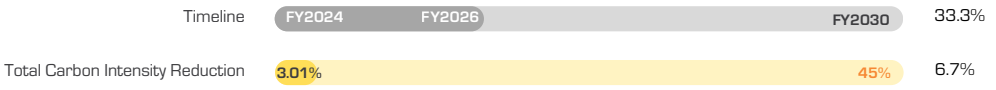
Techbond Group Berhad's 45% Reduction Goal Progress by 2030 with FY2024 Baseline



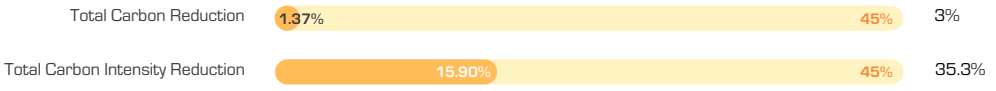
In FY2026, the Group achieved a Total Carbon Emission reduction of 18.97% from our newly established FY2024 baseline. While our overarching group-wide target is to reduce carbon intensity by 45%, the acquisition of M.A.C. introduced a unique challenge, as its operations currently account for the most significant carbon emissions across all our subsidiaries. Recognising this impact, the Group prioritised urgent, targeted initiatives at M.A.C. to drive down its carbon emissions by 45% first. Once this immediate milestone is successfully achieved, M.A.C.'s long-term trajectory will be fully aligned with the broader Group strategy.

Reflecting these combined efforts, because we are targeting a 45% total reduction by 2030, we have completed about 42.2% of our total reduction goal, putting us in a strong position as we reach the one-third mark of our timeline toward 2030. To provide a clearer view of our performance, the following breakdown outlines the progress and carbon emission trajectories for each entity across the Group:

Techbond Manufacturing Sdn. Bhd.'s 45% Reduction Goal Progress by 2030 with FY2024 Baseline



Techbond MFG (Vietnam) Co., Ltd.'s 45% Reduction Goal Progress by 2030 with FY2024 Baseline



Malayan Adhesives and Chemicals Sdn. Bhd.'s 45% Reduction Goal Progress by 2030 with FY2024 Baseline



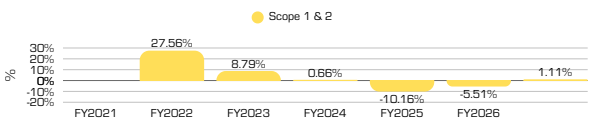
These results highlight a combined effort across our operations, with Malayan Adhesives and Chemicals leading the group's emission reductions, complemented by steady intensity improvements from Techbond MFG (Vietnam) and foundational steps at Techbond Manufacturing Sdn Bhd. While Techbond Manufacturing's progress under the FY2024 baseline appears less pronounced in these consolidated group metrics, we will also individually monitor its initial trajectory with FY2020 as the baseline year, covering Scope 1 and Scope 2 emissions.
To review Techbond Manufacturing's specific performance tracked against its original baseline year:

Techbond Manufacturing (Scope 1 & 2) - Progress Toward 45% Reduction Goal by 2030 with FY2020 Baseline



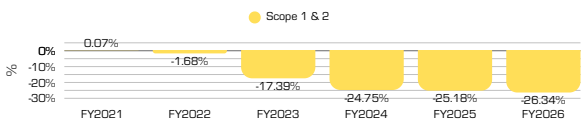
Cumulative Carbon Reduction

Techbond Manufacturing Sdn Bhd



Cumulative Carbon Intensity Reduction

Techbond Manufacturing Sdn Bhd



In FY2026, the Techbond Manufacturing Sdn Bhd achieved a cumulative carbon Intensity Reduction of 26.34% from our FY2020 baseline. Because we are targeting a 45% total reduction by 2030, we have completed about 58.5% of our carbon intensity reduction goal, putting us in a strong position as we reach the one-third mark of our timeline toward 2030.







AQUAPONIC FARM

Techbond is continuously exploring avenues to enhance its sustainability initiatives. With this objective in mind, Techbond has established an Aquaponic Farm, which was finalised in December 2022. Situated at top our headquarters in Shah Alam, the 1,500 square-foot greenhouse accommodates a total of 4320 pots of leafy vegetables, cultivated in densely packed rows of cylinders. Complementing this setup is our fish tank, housing red tilapia fishes, thereby completing the aquaponic system.

The Aquaponic system represents an environmentally sustainable approach to farming, merging two productive systems: a recirculating aquaculture system, where fish are reared in a tank, and a hydroponic cultivation system, where vegetables are grown in a medium other than soil. In this closed-loop circulation system, fish waste serves as a natural fertilizer for the plants.

The plants, in turn, absorb these nutrients, and clean water is recirculated back into the aquaculture system. This mutually beneficial relationship enables efficient resource utilisation. Aquaponics boasts a remarkable 90% reduction in water usage compared to traditional farming methods, eliminating the need for fertilizers or pesticides.

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

Techbond recognises the potential of underutilised spaces, particularly on our rooftops. We regard these vacant areas as reservoirs of untapped productive capacity. In future, we consider to expand out green plantation activities on our land next door to provide a greener land to future generations. Integrating a greenhouse into our building structure has enabled us to cultivate food within the city, simultaneously enhancing the urban environment, promoting biodiversity, and contributing to carbon reduction efforts by sequestering carbon dioxide.

Techbond Aquaponic Farm Contributes to Environmental Sustainability because

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







INNOVATION
FOR SUSTAINABILITY

Driven by decarbonisation and supply chain resilience, modern manufacturing relies heavily on collaborative solutions. Although adhesives account for only a minor fraction of product weight, Techbond delivers a significant downstream impact by helping partners achieve their environmental and circular economy targets. Backed by a longstanding aqueous portfolio dating back to its inception, alongside an R&D division that minimises volatile organic compounds and meets rigorous REACH, RoHS, and FDA standards, Techbond successfully bridges high-performance industrial chemistry with sustainability through several key innovations.

First, Techbond's water-based systems have always utilised pure water as the primary carrier, naturally eliminating emissions at the source, improving air quality, and ensuring workplace safety. This commitment to circular design is further demonstrated by specialised washable bottle adhesives that bond securely during transit yet dissolve cleanly in warm or alkaline water during commercial washing, allowing labels to detach effortlessly for glass container reuse.

Second, the flagship Innomelt series maximises material efficiency along the manufacturing line. By combining superior thermal stability with a lower density than traditional ethylene vinyl acetate, Innomelt reduces the required adhesive volume to yield 10% to 20% savings in material usage. Operational benefits are equally clear, featuring lower odor, reduced VOC emissions, mono-material compatibility, and significantly less equipment char build-up.

Finally, Techbond addresses rising global temperatures during transit through high-heat-resistance adhesives that maintain absolute bond integrity under extreme thermal fluctuations, preventing packaging failures and supply chain waste. Through these targeted advancements, Techbond provides a compelling model for driving a smarter, more sustainable industrial future.

By combining its long-standing foundation in aqueous formulations with high-efficiency hotmelts and thermal-resistant technologies, Techbond demonstrates that even minor material components can drive meaningful progress with its partner toward a smarter, more sustainable industrial future.

EMPOWERING
OUR WORKFORCE



The Driving Force Of Our Success

At Techbond, we recognise that our people are our most valuable asset. The professional growth and development of each individual are fundamental to our collective success. Accordingly, we are deeply committed to foster an environment where team members can thrive in their roles and realise their full potential.

We actively promote continuous learning, encouraging employees to enhance their skills, expand their capabilities, and build confidence throughout their careers with us. We believe that cultivating a culture of curiosity is essential to driving excellence across all aspects of our operations. By nurturing creativity and igniting a passion for innovation, we not only empower our workforce but also enhance overall productivity. This strategic focus enables us to maintain a competitive edge, attract high-calibre talent, and retain the exceptional individuals who contribute to our ongoing success.

Workforce Diversity

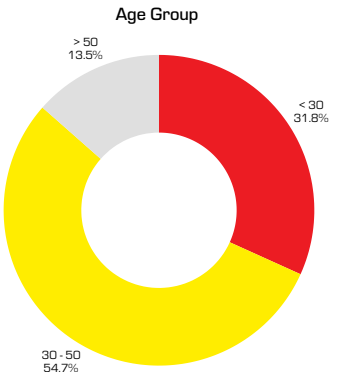
Techbond Group views diversity as a powerful catalyst for innovation and a cornerstone of our long-term success. We celebrate the individuality of our people, fostering a culture where curiosity and diverse perspectives drive collective progress.

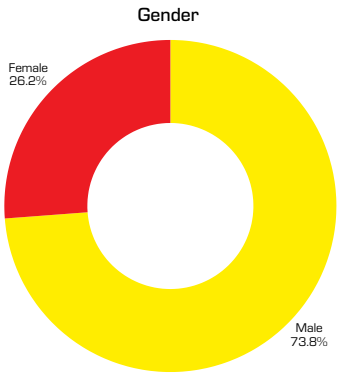
We are dedicated to maintaining a workplace anchored in respect and equality, regardless of age, gender, ethnicity, nationality, disability, sexual orientation, or religious beliefs. By embracing a broad talent pool, we mitigate operational reliance on any single demographic and ensure an environment defined by fairness. We uphold a strict zero-tolerance policy against all forms of discrimination, ensuring that every hiring decision is based solely on merit, credibility, and practical aptitude.

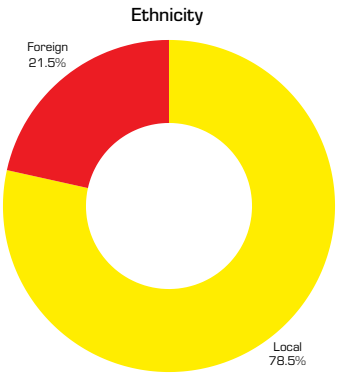
Techbond Group translates these values into tangible results by dismantling barriers and promoting equal opportunity at every level. We maintain inclusive governance through a 50% female Board composition, ensuring diverse perspectives guide our strategic direction. Operationally, we foster socio-economic mobility via a "Skills-First" recruitment model that prioritises practical talent and merit over formal credentials where the work scope allows. This approach provides equitable pathways for individuals from varied backgrounds and strengthens our workforce through performance-based progression.

To safeguard these standards, we conduct regular facility audits across all business units and subsidiaries, ensuring a harassment-free environment Group-wide. As of FY2026, our Group comprises approximately 274 full-time employees, with 46 new hires joining a culture where 100% of staff enjoy equal access to career development and benefits, free from bias or discrimination.

EMPLOYEE DEMOGRAPHICS







Employee Gender by Category

Employee Category	Gender	No. of Employees	%
Senior Management	Male	5	1.8
	Female	1	0.4
Middle Management	Male	15	5.5
	Female	10	3.6
Executive	Male	49	17.9
	Female	51	18.6
Non-Executive	Male	134	48.9
	Female	9	3.3

Employee Age by Category

Employee Category	Age Group	No. of Employees	%
Senior Management	< 30	0	0.0
	30 - 50	3	1.1
	> 50	3	1.1
Middle Management	< 30	2	0.7
	30 - 50	18	6.6
	> 50	5	1.8
Executive	< 30	29	10.6
	30 - 50	60	21.9
	> 50	11	4.0
Non-Executive	< 30	56	20.4
	30 - 50	69	25.2
	> 50	18	6.6

Directors Demographics by Age & Gender

Board Diversity	Category	%
Gender	Male	50
	Female	50
Age	< 30	0
	30 - 50	0
	> 50	100

Employee Demographics by Employment Term

Employment Term	No. of Employees	%
Permanent	207	75.5
Contract	67	24.5

Note: The Group does not employ any temporary employees. All employees are employed under the Group.

EMPOWERING WOMEN
IN THE WORKPLACE

Techbond is committed to advancing the professional development of women across the organisation by actively promoting their recruitment, retention, and progression into leadership roles. To ensure balanced governance to be in line with the Malaysian Code on Corporate Governance (MCCG), the Group aims to maintain a minimum of 30% female representation on the Board of Directors,

Currently, the Group is proud to surpass this target again, with three female Directors comprising 50% of the Board's composition and once female Executive Director, also 50%. This demonstrates our ongoing dedication to fostering inclusive leadership at the highest level. To provide transparency on our workforce diversity, the representation of women employed across different Group levels is tabulated below:

Women Representation	Board Level		Executive Directors		Manager & Above		Overall Organisation	
	Pax	%	Pax	%	Pax	%	Pax	%
	3	50	1	50	11	35.48	71	25.91



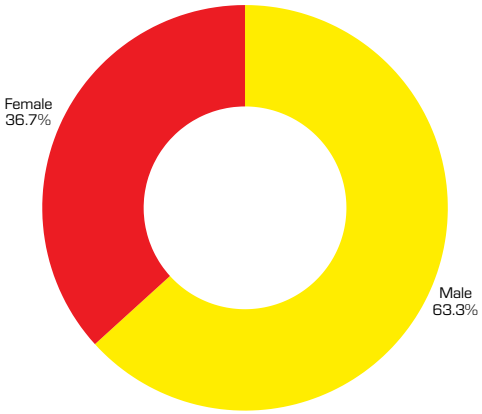
Talent Acquisition

Talent acquisition extends beyond mere recruitment; it encompasses a comprehensive, long-term strategy for employee retention and inclusive accessibility. Accordingly, the Group is dedicated to continuously assessing and refining our talent attraction approaches by integrating innovative methods that reach a wider demographic. These include leveraging online job portals, internship programs, career expos, and employee referral initiatives, which empower our workforce to recommend qualified candidates to join the Company. Furthermore, we remain committed to providing equitable opportunities for individuals from underprivileged or deprived backgrounds. By focusing on practical aptitude and a willingness to learn regardless of formal academic credentials where operational requirements, we aim to foster socio-economic mobility and build a resilient, diverse workforce.

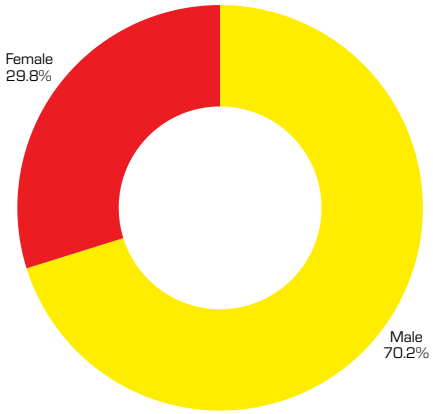
New Hire & Turnover

Techbond Group has recorded a total of 49 new hires, achieving a new hire rate of 16.79%, which comprises of 63.3% or 31 males and 36.7% or 18 females. 59.2% of new hires are aged below 30， followed by 38.8% aged between 30 to 50 years and 2% aged above 50 years.

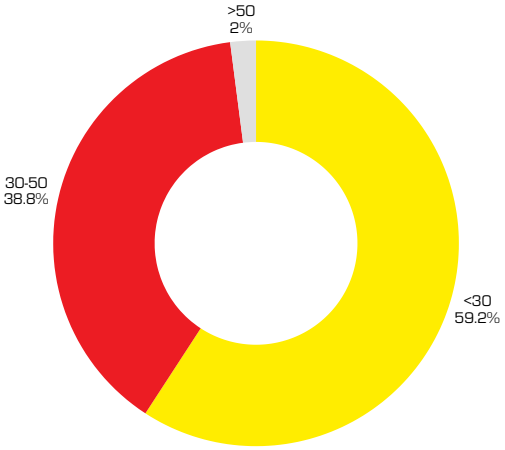
New Hire by Gender



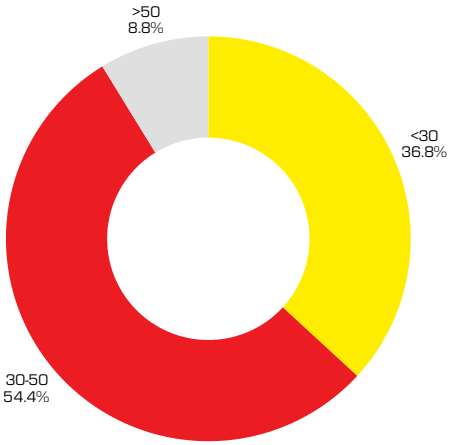
Employee Turnover by Gender



New Hire by Age Group



Employee Turnover by Age Group



Total number of employee turnover by employee category	Senior Management	Middle Management	Executive	Non-Executive
	0	4	22	31



Human Capital Development

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

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

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

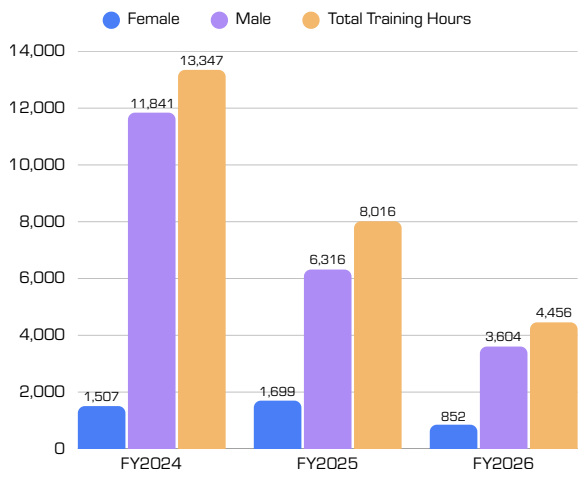
The type of Training Programs conducted for Safety & Health are as follows:



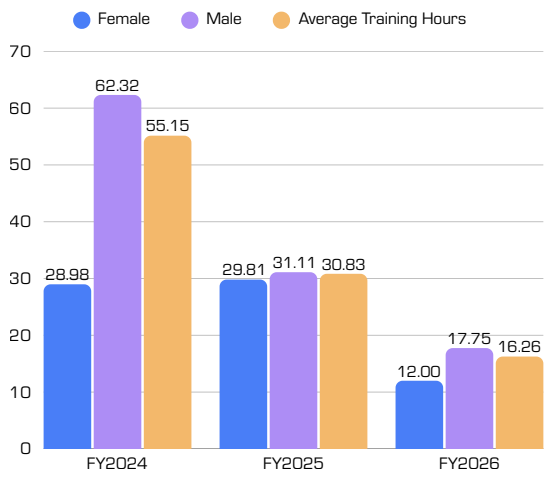
Learning & Development

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

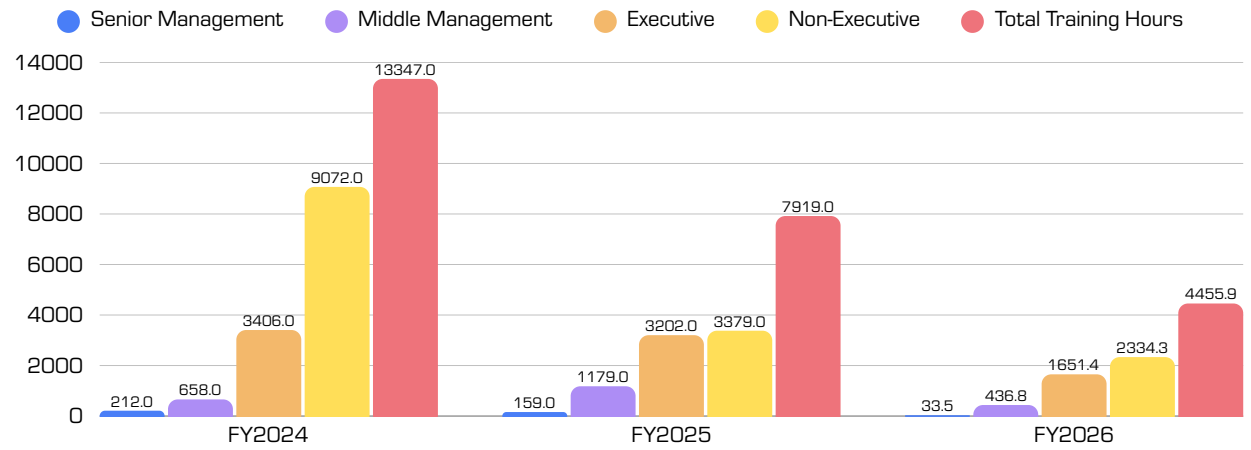
Total Training Hours by Gender



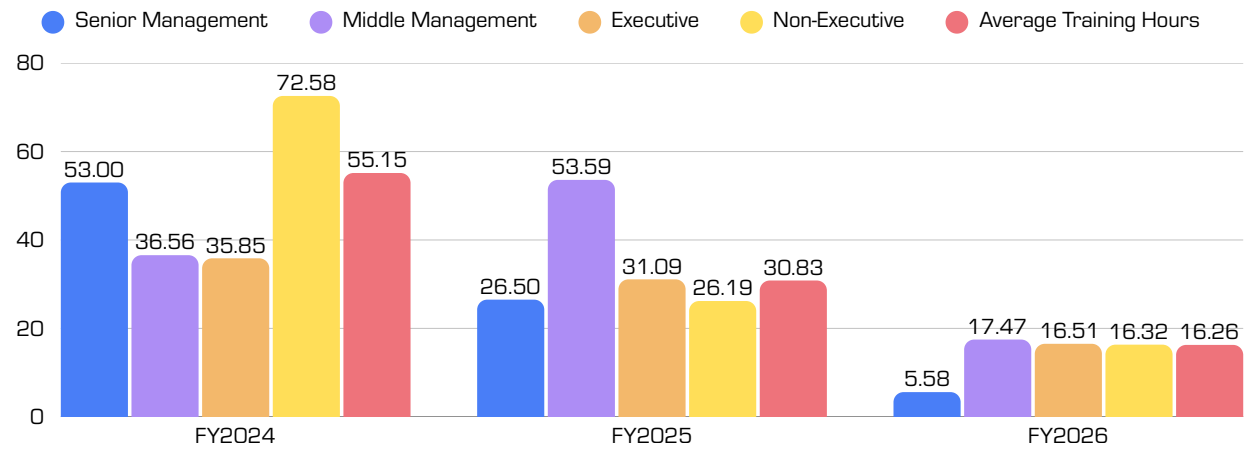
Average Training Hours by Gender



Total Training Hours by Employee Category



Average Training Hours by Employee Category



Human Rights

Techbond upholds the human rights of all employees and actively supports local communities. We ensure respect for human rights across our operations and throughout our extended value chain by conducting business in an ethical and sustainable manner. Our practices are aligned with the UN Guiding Principles on Business and Human Rights (UNGP), including continuous, proactive human rights values and the provision of accessible grievance mechanisms to identify, prevent, and mitigate potential impacts as an integral part of our business processes.



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



2. Safe Working Environment
Provides a safe and healthy workplace, free from discrimination and harassment.



3. No Abuse & Harassment
Prohibits physical abuse, harassment of associates and threats of either.



4. No Forced, Child Labour
Does not use child, forced, prison, indentured or involuntary labour.



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



6. Freedom of Association
Respects employee's right to associate and communicate with management through open workplace dialogue.



7. Right to Collective Bargaining
Recognises the right to collective dialogue and bargaining regarding terms of employment.

Employment Salary & Benefits

Techbond provides its employees with comprehensive benefits packages that comply with local legal requirements. These benefits are designed to be both competitive and equitable, fostering a healthy work-life balance. We strictly adhere to all statutory mandated benefits, which include:

Minimum Wage
Guaranteed compliance with all local statutory Labour laws

Working Hours
Regulated scheduling to eliminate excessive hours and safeguard well-being

Various Allowances (T&C Applies)
Petrol, Car, Meal, Training, Attendance Allowance, Hardship Allowance, Shift Allowance

Insurance
Such as Group Personal Accident Coverage

Medical Cover
Such as Group Hospitalisation & Surgical Insurance & Medical Benefits

Dental & Optical Care
Comprehensive Health Support, Preventive Care Accessibility & Personalised Wellness

Leave
Annual, Medical, Hospitalisation, Maternity, Paternity, Marriage, Replacement, Casual Leave & etc.

Designated Prayer Room
Designated Prayer Room For Muslim Employees for Inclusive Workplace Environment

Gym Facilities
Promote Physical Fitness, Health & Wellness

Entertainment Facilities
Employee Engagement, Workplace Balance Stress Management

Sports Club
To Build The Bonding Within Employees In The Organisation & Promote Balance Between Work & Play Time



Employee Engagement

At Techbond Group, fostering strong employee engagement is a critical pillar of our business strategy and operational success. We have adopted an open-door policy that encourages all employees to openly discuss work-related concerns with their immediate supervisors. This initiative is further supported by regular management meetings, where employees are invited to voice their perspectives, thereby promoting a transparent and inclusive workplace culture.

Departmental managers play an essential role in this engagement framework by escalating significant issues to higher management, ensuring that concerns are addressed promptly and appropriately. Each department holds regular internal meetings to resolve operational challenges, provide direction, and implement actionable solutions. In alignment with our commitment to performance excellence, we conduct a Monthly 5 Pillars Meeting, which serves as a platform to review depart mental progress against defined Key Performance Indicators (KPIs). This is complemented by monthly performance appraisals that provide structured feedback to employees, enabling continuous personal and professional development.

To reinforce internal governance and access to company information, the Techbond Employee Handbook, which details the Group's policies and procedures, is made readily available to all employees. Additionally, the Group's Anti-Bribery Policy outlines the formal whistleblowing channels through which employees and external parties can report suspected bribery, misconduct or unethical behaviour that may adversely impact the Group's integrity or stakeholder trust. Any suspected bribery should be reported immediately through Techbond Group Berhad's designated whistleblowing channels, either via email at whistleblowing@techbond.com.my or through the suggestion box. All disclosures are handled with strict confidentiality to protect the identity of whistleblowers. In financial year 2026, the Group recorded zero whistleblowing cases.



Employee Welfare

As part of its commitment to the Social pillar of ESG, Techbond Group Berhad continues to foster employee well-being, engagement, and workplace connectivity through a wide range of welfare, cultural, and team-building initiatives. In FY2026, the Group strengthened employee motivation and leadership alignment through its CEO Day programme, which provided employees with direct engagement opportunities with senior leadership while promoting open communication, inspiration, and a shared sense of purpose across the organisation. This was further complemented by various team-building activities, including a collaborative outing to Sunway Lagoon involving both the Malaysia and Techbond Vietnam teams, as well as a field trip to Gopeng featuring kayaking, glamping, and hiking activities aimed at encouraging teamwork, resilience, and stronger interpersonal relationships among employees.



The Group also hosted its milestone Annual Dinner themed "Oscar Night", creating a vibrant and memorable platform for employees to celebrate together outside of the workplace. The event featured games, live entertainment, gifts, and interactive activities designed to strengthen employee engagement and camaraderie. Employees were encouraged to dress up and cosplay as iconic movie characters, with best dressed awards presented to participants who demonstrated exceptional creativity, enthusiasm, and team spirit. During the fasting month, the Group further organised Buka Puasa and break-fast gatherings that brought employees together in the spirit of unity, appreciation, and inclusivity while strengthening relationships across different departments, backgrounds, and cultures. Collectively, these initiatives provided meaningful opportunities for employees from different regions and operating entities to connect beyond their daily professional responsibilities, reinforcing a positive and connected workplace culture that supports long-term organisational success.





Techbond Group remains committed to cultivating a positive, inclusive, and enjoyable working environment through structured training programmes, comprehensive staff benefits, and company-wide social initiatives. The Group regularly organises cultural celebrations, recreational activities, sports events, and farming sessions that encourage meaningful interactions across all levels of the organisation while celebrating the diversity of its workforce. In FY2026, this included Buka Puasa and Eid gatherings, Mid-Autumn Festival celebrations, Christmas events, and various employee appreciation activities across multiple operating locations. At Techbond Headquarters, employees collectively decorated and set up a Christmas tree, fostering teamwork and festive spirit, while the Techbond Vietnam team celebrated with games, food, and gift-sharing activities. Techbond Vietnam also organised a Mid-Autumn Festival gathering where employees and their families came together to enjoy traditional food and strengthen social bonds outside of the workplace. These initiatives continue to enhance employee morale, strengthen organizational culture, and create opportunities for employees to build stronger personal and professional relationships across the Group.



In line with its commitment to employee welfare and social responsibility, Techbond Group also provides comprehensive insurance protection for all employees through its Group Personal Accident ("GPA") and Group Hospitalisation & Surgical ("GHS") coverage plans. The Group's 24-hour GPA policy provides year-round protection against unforeseen incidents, including accidental death, permanent and temporary disablement, medical treatment, and funeral expenses (T&C Applied). This is complemented by GHS coverage, which ensures employees have access to necessary hospitalisation, medical care, and surgical treatment when required. By providing robust financial and healthcare protection, Techbond Group reinforces its commitment to prioritising employee health and safety, enhancing workforce resilience, and upholding the Social pillar of its ESG framework while fostering a supportive and responsible workplace environment.

As part of its commitment to creating long-term positive impact beyond the workplace, Techbond Group Berhad actively engages with local stakeholders and communities through initiatives focused on financial well-being, environmental stewardship, and community development. In FY2026, the Group collabourated with Kumpulan Wang Simpanan Pekerja ("KWSP") to organise employee engagement sessions aimed at increasing awareness and understanding of Employees Provident Fund ("EPF") benefits, retirement planning, and long-term financial security. Beyond supporting employees individually, these sessions also highlighted the importance of financial preparedness for employees' families and dependents, helping employees better plan for their household financial stability and future well-being. By equipping employees with practical financial knowledge and retirement insights, Techbond continues to foster a more financially resilient workforce and community.



In addition, Techbond Group collabourated with local government authority that manages and administers the city to repurpose an unused plot of land adjacent to Techbond Manufacturing into a community-driven green space dedicated to planting vegetables and fruit-bearing plants. This initiative transformed previously idle land into a productive and sustainable area capable of contributing fresh produce back to employees and the surrounding community. Beyond improving the environmental value of the area, the project also serves as a platform to encourage community participation, urban greening, and sustainable living practices while maximizing the use of underutilised spaces for long-term social and environmental benefit.





To further strengthen environmental awareness and responsible waste management, Techbond also introduced composting initiatives within the community land area. Employees were encouraged to contribute suitable household food waste and organic materials, allowing everyday waste to be transformed into reusable natural fertilizer that supports the growth of plants within the garden. In addition to food waste, dried leaves collected around the facility compound were also incorporated into the composting process. These leaves, if left unattended, could accumulate and clog nearby drainage systems during heavy rainfall, potentially contributing to localised flooding risks. By repurposing them into compost material, Techbond not only reduces waste but also proactively improves site cleanliness and environmental reducing the Physical Flood Risk in the surrounding area (Pg 19) .



Further reinforcing the Group's circular economy approach, old and damaged Intermediate Bulk Container ("IBC") tanks that were no longer suitable for operational use were creatively repurposed into composting pits instead of being discarded as waste. This initiative demonstrates Techbond's commitment to maximising resource efficiency by transforming unused materials into practical environmental solutions. The Group also shared practical composting knowledge and sustainability insights with employees, empowering them to adopt similar practices at home and encouraging more environmentally conscious lifestyles within the wider employee community. Through these collective efforts, Techbond continues to create meaningful environmental and social value by strengthening community engagement, reducing waste, enhancing urban biodiversity, and promoting sustainable living practices both within and beyond the workplace.

OCCUPATIONAL
SAFETY & HEALTH

Safety Commitment and Regulatory Compliance

At Techbond Group, workplace safety is a fundamental priority integrated into every facet of our operations. We are dedicated to sustaining a work environment free from preventable hazards, safeguarding the health and well-being of all employees and contractors. Our objective is to foster a risk-conscious, safety-first culture with a steadfast goal of achieving zero accidents across the Group. This is supported by comprehensive safety training that equips our workforce to proactively identify and mitigate risks through adherence to ISO-certified standards.

Our commitment to operational excellence is validated by a robust framework of certifications across our regional operations. Our Vietnam plant, Techbond MFG (Vietnam) Co. Ltd., is certified under ISO 45001:2018, representing 33.33% of the Group's total operational entities. In Malaysia, Techbond Manufacturing Sdn. Bhd. HQ operates under the DOSH Certificate issued by the Department of Occupational Safety and Health, also accounting for 33.33% of our Group coverage. These certifications ensure that our manufacturing footprint adheres to the highest local and international safety benchmarks while reinforcing a culture of individual responsibility and collective accountability.

At TECHBOND Vietnam, workplace safety is equally central. By adopting ISO 45001:2018, we proactively manage risks and continuously improve health and safety, aiming to

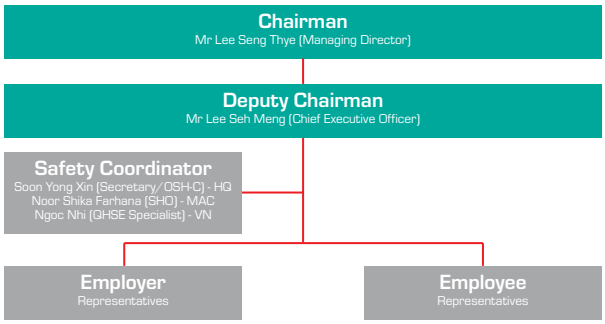
- Prevent injuries and ill health
- Promote well-being
- Foster a culture of responsibility
- Ensure legal compliance
- Engage employees in safety matters

The Safety & Health Committee and Governance

The Safety & Health Committee holds a vital governance role in monitoring the implementation and effectiveness of the Group's Occupational Safety and Health (OSH) programs. Convening quarterly, the Committee rigorously identifies, evaluates, and addresses emerging health and safety risks. Additionally, the role of the Safety & Health committee involves but is not limited to:

1. Review Safety & Health Procedures At The Workplace
2. Inspect Workplace
3. Investigate Any Accidents Or Other Related Matters That Are Raised
4. Investigate Safety & Health Related Complaints

We prioritise a culture of responsibility and collective accountability to reinforce our commitment to a zero-harm workplace. Every employee is expected to assume ownership of safety practices in their daily activities, thereby strengthening a proactive and vigilant safety culture.





Occupational Health and Safety (OHS) Management System

To support this commitment, we have implemented a robust OHS Management System that serves as a strategic framework guiding our health and safety practices. This system details our procedures for incident management, risk evaluation, and continuous improvement, reinforcing Techbond's unwavering dedication to fulfilling our Environmental, Social, and Governance (ESG) responsibilities. Key components of this system include:

- Accident and Incident Reporting and Investigation
- Safety & Work at workplace, Security Practices
- Safe Practices – labouratory, labouratory Waste, Production,
- Engineering
- PPE Policy, HiRARC
- Forklift Safety Operation
- Emergency Response Procedure
- Safety Handbook, Safety Audit
- QHSE Handbook, QHSE objectives and policies
- Contractor management, work permits
- Waste and wastewater management
- Chemical spillage management

Risk Assessment and Operational Lifecycle

We implement a robust risk management framework tailored to the specific demands of both new developments and ongoing operations.

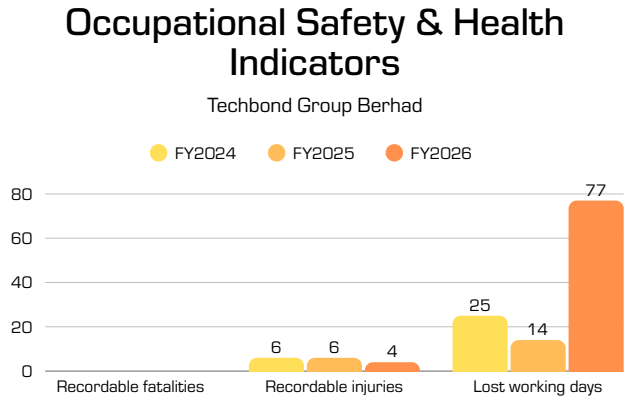
For all new projects, including new machinery, operational workflows, or product development, we enforce a rigorous phased testing regime. This process involves but is not limited to phases such as Lab Scale Testing and Pilot Testing, where the necessity of each phase is determined by specific risk factors to ensure operational agility. A comprehensive HIRARC (Hazard Identification, Risk Assessment, and Risk Control) is mandatory at every phase utilised. Progression to full scale operation is strictly permitted only after the successful mitigation of all risks identified throughout these active stages.

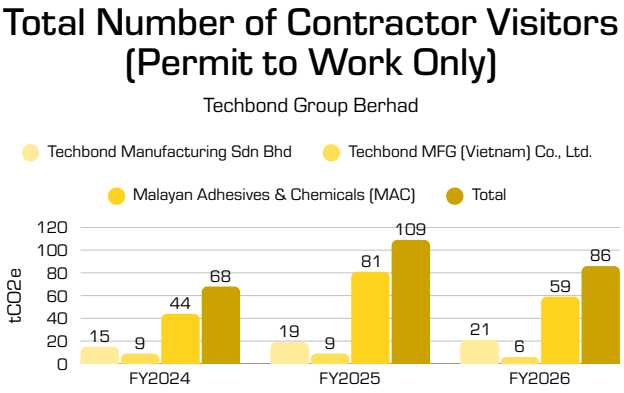
For all established and existing projects, safety is maintained through a continuous monitoring cycle. HIRARC is applied to every operation at any time to ensure that hazard controls remain effective against environmental changes, equipment wear, or process optimisations.

Occupational Safety and Health Performance Indicators

To maintain high levels of engagement and awareness, employees are regularly updated through briefings and internal communications that emphasise Techbond's mission, vision, and safety policies, while providing timely information on relevant health and safety matters. Our Occupational Safety and Health performance is systematically tracked using key performance indicators detailed below. These safety indicators provide a consolidated overview of our performance, representing the total coverage of all Group entities including Techbond Manufacturing Sdn. Bhd. in Malaysia, Malayan Adhesives and Chemicals (MAC) in Malaysia, and Techbond MFG (Vietnam) Co. Ltd. in Vietnam. In the graph below, definitions apply as follows:

- **Recordable Fatalities** - *The total number of work-related fatalities case that occurred during the reporting period.*
- **Recordable Injuries** - *The total number of work-related injuries and illness case that occurred during the reporting period.*
- **Lost Working days** - *The total number of workdays lost due to work-related injuries or illnesses during the reporting period.*
- **Total No. of contractor** - *Applicable to contractors who enter premise with permit to work only, exclude investors, visitors, suppliers, customers.*





Health and Safety Training Disclosure

The Group systematically tracks, records, and reports all dedicated Health and Safety training initiatives across our operations. While broader operational training programs may occasionally incorporate brief safety mentions or brief introductory safety talks, tracking every instance where safety is incidentally referenced is neither feasible nor material to our overall sustainability disclosures. Consequently, our formal reporting focuses on structured, material Health and Safety training programs that effectively drive our workforce safety culture.

Number of Employees Trained on Health & Safety Standards	FY2025	FY2026
Safety Training	**260**	**252**
General Training (Covering Safety)	-	-

Safety Precaution

Continuing our trajectory of safety excellence into FY2026, Techbond Group Berhad recorded a total of recordable injuries to 4 cases, we experienced 77 lost workdays. This performance across all Group entities is the direct result of strict adherence to Standard Operating Procedures (SOPs), routine safety audits, and the successful integration of our phased risk assessment procedures, ensuring our rigorous protocols safeguard our workforce while maintaining uninterrupted operational productivity.

Looking forward, we remain fully committed to driving down incident rates by continuously adapting our safety programs to evolving operational needs. To reinforce a proactive safety culture, we are implementing targeted safety training sessions designed to further equip employees with the specialised capabilities required to identify hazards and respond effectively across all organisational levels.



Case 1: Glue Spreader Roller Trap Incident from Insect Distraction

On November 5, 2025, a workplace incident occurred at the Technical Area in Techbond Muar when a technician was servicing a stationary glue spreader machine. While checking the machine with one hand on the "on" switch button, a bee hovered around, causing the technician to try to chase it away with the other hand, which resulted in the right hand touching the roller and becoming trapped between the metal and rubber rollers. This incident was caused by an external environmental distraction combined with interacting with an active machine component. Immediate corrective measures involved a coworker using a stick to help release the hand, immediately transporting the injured employee to the hospital for treatment at 5:45 pm, and granting a 6-day medical certificate leave. Moving forward, the facility is implementing the "Stop and Isolate" rule for distractions requiring operators to power off the machine before attending to any distractions, displaying a clear reminder label near the control panel, and updating Safety Operation Procedure

Case 2: Silicon Box Hot Material Burn

On January 27, 2026, an operator sustained a hand burn injury when hot material spilled while he was moving an overfilled container from the packing area to a high rack. The root causes of this accident included poor work planning, improper handling techniques, exceeding maximum fill levels for the container, and handling excessive rack heights. Immediate actions included rushing the injured employee to the clinic for medical attention and executing standard first aid protocols. Moving forward, management is strictly enforcing safe work procedures regarding cooking and cleaning, capping maximum fill levels for containers, and re-evaluating ergonomic rack heights to minimise manual handling hazards.

Case 3: Mixer Tank Valve Splasher Burn

On June 4, 2024, operator opened a mixer tank valve during the de-bubbling stage of cooking, causing molten adhesive to splash out and severely burn his right hand. This incident stemmed from a failure to adhere to standard operating procedures, which require opening the mixer tank valve only after the packing process is fully completed and initially cracking it open partially to bleed off residual pressure gradually. The immediate response involved sending the injured employee to the hospital and planning updates to safety work procedures alongside targeted retraining. Moving forward, the plant is extending the mixer tank discharge valve from eye-level down to a knee-level position to maintain a safe physical distance for operators, enforcing strict adherence to operational sequences, and executing comprehensive refresher training.

Case 4: Plant Dust Fire and Explosion

On July 8, 2025, a product fire was discovered at product tank in the manufacturing plant in MAC. While personnel attempted to clear product, an unexpected burst of fire erupted from the product tank discharge point, injuring a worker and causing material and structural damage. The event was triggered by product overheating coupled with the absence of a temperature monitoring system at the product tank to flag abnormal thermal conditions, alongside procedural execution during inspection without recognising an active hotspot. Immediate emergency responses included activating the fire hydrant, rushing to the safety shower followed by the hospital, initiating an internal Hazard Identification, Risk Assessment and Risk Control (HIRARC) review, and drafting revised operating manuals. Moving forward, the facility is installing continuous temperature indicators at product tanks, mandating Emergency Shutdown (ESD) protocols whenever hotspots occur, and executing mandatory safety refresher training for all operational teams.





Health Examination & Occupational Disease Examination

At Techbond Group Berhad, we place a strong emphasis on the health and well-being of our employees, especially those frequently exposed to chemicals and industrial working environments in their daily activities. The Group provides annual health screenings for high-frequency contact personnel through appointed healthcare practitioners and on-site medical assessments conducted by certified professionals, ensuring convenient and consistent health monitoring while also providing nutritious meals to support employee well-being during the process. In FY2026, Techbond further strengthened its workplace health and safety initiatives through collabourations with NUUN Consultant Sdn Bhd for Ergonomic Risk Assessments ("ERA") and ergonomic training programmes to evaluate employees' daily work postures, repetitive movements, and potential musculoskeletal risks. Employees were guided on proper posture techniques, safe manual handling practices, and preventive measures to reduce the risk of aches, discomfort, and long-term ergonomic-related injuries, promoting a healthier and more productive workplace.

The Group also collabourated with Earwright Service and Consultant to conduct audiometric testing and workplace hearing health compliance assessments for employees working in noise-intensive industrial environments. This initiative supports the early detection of hearing-related risks, protects employees' long-term hearing health, and strengthens compliance with occupational safety requirements to improve overall workplace health and safety standards. In addition, Techbond partnered with Klinik Lourdes to conduct comprehensive employee health check-ups that support early identification of potential health concerns and encourage proactive health management. Collectively, these initiatives strengthen the Group's preventive healthcare efforts, foster a strong safety-first culture, reduce the risk of occupational illnesses and injuries, and support a healthy, active workforce that contributes positively to operational resilience, long-term productivity, and the well-being of the communities in which Techbond operates.

Safety & Health Initiatives

The Group has developed the following safety and health initiatives:



Chemical Spillage Control Procedure

In the event of a chemical spill, designated cleaning procedures and suitable storage containers are utilised to minimise environmental contamination. All employees are equipped with appropriate personal protective equipment and receive comprehensive spill response training to ensure preparedness. These protocols safeguard our employees from physical hazards while protecting the surrounding community by preventing hazardous runoff into local ecosystems, reinforcing our commitment to environmental stewardship.



Forklift Test

In the factory's daily operations, forklifts are essential tools used to transport products from one location to another. To ensure safe forklift operation, annual competency tests are conducted. These evaluations assess key skills, including manoeuvring in confined spaces, transporting products efficiently, and operating the forklift in reverse.



EV Forklift training

A transition of diesel forklift to EV forklift, usage training was conducted to all production employees to ensure their safety by knowing the proper way to handle EV forklift. Training was provided by the professional and ensuring the employees understand each steps to operate the forklift.



Emergency Response Team (ERT)

An Emergency Response Team (ERT) has been established to effectively manage workplace emergencies and administer first aid prior to the arrival of medical professionals. The ERT is supported with strategically placed first-aid kits across the manufacturing, research and development, and office areas to ensure prompt and efficient response in the event of an incident.

Emergency Preparedness & Response

Techbond is steadfast in its commitment to safeguarding the well-being of our employees and the surrounding communities by maintaining the integrity of our infrastructure and upholding rigorous emergency preparedness standards. As part of our Environmental Management System aligned with ISO 14001:2015, we have implemented a comprehensive Emergency Preparedness and Response Procedure, managed by our dedicated Safety Team. This team is tasked with effectively handling emergency situations in real-time and mitigating any potential environmental impacts through prompt and coordinated response actions.

To ensure operational readiness, the Safety Team regularly conducts inspections, testing, and maintenance of essential firefighting and safety equipment, including fire alarm systems, fire extinguishers, emergency exit lighting, hydrant systems, and hose reels. In FY2025, we enhanced our emergency preparedness program by introducing chemical spillage response training for production personnel. This initiative equips employees handling hazardous materials with thorough knowledge of the Group's standard operating procedures (SOPs), thereby minimising risks to human health and the environment during chemical management and disposal activities.





Our Emergency Preparedness & Response also outlines the procedures for the following incidents	
Chemical Emergency Response	**Accident Treatment**
(a) Liquid Release (b) Gaseous Release	(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 firmly believes that prioritising employee well-being is essential to fostering a safe and healthy work environment. Following the acquisition of our new subsidiary, all its employees will undergo comprehensive training on our Emergency Response Plan, with a focus on fire, electric shock, and accident scenarios. This training, aligned with the ISO 14001:2015 Environmental Management System, is designed to strengthen incident containment and ensure effective response management.





Our social responsibility extends to our suppliers. The Supplier Code of Conduct requires partners to provide safe and healthy working conditions, prohibit child Labour and forced labour, ensure non-discrimination, and respect workers' rights to freedom of association and collective bargaining. Compliance with these principles is monitored through supplier evaluations and audits.

BUSINESS
WITH INTEGRITY

Upholding key business ethics and principles

Techbond is unwavering in its commitment to responsible corporate citizenship, consistently upholding the highest standards of ethical conduct and integrity. We acknowledge our critical responsibility to embed ethical behaviour throughout the Group, recognizing that integrity is essential for sustainable, long-term success.

Our dedication to compliance and integrity forms the foundation of our ethical business practices and corporate governance. We enforce a strict zero-tolerance policy towards corruption and any legal violations, fully committed to adhering to all applicable laws and regulatory requirements. To ensure accountability and responsibility across all organizational levels and stakeholder relationships, we have implemented robust policies, procedures, and governance frameworks.

This zero-tolerance stance is supported by a comprehensive compliance framework designed to guarantee that all business activities conform to legal standards. Our management team is collectively responsible for ensuring that all decisions and operations align with legal obligations and reflect our core organizational values and policies.

We remain steadfast in our obligations to all stakeholders, striving to maintain the integrity of our operations while fostering sustainable value creation. Guided by respect for social norms and international principles, we conduct our business with unwavering ethical standards, transparency, and account ability that are deeply embedded in our corporate culture.



Corporate Culture

We have established robust internal mechanisms and procedures to promote transparency and accountability throughout our entire value chain. The Board operates in accordance with the principles set forth in the Board Charter, which is informed by the Malaysian Code of Corporate Governance (MCCG). This Charter provides a comprehensive framework for Directors, clearly defining their roles, responsibilities, and obligations to comply with applicable laws and regulations. It also highlights the Group's commitment to advancing gender diversity within the Boardroom. The Charter is subject to regular review to ensure continued alignment with evolving governance codes, legal requirements, and best practices.

In parallel, members of the Audit Committee, Nomination Committee, and Remuneration Committee execute their responsibilities guided by their respective Terms of Reference (ToR), which articulate their objectives and duties in supporting the Board's governance functions. Additional policies and procedures implemented 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
m) Sustainable Supply Chain Group Policy

Techbond is deeply committed to maintaining the highest ethical standards in all business conduct and interactions to protect the Group's reputation. A comprehensive set of policies and procedures applies to all Directors and employees across the organization at all times. These codes and policies are periodically reviewed and updated as necessary to ensure continued compliance with current laws and regulatory requirements.

All Polices are Relevant & 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

At Techbond Group, we recognise that our responsibility extends across our entire value chain. Strengthening our Supplier Code of Conduct to embed environmental, social, and governance (ESG) requirements is a strategic priority, essential to building resilience and creating long-term, sustainable value for all stakeholders.

At Techbond, integrity is a fundamental pillar of our business philosophy, deeply embedded in our corporate culture and supported by a comprehensive governance framework. We enforce a strict zero-tolerance policy against all forms of corruption, bribery, and unfair trade practices throughout our entire value chain, ensuring that both our internal operations and our external partnerships are conducted ethically and responsibly. Guided by our Supplier Code of Ethics, we conduct rigorous assessments during the qualification process, evaluating partners on material quality, fair Labour practices, and adherence to international standards such as ISO 9001:2015 and ISO 14001:2015. Through regular due diligence and ESG audits, we continuously monitor compliance to ensure all partners align with Techbond's benchmarks for quality and ethical operational conduct.

Ethics & Integrity

To facilitate this transition, we have translated our core policies into multiple regional languages, bridging communication gaps and providing essential clarity for our diverse operations. Our approach for FY2026 emphasizes a commitment to ongoing communication and the development of targeted support for supplier staff. By focusing on these clear channels of engagement, we aim to ensure our standards are understood and effectively implemented as we work toward deeper supply chain integration.

Acknowledging that the industry is navigating a period of gradual transformation, we recognize that partners possess varying levels of readiness for these evolving requirements. By adopting an inclusive, phased approach, we provide our suppliers with the necessary runway to align with our expectations. This strategic guidance ensures that our entire supply chain moves toward a shared culture of collective accountability and operational excellence at a sustainable and realistic pace.





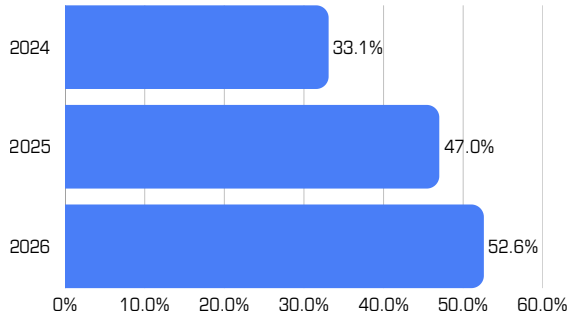
Supplier Risk Assessment

As part of this process, we conduct risk assessments for both existing and new suppliers to identify High, Medium, or Low risks regarding ESG issues. We work closely with suppliers through evaluations, site visits, meetings, and corrective actions to secure sustainable, high-quality goods and services. Key priorities include competitive pricing, sustainable packaging, and adherence to social standards, specifically ensuring fair Labour practices and human rights across our supply chain. Customer satisfaction is strengthened through feedback and audits, while transparency and social responsibility are upheld via site inspections, data privacy protections, and strict adherence to our Code of Ethics. This collaborative approach minimises social risks and ensures that our growth contributes positively to the communities within our network. While these assessments guide our internal mitigation strategies, specific audit results and supplier ratings are omitted from this report to maintain commercial confidentiality.

Fair Trade Practice

As part of Techbond initiative to support local community, local procurement adds value to local communities. The Group is committed to involve local suppliers to stimulate economic growth in the regions where the Group operates. It prioritizes local suppliers to enhance accessibility, communication, logistics, and prompt responses. The company consistently monitors its ratio of local to overseas suppliers with the aim of sourcing more local raw materials to bolster local industries.

PORTION OF SPENDING ON LOCAL SUPPLIERS



The Group regularly reviews its packaging materials to continuously identify opportunities for waste and cost reduction, including the use of flexi-bags within shipping containers. This strategy significantly reduces dependence on metal drums, and ongoing initiatives aim to recycle flexi-bags to further minimise waste generation to create a better environment impact.



Code of Conduct

Techbond Group acknowledges its responsibility as a developer and manufacturer of industrial adhesives and is committed to acting as a responsible corporate citizen. The Company recognizes the importance of conducting business in line with internationally accept ed standards and best practices.

The core principles, strongly endorsed by the Board and senior management, are outlined in the Company's Corporate Code of Conduct and Ethics Policy (the "Code"). This Code applies to Techbond Group Berhad, all its subsidiaries (collectively, the "Company"), as well as its employees and officers. Failure to comply with these standards may result in disciplinary measures, including termination of employment.

The Code embodies our fundamental values and establishes the behavioural standards that uphold the highest levels of professional ism, legal compliance, and ethical conduct. These principles guide our interactions with customers, suppliers, shareholders, competitors, the communities in which we operate, and all employees within the Company.

Additionally, the Company is committed to fostering a workplace environment free from harassment and discrimination across all locations. We prioritize mutual respect among colleagues and strive to cultivate a positive atmosphere that promotes outstanding performance and exemplary conduct. The Company embraces the following core 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
- Dealings with public officials.

All Board members and employees have completed training on the Anti-Bribery Management System (ABMS) Policy. Furthermore, ABMS training is mandatory for all new hires as part of their induction program. In FY2025, every new employee participated in ABMS training during on boarding. Additionally, all staff are required to attend an annual refresher course and complete an online declaration and assessment to reaffirm their understanding, awareness, and adherence to Techbond's corporate policies, including the ABMS Policy. This training program also extends to Techbond Vietnam and our recently acquired subsidiary, Malayan Adhesives and Chemicals Sdn Bhd.

The Managing Director holds overall responsibility for ensuring compliance with anti-corruption policies and regulations. It is incumbent upon all employees to actively prevent and report any instances of corruption, bribery, suspicious activities, or misconduct through designated whistleblowing channels. Any employee found to have engaged in bribery will face disciplinary action, up to and including immediate termination.

The Group places great importance on fostering and maintaining positive relationships with Business Associates. To uphold industry standards and best practices, all Business Associates are required to understand and comply with the Anti-Bribery Management System Policy. Throughout FY2025, all employees received briefings on the Malaysian Anti-Corruption Commission (MACC) Act, and there were no reported cases of corruption or bribery involving our personnel.

Material Matters	FY2024 Performance	FY2025 Performance	FY2026 Performance
Percentage of operations assessed for corruption-related risks	100%	100%	100%

Whistle Blowing Channel

Techbond Group's Whistleblowing Channel establishes a secure and confidential channel for reporting instances of negligence, misconduct, or malpractice involving Directors, management, or employees. All reports are handled anonymously, with whistleblowers safeguarded against retaliation in accordance with the policy's provisions and procedures.

Reports relating to illegal activities may be directed to the Chairman of the Audit and Risk Management Committee or the Group Managing Director. Oversight of the channel is conducted by the Audit and Risk Management Committee, which undertakes periodic reviews to ensure its ongoing relevance and effectiveness. Any amendments to the policy require approval by the Board. In FY2026, Techbond recorded zero (0) whistleblowing reports.

Aligned with our comprehensive anti-bribery and anti-corruption commitments, suppliers, contractors, and service providers are mandated to maintain a confidential and accessible platform for their employees to report violations of the Supplier Code of Conduct. Such reports must be thoroughly investigated by the responsible parties, with appropriate corrective measures implemented.

Regulatory Compliance

Techbond Group has implemented comprehensive frameworks to ensure full compliance with all applicable laws and regulations while maintaining agility to adapt to changes in the regulatory environment. We rigorously adhere to statutory and regulatory requirements in every jurisdiction where we operate. As a multinational organization, we have established measures to stay abreast of evolving legal obligations across our diverse markets.

To support this commitment, we engage professional experts to conduct internal audits that evaluate our compliance with relevant laws and track regulatory updates. These audits generate detailed reports highlighting key findings and identifying any instances of non-compliance or potential risks. Our compliance framework also defines clear protocols for both internal and external audits involving Techbond and pertinent stakeholders in cases of non-compliance. Notably, Techbond recorded zero non-compliance incidents in FY2025.

Material Matters	Target	FY2024 Performance	FY2025 Performance	FY2026 Performance
Ethics & Integrity	Zero confirmed cases of corruption within Techbond	Achieved	Achieved	Achieved
Ethics & Integrity	Zero fines and penalties from the authorities on unethical practices	Achieved	Achieved	Achieved
Regulatory Compliance	Zero non-compliance of applicable laws and relation year-on-year	Achieved	Achieved	Achieved



Data Protection

In light of the heightened cybersecurity risks intensified by the accelerated digital transformation, Techbond has prioritized safeguarding confidential company information. To this end, we have implemented a comprehensive Information Security Policy that clearly delineates the responsibilities of all employees concerning the appropriate use of the company's email system. Furthermore, all employees are mandated to comply with the Personal Data Protection Act 2010 (PDPA), ensuring the responsible management and protection of personal and confidential data at all times.

Customer Privacy

We ensure the protection of our customers' data and privacy through well-defined policies and procedures. In FY2025, Techbond did not receive any substantiated complaints regarding breaches of customer privacy or loss of customer data.

Material Matters	Target	FY2024 Performance	FY2025 Performance	FY2026 Performance
Customer Privacy & Losses of Customer Data	Zero non-compliance of breaches of customer privacy and losses of customer data	Achieved	Achieved	Achieved

Cloud Based System

To enhance risk mitigation and minimize potential losses through proactive risk visibility, Techbond has invested in a cloud-based system that facilitates real-time connectivity across our operations. This platform supports centralized management, improves transparency, and reduces operational complexity. To safeguard against cyber threats such as viruses and ransomware, daily data backups are conducted routinely.

In FY2025, we maintained continuous monitoring of our cloud-based system to ensure optimal real-time performance and data integrity. Regular backups have strengthened internal communication and enabled seamless centralised access, fostering greater organisational efficiency and clarity. Additionally, the implementation of the SAP system at our recently acquired subsidiary, Malayan Adhesives and Chemicals Sdn Bhd, has further reinforced data protection and ensured cohesive system integration across the Group.

Material Matters	Target	FY2024 Performance	FY2025 Performance	FY2026 Performance
Data Protection	Zero cases of customer data mismanagement and breaches year-on-year	Achieved	Achieved	Achieved
Data Protection	Zero cases of data loss	Achieved	Achieved	Achieved

TECHBOND GROUP BERHAD

BMLR Transition Period

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Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Waste Water Management	Waste Water Treated	m3	15,748	11,894.120	-	Internal
Waste Management	Schedule Waste	kg	434,871	573,838	-	Internal
Waste Management	Recycled Waste	kg	92,782	56,115	-	Internal
Waste Management	Schedule Waste Intensity	(kg/unit kg)	0.027	0.036	-	Internal
Health & Safety	Safety Training Attendees	No. of Attendees	—	252	-	Internal
Health & Safety	Recordable Fatalities	No.	0	0	0	Internal
Health & Safety	Recordable Injuries	No.	6	4	0	Internal
Health & Safety	Lost Workday Injury Rate	No.	14	77	0	Internal
Data Privacy & Security	Cases of data loss, customer data mismanagement & breaches year on year	No.	0	0	0	Internal
Data Privacy & Security	Customer Privacy & Losses f customer Data	No	0	0	0	Internal
Anti-corruption	Number of Corruption Cases	No.	0	0	0	Internal
Women Representatives	Board Level	%	50%	50%	30%	Internal
Women Representatives	Executive Director	%	50%	50%	30%	Internal

TECHBOND GROUP BERHAD

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Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Waste Water Management	Waste Water Treated	m3	15,748	11,894.120	-	Internal
Waste Management	Schedule Waste	kg	434,871	573,838	-	Internal
Waste Management	Recycled Waste	kg	92,782	56,115	-	Internal
Waste Management	Schedule Waste Intensity	(kg/unit kg)	0.027	0.036	-	Internal
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Health & Safety	Recordable Fatalities	No.	0	0	0	Internal
Health & Safety	Recordable Injuries	No.	6	4	0	Internal
Health & Safety	Lost Workday Injury Rate	No.	14	77	0	Internal
Data Privacy & Security	Cases of data loss, customer data mismanagement & breaches year on year	No.	0	0	0	Internal
Data Privacy & Security	Customer Privacy & Losses f customer Data	No	0	0	0	Internal
Anti-corruption	Number of Corruption Cases	No.	0	0	0	Internal
Women Representatives	Board Level	%	50%	50%	30%	Internal
Women Representatives	Executive Director	%	50%	50%	30%	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Malayan Adhesives and Chemicals Sdn. Bhd. Energy Management	LPG Consumption	kg	95,250.00	0	-	Internal
Techbond Manufacturing Sdn. Bhd. Energy Management	LPG Intensity	kg / unit kg Output	0.024	0.023	-	Internal
Malayan Adhesives and Chemicals Sdn. Bhd. Energy Management	LPG Consumption	kg / unit kg Output	0.008	0	-	Internal
Malayan Adhesives and Chemicals Sdn. Bhd. Energy Management	Natural Gas Consumption	GJ	22,325.00	35,645.00	-	Internal
Malayan Adhesives and Chemicals Sdn. Bhd. Energy Management	Natural Gas Intensity	GJ / Unit kg Output	0.002	0.011	-	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Techbond Group Berhad Scope 1 GHG Emissions	CO2e	Tonnes	2,152.022	2,316.732	-	Internal
Techbond Group Berhad Scope 2 GHG Emissions	CO2e	Tonnes	2,783.077	2,485.682	-	Internal
Techbond Group Berhad Scope 3 GHG Emissions	CO2e	Tonnes	157.010	152.890	-	Internal
Techbond Group Berhad Total GHG Emissions	CO2e	Tonnes	5,092.110	4,955.304	-	Internal
Techbond Group Berhad GHG Emission Intensity	Intensity	kg of CO2e/Unit kg Output	0.316	0.315	45% Reduction By 2030 (FY2024 as Baseline)	Internal
Techbond Manufacturing Sdn. Bhd. GHG Emission Intensity	Intensity	kg of CO2e/Unit kg Output	0.109	0.108	45% Reduction By 2030 (FY2020 as Baseline)(Cover Scope 1 & 2 Only)	Internal
Techbond MFG (Vietnam) Co., Ltd. GHG Emission Intensity	Intensity	kg of CO2e/Unit kg Output	0.097	0.094	45% Reduction By 2030 (FY2024 as Baseline)	Internal
Malayan Adhesives and Chemicals Sdn. Bhd. GHG Emission Intensity	Intensity	kg of CO2e/Unit kg Output	0.277	1.023	45% Reduction By 2030 (FY2024 as Baseline)	Internal
Malayan Adhesives and Chemicals Sdn. Bhd. GHG Emission	CO2e	Tonnes	3,527.783	3,366.338	40% Reduction By 2027 (FY2024 as Baseline)	Internal
Techbond Group Berhad Water Withdrawal	m^3	m^3	84,825.691	63,844.840	-	Internal
Techbond Group Berhad Water Consumption	m^3	m^3	75,132.097	52,699.692	-	Internal
Techbond Group Berhad Water Consumption Intensity	m^3	m^3/Unit kg Output	0.00466	0.00335	To maintain 0.00335 intensity By Next Financial Year 2027	Internal