

# SUSTAINABILITY STATEMENT

## INTRODUCTION

Ta Win Holdings Berhad (“Ta Win” or “the 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 (“the 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”) is from 1 July 2021 to 30 June 2022.

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

## SUSTAINABILITY STATEMENT

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### 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 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 <https://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

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### MATERIALITY AND AREAS OF FOCUS (CONTINUED)

#### 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:

<b>Employees by Gender</b>	<b>As at 30 June 2021</b>	<b>As at 30 June 2022</b>
Male	544	524
Female	100	110
	644	634
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<b>Employees by Ethnicity</b>		
Local		
Malay	130	173
Chinese	54	68
Indian	32	28
	216	269
Non-local	428	365
	644	634

During the reporting period, the Group has employed additional 156 new employees and 166 resigned employees.

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.

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### MATERIALITY AND AREAS OF FOCUS (CONTINUED)

#### 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. The Group 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. On 7 May 2021, CWT 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. The Electron Beam Irradiation Plant will enable the Group to utilize its proprietary technology to manufacture and supply superior quality cross-linked wire and cable products to customers.

Further, the Group invested 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 and 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 managing energy consumption by undertaking several energy-saving initiatives to reduce operational costs and minimise the impact on the environment such as the LNG-based furnace which is scheduled for installation in our new Pulau Indah factor by end of year 2022. The furnace is expected to generate 30% less carbon dioxide (CO<sub>2</sub>) than fuel oil and 45% less than coal, with a twofold reduction in nitrogen oxide (NO<sub>x</sub>) emissions and almost no environmentally-damaging sulphur dioxide (SO<sub>2</sub>) emissions. The installation of retrofitted solar PV system on the roof structure of Ta Win's Telok Panglima Garang factory with power capacity of 270 KWP is expected to save approximately 85% of the average electricity expenses of the said factory (as compared to typical TNB billing).

### 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 undertakes the above 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 2022.