

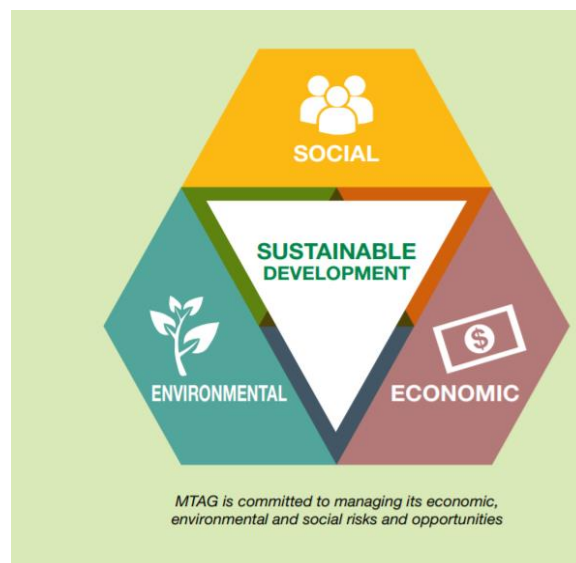
MTAG Group Berhad

Sustainability Governance

SUSTAINABILITY STATEMENT

At MTAG Group Berhad (“MTAG” or the “Group”), sustainability forms the core guiding principle for all our decision-making activities, having recognised its importance and the role it plays in maintaining our competitiveness and business continuity. Being a strategic priority, we embed sustainability considerations in everything that we do across the Group’s business operations and in the delivery of our products and services to customers.

MTAG’s Sustainability Statement (the “Statement”) outlines the **Group’s commitments to manage our economic, environmental and social (“EES”) risks, as well as opportunities.**



We strive to continuously improve the integrity and accuracy of our Sustainability Statement as we work towards enhancing the monitoring and reporting of relevant data, with the aim of providing our stakeholders with better insights into our sustainability management and performance.

Reporting Scope

The scope of this Statement focuses on MTAG’s sustainability performance and initiatives covering the **Group’s manufacturing operations and head office in Tebrau, Johor, encompassing the Group’s subsidiaries, namely Toyo Sho Industrial Products Sdn. Bhd. (“Toyo Sho”), Intag Industrial Supplies Sdn. Bhd. (“Intag Industrial”), Intag Steel Hardware Sdn. Bhd. (“Intag Steel”) and MTAG Land Sdn. Bhd. (“MTAG Land”).**

Reporting Framework

This Statement was prepared in accordance with Bursa Malaysia Securities Berhad (“Bursa Securities”)’s ACE Market Listing Requirements (“Listing Requirements”) and in reference to the **Sustainability Reporting Guide and Toolkits (2nd Edition) (“Sustainability Reporting Guide”).** We have employed the themes and indicators recommended by Bursa Securities’ Sustainability Reporting Guide to expound and disclose MTAG’s sustainability efforts within the pillars mentioned above.

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MTAG's Sustainability Policy

Through the framework, we seek to communicate how we measure the impact and effectiveness of our economic, environmental, and social performance. We assess our performance using selected indicators or material sustainability matters relevant to MTAG. These efforts then allowed us to develop a policy that clearly defines MTAG's commitment to sustainability.

OUR COMMITMENT TO SUSTAINABILITY

“At MTAG, we strive to promote health and well-being, sustainable economic growth and practice responsible consumption and production. Through our efforts, we aim to deliver long-term value to our stakeholders including shareholders, employees, customers and suppliers for the benefit of our organization as well as the local and national communities we operate in.”

Sustainability Governance

A strong sustainability governance framework is essential to further solidify the confidence of our stakeholders.

The **Board of Directors** (“Board”) of MTAG shoulders the primary responsibility as the driver of the Group's sustainability initiatives. They have the responsibility of defining and setting the Group's sustainability goals and strategy while ensuring accountability and oversight in the identification and management of sustainability matters.

The direction set by the Board is communicated to MTAG's **Senior Management (“SM”) team**, which is headed by the Managing Director and assisted by the Chief Financial Officer, Chief Human Resource Officer and the General Manager. The SM team is accountable for overseeing and implementing the Group's sustainability approach and initiatives into key business processes and long-term strategic plans.

The SM team is supported by the **Sustainability Working Group**, comprising Business Unit Heads and Managers from various departments such as Planning, Marketing, Supply Chain, Production, Quality and Human Resources of MTAG's subsidiaries, who are responsible for ensuring proper execution and monitoring of sustainability-related initiatives Group-wide.

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MTAG's Sustainability Governance Structure

Board of Directors of MTAG Group	Responsible for setting sustainability goals and strategy
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Senior Management	
Managing Director, Chief Financial Officer, Chief Human Resource Officer & General Manager	Responsible for overseeing the implementation of sustainability-related initiatives



Sustainability Working Group	
Executive Director/Business Unit Head /Planning/Marketing Manager/ Supply chain/Production/Quality/Human Resource Managers of Toyo Sho Industrial Products /Intag Industrial Supplies /Intag Steel Hardware • MTAG Land – dormant	Responsible for executing, monitoring and reporting sustainability related initiatives

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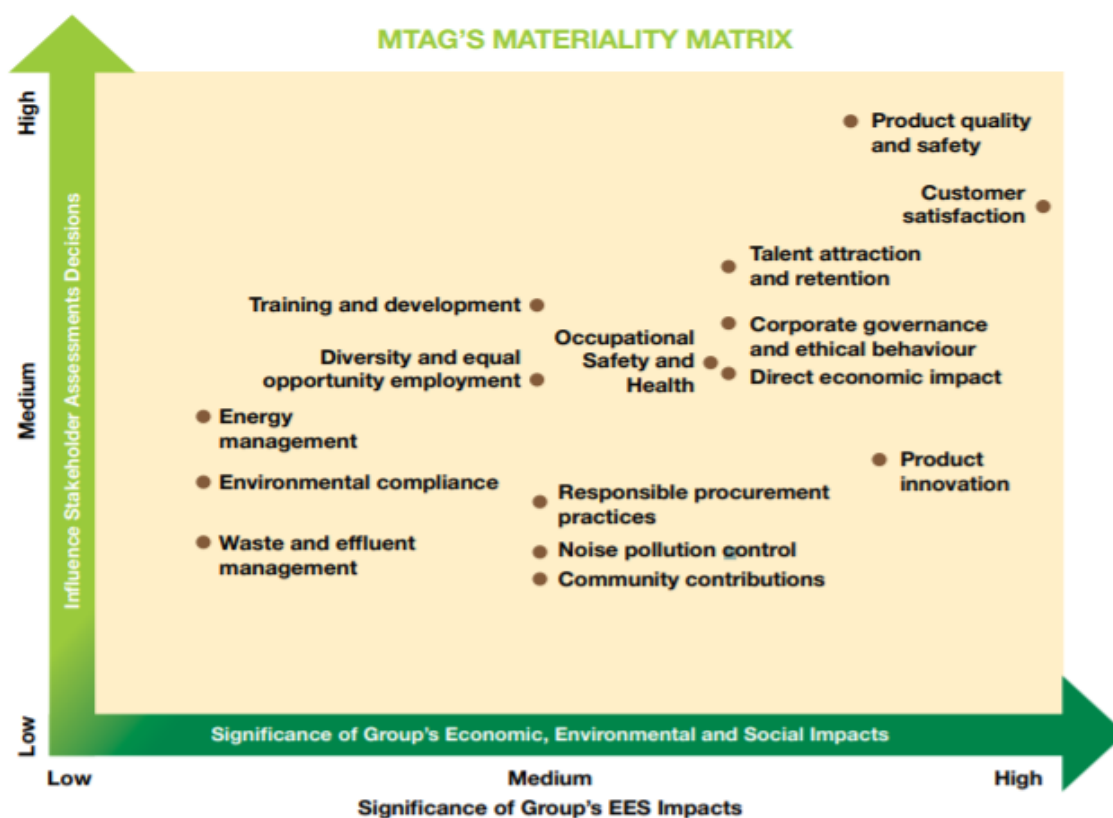
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Materiality Assessment

We aim to review our materiality topics annually against the evolving business landscape and internal as well as external influences to ensure relevancy to our business. Guided by Bursa Securities' Sustainability Reporting Guide, MTAG introduced a structured approach to our materiality assessment process, in discourse with internal stakeholders. In identifying our most notable matters, we conducted discussions with internal key stakeholders to identify and understand their perspectives on material matters to MTAG. Due consideration was given to our operating environment as well as emerging risks and opportunities associated with our industry. The outcome of the assessment is displayed in the Materiality Matrix, identifying MTAG's material sustainability matters deemed relevant

MTAG's Materiality Matrix










MTAG's Materiality Matrix

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Stakeholder Engagement

MTAG's stakeholders comprise a diverse set of individuals and different groups. We remain committed to maintain open dialogue and establish strong partnerships with our external and internal stakeholders through various channels. By proactively engaging our stakeholders, we are able to develop an inclusive and responsive course of actions to respond to their expectations and concerns, thereby contributing towards operational excellence and sustainability of the Group.

Stakeholder Group	Type of Engagement	Sustainability Concerns
Shareholders/Investors 	<ul style="list-style-type: none"> • Annual General Meeting • Bursa Malaysia announcements • Meetings and briefings • Corporate website 	<ul style="list-style-type: none"> • Business continuity • Economic performance • Shareholders' return • Corporate governance
Customers 	<ul style="list-style-type: none"> • Regular engagements • Products and services briefings • Customer satisfaction surveys • Media announcements 	<ul style="list-style-type: none"> • Customer satisfaction • Product quality and safety • Quality assurance
Suppliers 	<ul style="list-style-type: none"> • Regular interactions • Procurement agreements • Business reviews • Meetings 	<ul style="list-style-type: none"> • Supply chain management • Ethical and transparent procurement policies
Employees 	<ul style="list-style-type: none"> • Daily interactions • Annual performance reviews • Trainings and development sessions • Office events 	<ul style="list-style-type: none"> • Fair HR policies and practices • Health and safety • Covid-19 precautionary measures • Workplace satisfaction • Professional growth • Key Performance Indicators
Industry Peers 	<ul style="list-style-type: none"> • Conferences • Corporate Website 	<ul style="list-style-type: none"> • Fair and ethical practices
Government / Regulatory agencies 	<ul style="list-style-type: none"> • Periodic site visits and meetings • Consultation on regulatory matters 	<ul style="list-style-type: none"> • Compliance to regulations
Media 	<ul style="list-style-type: none"> • Regular interactions • Q&A sessions • Feature interviews 	<ul style="list-style-type: none"> • Continuous and meaningful communication • Avoidance of bad publicity

Key Stakeholders Table

Communicate to internal and external stakeholders

The Management will continue to maintain and monitor the sustainability related activities and communicate them to the shareholders via Sustainability Statement in the Annual Report. In addition, we will report in the Corporate Governance Report effective from FYE 30 June 2022.

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Sustainability Strategies and Priorities

MTAG is in the early stages of the ESG (environmental, social, and governance) journey. We have begun reorienting our business toward a value creation ecosystem that adds environmental sustainability, employee engagement, external partnerships, and broader societal impact to financial imperatives as measures of success.

We are concerned about heavy carbon emissions and about a range of social concerns, including health, race, gender, and inclusion and inequality. If current strategic priorities are resulting in outcomes that are increasingly viewed as unsustainable (or even unacceptable), we shall address such concerns, exploits different opportunities, and, ultimately, redefines not only what the business does, but how it does it.

Sustainability Targets and Performance

ECONOMIC IMPACT

- 1) We view MTAG's economic performance as an integral part of achieving sustainability. As one of the leading integrated labels and stickers printing and materials converting specialists in Malaysia, we are cognisant that success is not just reflected in our profits, but also in the economic value that is distributed to our stakeholders, which include shareholders, employees, suppliers and bankers, inter alia.

We **continue to maintain resilient economic performance and distribute economic value (Our Target)** as shown in the following table.

MTAG's Economic Value Distribution

	FY 30.6.2020	FY 30.6. 2021
Employees' wages and benefit	RM14.5 million	RM15.2 million
Operating cost	RM16.6 million	RM14.6 million
Dividend to shareholder	RM20.4 million	RM20.4 million
Payments to government tax	RM10.1 million	RM11.2 million

2) COVID-19 PANDEMIC - Ensuring Financial and Operational Stability amid Covid-19 Pandemic

Amid the Covid-19 pandemic, we adapted swiftly in an evolving business environment, to ensure smooth operations and mitigate potential disruptions to our business. During this time, we took proactive measures and maintained business continuity in adherence to regulatory authorities' standard operating procedures ("SOP"), as displayed below:

WHAT WE DID TO MAINTAIN SMOOTH OPERATIONS DURING COVID-19 PANDEMIC
Obtained authorities' approval to continue operating during the various phases of the Movement Control Orders ("MCO").
Maintained regular communication with suppliers and customers to manage through supply chain risk and disruption.
Continuously monitored MTAG's financial performance to ensure appropriate measures are in place.

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WHAT WE DID TO MAINTAIN SMOOTH OPERATIONS DURING COVID-19 PANDEMIC
Prioritised and allocated financial resources prudently to maintain financial resilience.
Applied for vaccination for our employees, including foreign workers, under the Ministry of International Trade and Industry (“MITI”)’s Program Imunisasi Industri Covid-19 Kerjasama Awam-Swasta (“PIKAS”) — Phase 4 of the National Covid-19 Immunisation Programme (“PICK”).
Arranged Covid-19 test screening for all employees. Close contacts are required to undergo the quarantine period in adherence to the Ministry of Health’s recommendation.
Established a designated quarantine facility in preparation for emergency situations, if any.
Provided employees with a safe working environment, including a sufficient supply of Personal Protection Equipment (“PPE”).
Conducted daily disinfection and sanitisation of workplace.
Maintained the remote work and Work-From-Home (“WFH”) arrangements for employees.
Undertook staff planning and rotation of skilled workers.
Communicated regularly with employees to heighten awareness on Covid-19, the SOPs and preventive measures through briefings and internal announcements
Distributed sufficient PPE to employees, including face masks.
Provided hand sanitisers at production, office and common areas which are easily accessible.
Instituted checking of temperature on a daily basis for employees and visitors at the entrances of the Group’s premises. Any persons with a body temperature of 37.5 degrees Celsius will not be allowed to enter MTAG’s compound.
Implemented travel restrictions for employees, subject to medical screening and quarantine
Developed health declaration measures for employees and visitors. Visitors from other states outside of Johor are required to provide Covid-19 PCR test results before visiting MTAG’s premises
Gloves are made available to visitors at the entrance. A designated bin for glove disposal is provided at the exit of the premises
Sanitised all production, office and common areas of the workplace on a regular basis.
Re-arranged working and break areas, such as the canteen, to adhere to social distancing requirements

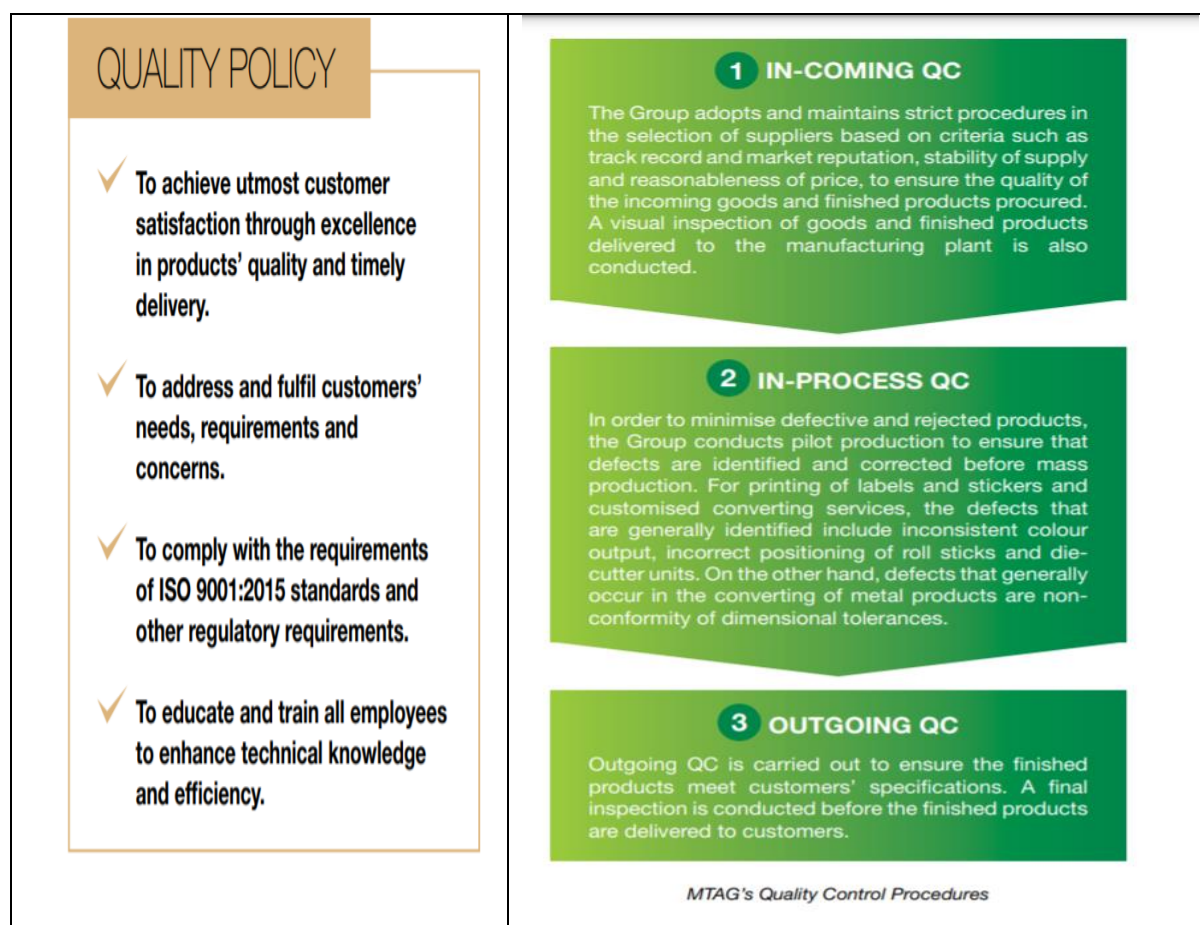
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Sustainability Governance

Sustainability Targets and Performance - Continue

3) Product Quality and Safety

Our goal at MTAG is to be the preferred and leading labels and stickers printing solutions and materials converting specialist. As such, we place great emphasis on the quality of our products and services that we offer. We serve a diversified clientele and work hard to offer our customers flexible, innovative and customised solutions in a timely manner. Our commitment to the quality and safety of our products are outlined in MTAG's Quality Policy, reflecting on MTAG's quest for quality excellence across the entire offerings. MTAG's Quality Policy seeks a continual process of quality improvement towards the highest customer satisfaction.



We have established QC procedures to ensure MTAG's products meet the highest standards of quality. Our QC team manages the system and oversees the quality of output throughout our procurement and operating processes. This includes visual and machine inspections of incoming and finished goods

Our commitment to quality excellence is reflected by our subsidiary, Toyo Sho, being accredited with the **Quality Management System ("QMS")**, namely International Organization for Standardization ("**ISO**") **9001:2015**. This accreditation was accorded by the Alberk QA International Technical Control and Certification Ltd., for the manufacturing of printed labels, die-cut double-sized tapes and polyester tapes. With our strong Quality Management System in place, MTAG has built its reputation as a trustworthy and reliable partner in printing and converting services. As for our distribution segment, our products are sourced from reputable brands of industrial tapes and adhesives, 3M and Henkel, and sample checks are carried out for every batch of purchase to guarantee high-quality standards are met.

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Sustainability Governance

Sustainability Targets and Performance - Continue

4) Product Innovation

As MTAG operates in a niche market, product innovation is vital in differentiating our offerings from other providers. Keeping this in mind, we continuously strive to achieve **sustainability-driven innovation**, enabling us to provide **customised converting services** that fulfil our customers' specific requirements.

Equipped with our suite of **advanced and tailor-made machinery**, MTAG offers **diverse and flexible converting solutions for a broad array of materials** such as adhesive tapes and papers, mesh materials, metal, polyethylene plastics, as well as foams and cardboards.

Our printing capabilities enable us to convert these materials to predefined shapes and sizes according to customers' needs. We apply **various converting methods** in our processes in order to fulfil specified criteria, which may include ultrasonic technology for mesh; rewind slitting for adhesive tapes, papers and plastics; die-cutting for foams and cardboards; on top of bandsaw cutting, plasma cutting and oxy-gas cutting for metals, among others.

With our wide array of capabilities, we can serve customers **across various industries**, including inter alia, electrical and electronics, automotive, precision tooling, mechanical and engineering as well as construction sectors.

At the same time, we are also involved in the current and future development of customers' products, as we consult and provide input on the selection of materials and converting processes. Apart from that, MTAG also delivers high-quality printing of labels and stickers with colour sharpness and uniformity, in addition to various finishing choices on different types of paper, all within a short turnaround time.

We acquired new machines to expand our capacity and enhance our capabilities. One of the new capabilities is silkscreen printing.

Silkscreen printing is a screen-printing process that transfers a design onto a substrate such as textile fabric, product label, decal, etc., through a fine screen or mesh. It produces some of the most vivid and colourful images that provide excellent durability as the inks are designed to be used on a wide range of different surfaces including semiconducting material. With this, it would enable us to broaden the industries that we can serve.

In August 2021, we bought a **digital press printing machine** which provides high-quality colour output, high-speed and high-volume printing, on-demand short print, great customization ability and cost efficiency (versatility and superb efficiency reduce turnaround time). It broadens the scope of packaging applications, boosts productivity and offers sustainability advantages.

With this digital printing options and capabilities, we can provide customers with more production flexibility, packaging personalization, faster time-to-market capability, and wider usage of different media types such as substrates that are thinner or thicker, heat-sensitive, metallized, stretchable, and transparent.

In line with our strategy to increase automation of our manufacturing, transform and gear towards **Industry 4.0**. We believe these efforts would allow MTAG to grow continuously and sustainably over the long term and reduce our labour dependency as well.

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Sustainability Governance

Sustainability Targets and Performance - Continue

5) Customer Satisfaction

Our customers are one of our most important stakeholder groups. As part of MTAG's commitment to give the highest quality of offerings and services to customers, we have taken meticulous steps to better understand their expectations by soliciting feedback. We do this by maintaining regular communications with our client base, allowing us to identify areas of improvement and monitor customer satisfaction levels.

We develop action plans for continuous improvement to maintain a high level of customer satisfaction. Upon receiving feedback, our team acted promptly following the stipulated response process by setting up meetings with the affected customers to gain insights into their concerns, in addition to reviewing the product specifications. From thereon, our team took the necessary actions to scrutinise the concerns and identify the root cause, in order to resolve the specified issues. Subsequently, we followed up with the respective customers to ascertain the improvement and satisfaction through a repeat of the Customer Satisfaction Survey. The feedback we received revealed that a high level of satisfaction was maintained among customers. As we move forward, we endeavour to uphold our level of service and quality by continually learning and improving from insights we received from customers' reviews.

Our customer satisfaction level can be measured through the feedback received from the circulation of **Customer Satisfaction Survey forms**.

	Target	FY 30.6.20	FY 30.6.21
Customer Complaints	0	7	6
Reason	0	product quality	product quality

6) Responsible Procurement Practices

At MTAG, we view our suppliers as strategic partners who share a mutual interest in building and delivering high-quality products to our clientele base. Together with them, we aim to build a sustainable supply chain to minimise and mitigate business interruptions to our processes. Throughout the years, we have established strong relationships with vendors and suppliers, that are built on years of mutual trust and respect through transparent business transactions. When choosing suppliers to be part of our value chain, MTAG follows a strict selection process that requires all participants to be evaluated based on various factors, such as work track record, market reputation, product and service quality, supply and pricing, to name a few. A majority of the Group's major suppliers are determined and approved by our customers following a stringent selection process. As our businesses grow, we shall continually review and enhance the Group's vendor management to ensure our supply chain is operating optimally

We strongly advocate supporting the local economy by procuring domestically, where feasible. Apart from creating added value in the nearby communities, the practice of **sourcing locally** has many other benefits which include flexible and quick delivery arrangements, higher cost savings, as well as better control and monitoring oversupplied goods

% Of Total Vendor Base	Target	FY 30.6.20	FY 30.6.21
Local Vendors	70%	81%	75%

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Sustainability Governance

Sustainability Targets and Performance - Continue

7) Corporate Governance and Ethical Behaviour

MTAG pledges to follow the principles and best practices of corporate governance as laid out in the Bursa Securities' Listing Requirements and the Malaysian Code on Corporate Governance 2021 ("MCCG"). To that end, it is imperative for the Group to endorse and practise accountability and transparency in respect of its operations. In line with our commitment, MTAG has established and formalised a framework as outlined by several of our policies below to uphold and fortify our governance practices throughout the organisation.

CODE OF CONDUCT & ETHICS

We communicate and institutionalise our Code of Conduct & Ethics to all directors and employees across business divisions, outlining clear guidance on the standards of behaviour, value, principles and practices on conducting business and general workplace behaviour, comprising issues on, among others, conflicts of interest, confidentiality, protection of assets and money laundering.

WHISTLEBLOWING POLICY

A Whistleblowing Policy is enforced Groupwide to uphold high standards of ethical conduct and has established platform for whistleblowing. We encourage employees or external parties to raise genuine concerns of suspected misconduct, should there be any, without fear of victimisation, harassment, discrimination or intimidation while ensuring the protection accorded to the whistleblower.

ANTI-CORRUPTION & ANTI-BRIBERY POLICY

MTAG's Anti-Corruption & Anti-Bribery Policy defines the Group's responsibilities in observing and upholding MTAG's position on bribery and corruption, as well as sets out the guidance and procedures for employees on how to recognise and deal with bribery and corruption matters. We remain resolute in our commitment to conducting a business free from acts of bribery and corruption. All employees are required to adhere to all anti-bribery and anti-corruption legislations.

8) Investor Relations

We believe that good corporate governance involves transparent and prompt communication with all shareholders. As such, the role of investor relations is considered important in heightening the awareness and understanding of the Group among our investors.

We continued to make timely reporting of the Group's quarterly financial results.

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Sustainability Governance

Sustainability Targets and Performance - Continue

Investor Relations -continue

Release of MTAG's Quarterly Financial Results

Quarterly Results	Date of Issue / Release	Bursa Securities Deadline for the Issue / Release
2021		
1st Quarter	23 November 2020	30 November 2020
2nd Quarter	22 February 2021	28 February 2021
3rd Quarter	28 May 2021	31 May 2021
4th Quarter	27 August 2021	31 August 2021

Quarterly Results	Date of Issue/Release	Bursa Securities Deadline for the Issue/Release
2020		
1st Quarter	19 November 2019	30 November 2019
2nd Quarter	21 February 2020	29 February 2020
3rd Quarter	19 June 2020	30 June 2020*
4th Quarter	25 August 2020	31 August 2020

MTAG's AGM went virtual for the first time on 23 November 2020. MTAG held its 3rd Annual General Meeting ("AGM") via live streaming and online voting services, which was broadcasted from our headquarter at PLO 226, Jalan Kencana Mas, Kawasan Perindustrian Tebrau III, 81100 Johor Bahru, Johor.

(Note: MTAG held its 4th Annual General Meeting ("AGM") fully virtual via Zoom platform)

All the registered shareholders who participated were able to vote and ask questions remotely using the available remote participation and voting facilities. During the AGM, MTAG's Chairman, Executive Director and Chief Financial Officer responded to the questions from shareholders mainly on the Group's performance, initiatives and strategy moving forward in light of current economic conditions and the impact of Covid-19 on its business. All the proposed resolutions were approved at the AGM respectively. This marks MTAG's maiden virtual AGM, demonstrating **our continued commitment to engage with shareholders in a timely manner**, while **taking every precaution to safeguard their safety and wellbeing**.

The virtual proceedings are also in line with Practice 12.3 of the Malaysian Code of Corporate Governance ("MCCG") 2017 / MCCG 2021, where companies are called upon to have transparent and regular communication with shareholders, including **deploying technology to promote shareholder participation**.

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Sustainability Targets and Performance - Continue

ENVIRONMENTAL IMPACT

1) Environmental Compliance

We are committed to operate in compliance with the applicable environmental laws and regulations on a national level, with the aim of minimising the Group's ecological footprint. To this end, MTAG has put in place proper controls and systems in our operations with the maintenance of an Environmental Management System ("EMS").

Our pledges are outlined in the Group's Environmental Policy as shown below:



Our EMS is certified with an internationally recognised standard, the **ISO 14001:2015**, which provides a framework and systematic approach to environmental management and continuous improvement. The accreditation gives MTAG and stakeholders assurance of the Group's commitment to protecting the environment.

Throughout the years, MTAG adhered to regulations relating to environmental protection with zero cases of environmental non-compliance.

	Target	FY 30.6.20	FY 30.6.21
Environmental non-compliance	0 case	0 case	0 case
Environment complaints	0 case	0 case	0 case

2) Energy Management

MTAG endeavours to reduce our carbon footprint, and as such, we seek to effectively manage the use of natural resources in the Group's processes. We do this by employing operational controls across the Group to drive efficient energy management with lower production costs.

Our measures include the monitoring of energy utilisation, in the form of electricity powered by the national grid, at our premises using an Energy Measuring Meter.

In FY2021, MTAG successfully adjusted its electricity tariff to the industrial rate from the commercial rate. We expect this initiative to yield cost savings of up to 13%.

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Sustainability Governance

Sustainability Targets and Performance - Continue

2) Energy Management -continue

Electricity consumption

	Annual Target of electricity usage dd 1/8/2020	FY 30.6.20	FY 30.6.21
kilowatt-hours ("kWh")	900,000 kwh	1.1 million	1.1 million

Other initiatives at MTAG encompass adhering to an annual target of electricity usage and performing regularly scheduled maintenance of equipment to enhance efficiencies and reduce the risk of downtime. As part of our ongoing efforts, we also continuously educate our people and promote the responsible use of electricity among employees.

3) Waste and Effluents Management

At MTAG, waste management forms part of the Group's EMS, as we are responsible for the proper treatment of the waste materials our processes generate. Therefore, we seek to minimise ecological footprint by reducing the impact of our waste disposal activities on the environment. To this end, we have established waste disposal practices that are governed by the Group's Environmental Policy and SOPs to prevent any mishandling of the waste materials and adherence to the relevant laws and regulations, including the Environmental Quality Act ("EQA") 1974.

Our processes produce waste materials or by-products in the form of **scheduled and non-scheduled wastes**. The Group generates **non-scheduled wastes** in various forms such as, among others, paper carton, kraft paper and plastic. These are collected by approved waste collectors for recycling purposes, with approval from the Malaysia Custom Industries Department ("Custom"). Other non-scheduled wastes, including adhesive papers and tapes, are disposed of at a specified waste disposal area, following Custom's approval, which are then collected by authorised waste contractors to be sent to authorised landfills. Meanwhile, MTAG's **scheduled waste materials** come in the form of contaminated containers, rags, papers and gloves.

We have established proper SOPs to ensure careful handling of the by-products in compliance with the **Environmental Quality (Scheduled Wastes) Regulations 2005 of the EQA 1974**. The scheduled waste materials are separated accordingly from the non-scheduled waste prior to collection by a licensed waste contractor authorised by the **Department of Environment ("DOE")**. All works are monitored by a **Certified Environmental Professional in Scheduled Waste Management ("CePSWaM")** registered under the DOE.

	Target	FY 30.6.20	FY 30.6.21
Adherence to all national regulations and procedures in respect to waste management	yes	yes	Yes

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Sustainability Governance

Sustainability Targets and Performance - Continue

Noise Pollution Control

Our processes generate noise as an inevitable side effect in the areas where we operate. As a response, the Group's environmental strategy includes implementing internal controls within the organisation to mitigate the impact on the surrounding area and to remain within permissible sound levels as determined by the DOE.

Our measures to control noise pollution involve conducting a periodic assessment on operating sites, employing noise-reducing specifications in our machineries, equipping workers with appropriate hearing protection and conducting hearing tests for machine operators, to name a few.

	Target	FY 30.6.20	FY 30.6.21
Noise Pollution Assessment		The Group undergoes periodic assessments hearing tests for machine operators at 2 of MTAG's sites namely at Toyo Sho, Intag Industrial	All 3 MTAG's operating sites, namely at Toyo Sho, Intag Industrial and Intag Steel's premises, underwent noise assessment
Compliance	Achieved 100% compliance to Noise Regulatory Limits.	Achieved 100% compliance to Noise Regulatory Limits.	Achieved 100% compliance to Noise Regulatory Limits.

SOCIAL IMPACT

As a responsible corporate citizen, we aim to make a lasting positive impact not only on our customers, but also on the Group's employees and the broader society. We do this by building a competent and motivated workforce who understands and accepts diverse values, protecting the safety and health of our people, as well as participating in Corporate Social Responsibility ("CSR") programmes to contribute back to the local communities.

1) Talent Attraction and Retention

Our employees are pivotal to MTAG's success and are what differentiate us from our peers. Talent remains a core strategic focus at MTAG as the Group's ability to create value is dependent on the professional competencies and experience of our people. Having a motivated and capable workforce enables us to continuously deliver the Group's suite of high-quality products and services to our customers.

For this reason, the Group maintains an effective human capital development strategy, which involves the hiring and retaining of the right talent who aligns with MTAG's culture and goals.

When building MTAG's workforce, we rely on various methods to attract competent candidates, such as via employees' referrals and vetting through job applicants from the "Career" section of MTAG's corporate website. We recruit on a transparent basis with new hires selected through interviews based on their qualification, job experience and potential.

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Sustainability Targets and Performance - Continue

Talent Attraction and Retention (cont'd)

At the same time, we aim to create **conducive working conditions** and ensure that **our employees' welfare and development are taken care of**.

In order to achieve this, we provide **competitive remuneration packages** that are in line with the market. Our packages include

- 1) Fair monetary remuneration, with the payment of bonus two times a year based on work performance, in addition to non-monetary benefits.
- 2) The benefits we offer to employees include **annual leave, sick leave, maternity leave, group personal accident coverage for foreign workers, and phone allowances for selected employees, among others**.
- 3) We are pleased to state that there were **no retrenchments or salary deductions due to Covid-19**, despite the challenges brought about by the pandemic in FY2021. In fact, we **continued to reward our talents with bonus payments** during this period.

2) Training and Development

We believe talent development is an essential component to the Group's continued success in this rapidly changing operating backdrop. As we grow the business, we are committed to empowering and developing our employees' competencies.

Training programmes and resources are constantly made available to all employees to equip them with the **relevant skills and knowledge** in order to perform their functions effectively and contribute towards achieving MTAG's objectives.

Every year, we review the development and performance of employees to identify their **training needs**, in line with our workforce requirements.

Amid the Covid-19 pandemic, MTAG did not compromise on staff training and instead, continued to invest in our employees' professional growth.

Internal and external **training programmes** held: -

Target-continue development of employees' competency via Training

Year	2020	2021
Platform	Digital & In house	Digital & In house
Scopes	Safety at workplace, technical knowledge & Skills	Safety at workplace, technical knowledge & Skills
Training programmes	<ul style="list-style-type: none">• Fire Evacuation Drill• First Aid training• Chemical Handling training• Safety & 5S System training• Scheduled Waste Competent Person course• Forklift Driver training	<ul style="list-style-type: none">• 7QC Tools• UMW Forklift• Emergency Response Team• Webinar on Transfer Pricing• Webinar on Budget 2021

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Sustainability Governance

Sustainability Targets and Performance – Continue

Training and Development (cont'd)

Furthermore, we also offer our employees the opportunities to take on new roles based on their respective strengths and relevance to the position. By providing our people with the right prospects, we seek to enable them to develop their abilities through on-the-job training and to perform well within the Group.

3) Diversity and Equal Employment Opportunity

We are dedicated not only to recruiting and nurturing skilled talent, but also to ensuring **diversity and inclusivity** in the workplace. A diverse and inclusive workforce provides MTAG with access to a multitude of fresh and varying perspectives, which are crucial to innovation and in reaching our organisational goals. Hence, it is our practice to offer **equal opportunities for all, irrespective of gender, race, creed or religion, among others**.

Diversity of Employees:

No of employees	Target	2020	2021
Men	50%	60%	57%
Women	50%	40%	43%
Total		100%	100%
NO of employees		183	180
Workforce age 18-25 years old		17%	17%
Workforce age 26-35 years old	majority	39%	37%
Workforce age 36-45 years old	majority	34%	35%
Workforce age 46-60 years old		10%	11%
Total		100%	100%

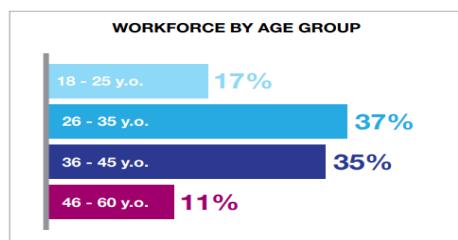
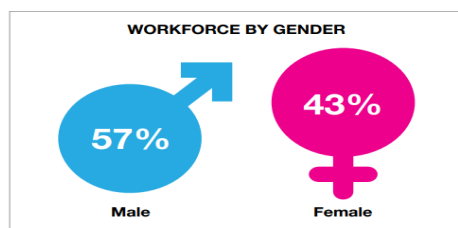
In FY2021, we continued to operate with a headcount of 180 employees, with 57% of our employees being men and the balance 43% women. This year, there was an increase in female employees, as compared to 40% in FY2020, thanks to our internal efforts in providing tools and resources that empower and support women in the workplace.

Meanwhile, we also have a large young talent pool, with 54% of our workforce below the age of 35 years old. This allows us to build a robust succession pipeline by providing development opportunities for leadership continuity.

MTAG Group Berhad

Sustainability Governance

Sustainability Targets and Performance – Continue



MTAG's workforce composition in FY2021

Fair Employment Practices

As a responsible and fair employer, we pledge to uphold the human rights of workers with zero-tolerance towards unfair and unethical practices. We comply with all laws and labour standards, including the Employment Act 1955 that prohibits exploitive labour practices.

The fair employment practices at MTAG are displayed below:

- ADHERENCE TO MINIMUM WAGE
- NO FORCED LABOUR
- PREVENTION OF CHILD LABOUR
- FAIR DISCIPLINARY PRACTICES
- PROHIBITION OF HARRASSMENT

4) Fair Employment practices:

	Target	FY 30.6.20	FY 30.6.21
Comply with minimum wage	yes	yes	yes
Sexual Harassment incidents	zero	zero	zero

During the year under review, MTAG paid remuneration to employees that comply with all applicable wage laws, including those that related to **minimum wages**. In addition, the Group has zero tolerance towards sexual harassment in the workplace and does not condone any forms of sexual harassment. In FY2021, the Group did not receive any reports pertaining to any sexual harassment incidents.

Sustainability activities outlines

	Date	Event/Activities	Remarks
1	April- June 2020	Established Sustainability Governance Structure	-
2	July2020- June 2021	Continue to enhance Sustainability Governance	-