

SUSTAINABILITY STATEMENT

INTRODUCTION

Ta Win Holdings Berhad (“Ta Win” or “Company”), through its subsidiaries, is engaged in the manufacturing of copper rods and wires, power and signal distribution systems, high tension cable, battery cable, and other automotive components/parts for automobile and electric vehicles and other copper-related products, which include wire harness, AC & DC power cords for electrical and electronic equipment and appliances.

Ta Win’s sustainability leadership is led by the Company’s Board of Directors (“Board”). The Board oversees and ensures that Ta Win pursues its commercial objectives while remaining a responsible and sustainable organisation. The Company is committed to enhancing long-term shareholders’ value regarding the stakeholders’ economic, social, and environmental responsibility. These stakeholders include its customers, employees, shareholders, government and regulatory bodies, local communities, and the natural environment. In this Sustainability Statement, the Company aims to provide greater insight into sustainability practices based on Economic, Environmental and Social considerations in line with Bursa Malaysia Sustainability Reporting Guidelines.

SCOPE OF REPORT

The reporting period captured the sustainability performance of Ta Win and its group of companies (“Group”) from 1 July 2020 to 30 June 2021.

COVERAGE

The scope of reporting covers the entire operations of Ta Win and the subsidiaries in Malaysia, of which the Group has direct control and holds a majority stake. Accordingly, activities and operations of the associate company are excluded unless mentioned otherwise. This Sustainability Statement is to be read in conjunction with the rest of the Company’s Annual Report, highlighting other financial and non-financial aspects of the Group’s business.

STAKEHOLDER ENGAGEMENT

Although the Group has not formally engaged with all stakeholders, the Group has in place the following channels of engagement with various stakeholders:

| Stakeholders | Mode of engagement |
|---------------------------|--|
| Customers | <ul style="list-style-type: none"> Customers’ feedback Customers’ meetings |
| Employees | <ul style="list-style-type: none"> Management meetings Learning and development programmes Staff appraisals |
| Shareholders | Annual General Meetings |
| Suppliers | <ul style="list-style-type: none"> Suppliers’ feedback Suppliers’ meetings |
| Government and regulators | Regulatory requirements |
| Local communities | Community programmes |

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY AND AREAS OF FOCUS

Ta Win has conducted a series of materiality assessments to identify topics prioritised by the stakeholders to provide a framework for the Company's annual disclosure and alignment with the Group's strategic objectives. The stakeholders' feedback, combined with an assessment of industry trends and research, forms the key areas on which the Company's sustainability focus lies. These areas are:

- Business Ethics & Anti-Corruption
- Health and Safety
- Developing Human Capital
- Product Quality and Innovation
- Energy consumption

Business Ethics & Anti-Corruption

The Group strives to undertake all its business operations with integrity. A successful company seeks to gain stakeholders' confidence in the management of the business and ensure the company's reputation remains unblemished in the public eye. Corruption and fraudulent practices are some of the main causes of inefficiency for any business. These actions can result in serious ramifications, from criminal sanctions to the halting of further business activities and reputational damage in the areas the Group operates. As such, the Group takes strict measures to avoid any corruption and unethical business behaviour.

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) on corporate liability for corruption offences, the Company had, on 24 March 2021, adopted its Anti-Bribery and Anti-Corruption Policy. Ta Win believes the Anti-Bribery and Anti-Corruption Policy is key to making all employees equally responsible for preventing, detecting, and reporting bribery and other forms of corruption. As such, the Company has made the following policies available on Ta Win's corporate website at www.ta-win.com/investor-relations/corporate-governance and consistently informs stakeholders, including employees and business partners, about the principles of business conduct:

- (i) Code of Conduct and Ethics;
- (ii) Anti-Bribery and Anti-Corruption Policy; and
- (iii) Whistleblowing Policy.

Ta Win also encourages the employees to report any suspicious activities through Ta Win's whistleblowing channels. The reporting employee's identity will remain confidential without fear of being harassed, demoted, or experiencing any victimisation. Reported cases will be investigated thoroughly. If found to be of any merit, appropriate actions will be taken on the individual responsible for the wrongdoing, including a verbal reprimand, supervisory intervention, suspension, termination or even legal proceedings.

There has not been any incidence of conduct violation or breach during the reporting period.

Health and Safety

Health and safety procedures in the workplace are essential for the well-being of the Group's employees. Therefore, the Group does not compromise on the wellness and welfare of the Group's workforce, and risk mitigation strategies have been designed to reduce and prevent major accidents from happening.

Ta Win has structured internal safety and health programmes based on specific operation sites and work areas requirements. The orientation and job training on health and safety education aim to instil proper knowledge and eliminate unsafe working habits and attitudes that may result in possible accidents in the workplace. Employees are required to wear protective equipment such as safety shoes, masks and gloves at all times during work hours to minimise workplace hazards and prevent serious injuries.

During the reporting period, there were 3 work-related injury incidents reported but no fatalities within the Group. The Group will continuously raise awareness on health and safety measures among employees towards the potential risks in the operations to prevent workplace incidents.

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY AND AREAS OF FOCUS (CONTINUED)**Health and Safety (continued)**

At the onset of the COVID-19 pandemic, the Group takes several initiatives to address employees concerns about the employees' well-being. The Group has initiated the following COVID-19 measures to minimise business disruption during the COVID-19 pandemic:

- (i) suspension of employees' outstation and/or foreign business trip;
- (ii) mandatory self-isolation at home for 2 weeks without loss of pay for employees identified close contacts with COVID-19 patients;
- (iii) limitation of access and contact with external parties to Ta Win's facilities;
- (iv) handling business remotely with the use of virtual conference and video call systems;
- (v) supplying common areas with sanitisation and temperature checking;
- (vi) regular disinfection of company's vehicles and premises;
- (vii) providing adequate personal protective equipment; and
- (viii) conducting multiple COVID-19 screening using RTK antigen and RT PCR tests.

Ta Win also promotes vaccination among its employees. As at 30 September 2021, 98.2% of its employees have been fully vaccinated.

Developing Human Capital

Ta Win strives to be a fair and equitable employer that genuinely cares for the growth and future of its employees. Employees' performance, commitment and loyalty to the job are critical not only in achieving the Company's goal and objectives but, more importantly, for the Group's long-term survival and sustainability. For these reasons, Ta Win devotes special attention to these issues as part of the Company's human resource strategy.

Ta Win provides an industry-competitive remuneration package and staff benefits to attract talents. Besides appropriately scaled wages, Ta Win also offers numerous benefits for its permanent employees, including annual leave, sick leave, compassionate leave, disaster leave, maternity and paternity leave, marriage leave, and examination leave. The Company believes there is strength in diversity. It is privileged to draw on the talents of a varied workforce that is well-represented in terms of age, educational qualification, gender, and ethnicity.

The numbers and range of the Group's full-time employees are provided as below:

| Employees by Gender | As at 30 June 2020 | As at 30 June 2021 |
|-------------------------------|--------------------|--------------------|
| Male | 585 | 544 |
| Female | 87 | 100 |
| | 672 | 644 |
| Employees by Ethnicity | | |
| Local | | |
| Malay | 96 | 130 |
| Chinese | 58 | 54 |
| Indian | 23 | 32 |
| | 177 | 216 |
| Non-local | 495 | 428 |
| | 672 | 644 |

During the reporting period, the Group has employed additional 198 new employees and 226 resigned employees.

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY AND AREAS OF FOCUS (CONTINUED)

Developing Human Capital (continued)

In enhancing the learning and retention of local talents, the Group's practice is to offer on-the-job practical training required for new employees to help them gain insight into the Group's corporate culture, processes and operations. The Group is also constantly nurturing the skills and knowledge of its employees. Employees are encouraged to participate in in-house or external training to enhance their skills and productivity.

With a long-term view to scale mindfully and maximise the Group's value, the Company has also incentivised the workforce to pursue long-term rewards. Accordingly, the Company had on 26 August 2021 implemented a share issuance scheme of up to 15% of the total number of the Company's issued shares (excluding treasury shares, if any), where eligible employees are rewarded based on, amongst other considerations, their performance and the duration of their service, as well as to encourage the retention of the employees.

Product Quality and Innovation

Ta Win recognises that product quality and innovation are fundamental to improve the Group's sales and maintains the Company's position as a market leader. In addition to product quality assurance, the Group's products are leveraged on innovation, technological advances, new ideas and methods to constantly improve the product offerings and meet the Group's customer demands while promoting sustainability efforts. The Company works closely with the customers and implements continuous improvement strategies that will meet their expectations at every product development process to deliver the best experience to the customer.

On 21 January 2021, Cyprium Wire Technology Sdn Bhd ("CWT") received the IATF 16949:2016 and ISO 9001:2015 certifications for implementing quality management systems in manufacturing wires and cables for automotive production and relevant service part organisation. With that, CWT completed its readiness to be the first and only Malaysian company in South East Asia's automotive supply chain with the capability of commercialising the patented cross-linking treatment of electron beam irradiation technology. On 7 May 2021, CWT had entered into a sales and consultation agreement with the China CGN Nuclear Technology Development Co. Ltd. group (who is the largest industrial electron accelerator manufacturer in China listed on the Shenzhen Stock Exchange) to purchase electron beam irradiation systems and build the first local privately-owned Electron Beam Irradiation Plant in Malaysia. In addition, CWT has also appointed Malaysia Nuclear Agency to provide consultation and strategic advices on the Electron Beam Irradiation Plant development plan. The Electron Beam Irradiation Plant will enable the Group to supply irradiation cross-linked wire and cable products with enhanced physical properties such as increased working temperature, the extended shelf life of up to 25 years and other benefits. It will fulfil Malaysia's local electrical wire and cable industry demands and needs to localise electrical wire and cable products in Malaysia's manufacturing sector.

Further, the Group also plans to invest in machinery and equipment via the proceeds raised from the renounceable rights issue of 2,556,501,561 new ordinary shares in the Company to, amongst others, scale up production volume, expand capacity, improve operational efficiency.

Energy Consumption

Ta Win recognises the need for and importance of environmental conservation. The Group believes it can manage its internal environment through waste management, energy savings, and water conservation. As an integrated copper manufacturer, the Group's energy consumption primarily arose from production machinery and facility equipment. The Group is committed to properly manage its energy consumption by undertaking several energy-saving initiatives to reduce operational costs and minimise the impact on the environment. "Switch off when not in use" warning signs are distinctly seen around the workplace to remind its employees to reduce electricity usage by turning off the lights, air-conditioning and machinery when they are not being used. The Company also educates its employees to power off all unused equipment during break time.

The Group's energy consumption per thousand sales are as follows:

| | As at 30 June 2020 | As at 30 June 2021 |
|------------------------------------|--------------------|--------------------|
| Electricity (kWh) / Sales (RM'000) | 31.1 | 18.7 |

In addition, Ta Win also intends to install retrofitted solar panels on the factory's roof structure to generate photovoltaic power in the future to promote renewable energy.

**SUSTAINABILITY STATEMENT**

(CONTINUED)

THE GROUP'S COMMITMENT

Ta Win believes that the improvement in the conditions surrounding its stakeholders, employees, society and the environment is vital to the growth of the Group. Therefore, as a responsible organisation that aims to enhance shareholder value further, the Group shall undertake sustainable and responsible practices to continue adding value to sustainable business growth, environmental stewardship, and social responsibility.

This Sustainability Statement is made in accordance with the approval of the Board of Directors on 20 October 2021.