

SUSTAINABILITY STATEMENT

INTRODUCTION

Ta Win Holdings Berhad and its subsidiaries ("the Group") is in the business of (i) manufacturing copper rods, wires, cables, and other copper-related products which include wire harness, AC & DC power cords for electrical and electronic equipment and appliances; and (ii) development and management of the industrial eco-cycle park. The Board of Directors ("the Board") has the overall responsibility of the Group sustainability matters which are organized into 3 categories, namely economic, environmental, and social ("EES").

The Board is fully committed to carry out its activities in a sustainable manner and to deliver its strategic and operational objectives in accordance with the applicable laws and principles of good governance as well as high standards of integrity. These include efforts to engage with stakeholders and investors through various channels of communications such as our corporate website, quarterly financial reports, and Annual General Meeting.

This Sustainability Statement discloses material sustainability issues and impacts arising from the activities of the Group.

SCOPE OF REPORT

Period covered: 12 month period ended 30 June 2020 (July 2019 to June 2020)

COVERAGE

The scope of reporting covers the manufacturing site that is located in Malaysia. This Sustainability Statement is to be read in conjunction with the rest of the Company's Annual Report, which highlights other financial and non-financial aspects of our business.

ECONOMIC

The Group strives to maintain a high standard of corporate ethics, good corporate governance, and strict compliance with all legal and regulatory requirements.

The Group's long-term sustainability business is built on the trust and confidence of our customers by offering good quality products and services with competitive pricing as well as listening to the customers' feedback. Therefore, the Group regularly reviews the capital structure to ensure optimal functions and shareholder returns, taking into consideration future capital requirements and capital efficiency before the distribution of economic value to shareholders.

In addition, over 90% of our raw materials are supplied from overseas. Procurement is critical in facilitating the operations and the Group aims to build mutually beneficial relationships with the suppliers in the long run. The Group reviews the suppliers based on, price and payment terms, product and service quality, operation scale, and geographical proximity to the production facilities. The Group took reasonable efforts to conduct appropriate evaluation and assess the background information of the potential suppliers. The Group constantly monitors the performance of the suppliers - quotations from various suppliers are obtained to ensure the competitiveness of the pricing. Suppliers failing to fulfill the requirements on product and services quality may cause the Group to remove them from the approved supplier list.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENT

The Group recognizes the need for and importance of environmental conservation. The Group believes that it can play a part in managing its internal environment through waste management, energy savings, and water conservation. Environmental impacts on our Group's business are primarily energy usage and paper consumption.

The Management took steps to conserve energy and reduce the consumption of electricity by increasing production during non-peak hours where the tariff is lower. The Group reduced paper consumption by encouraging the employees to prioritize electronic copies such as to share and store documents and to reduce printing or photocopying. Employees are encouraged to practice 3 R's – Reuse, Reduce and Recycle in its daily activities both in the office as well as in the factory to improve our energy savings as well as reduce paper consumption.

Furthermore, the Group have discontinued the enamelled wire business not only for economic reasons but also for environmental reasons. Without enamelled wire production, our factory no longer uses its chimneys and hence air pollution is eliminated.

The Group is committed to implementing a culture of safety and health. This helps to enhance not only the working environment but also to protect and conserve the environment for the future generation. In this respect, all scrap copper wires are collected and sent for recycling, and then used again in our production since it is now more versatile and able to use recycled copper.

The Group ensures strict compliance with all environmental regulations and laws such as matters concerning the Akta Kualiti Alam Sekeliling (1974) (Malaysia). The Group are now in the process of obtaining the ISO 14001 (Environmental Management System) certification for our subsidiaries.

SOCIAL

The Group recognizes that human capital is the main impetus towards achieving its goals. The Management carries out the following steps:-

- Monthly performance evaluation to reward employees' contributions through increment and performance bonuses annually.
- Ensure competitive market remuneration package through benefit review exercise.
- Arrange various in-house training or developmental programs to equip its employees with the required skills and knowledge to stay ahead.

The Group ensured that the safety, health, and welfare of all employees were not compromised by consistently promoting a quality work environment and a healthy and safe workplace through various awareness campaigns that were in line with the established Occupational Safety and Health Policy.

In ensuring that safety and health were maintained at the highest level, there were ongoing efforts to promote an awareness of the corporate philosophy. This meant that all staffs adhered to the 6S concepts of Seiri (means Organise), Seiton (means Neatness), Seiso (means Cleaning), Seiketsu (means Standardization), Shitsuke (means Discipline), and Safety to improve the workplace all of which to ensure that employees' safety and health were duly protected at work.

The Group's contributions to the social sector include generating employment and business opportunities in its areas of operations. It also strives to provide a safe working environment for all its employees and business partners.