

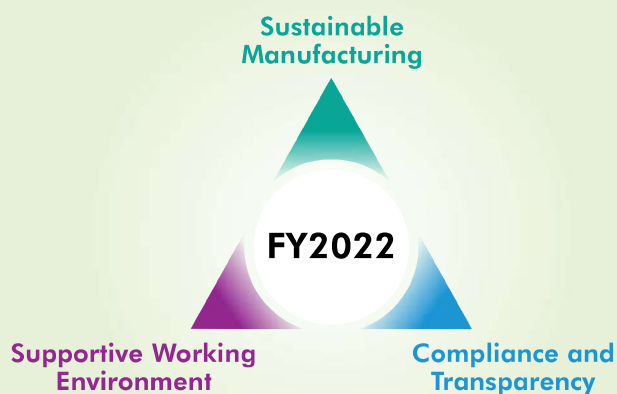
Sustainability Statement

MAKING SUSTAINABILITY OUR PRIORITY

Yew Lee Pacific Group Berhad (“Yew Lee” or the “Group”) believes in promoting sustainability practices throughout our organisation by imbedding these values within our operations, business strategy, and organisational goals. Our initiatives show our commitment towards reducing our carbon footprint, utilising green resources, and making a positive impact on society.

Our responsibility lies in balancing our economic goals with positive contributions to the environment and to society. We acknowledge the importance of the ESG impacts on our business strategy, therefore we have taken the initial steps in transitioning our approach to include ESG in the core of our business operations and reporting.

As we are still in the preliminary stages of implementing sustainability initiatives throughout our operations, we have implemented measures to improve on our disclosure in phases over the coming financial years. Moving forward, these measures will include engaging the services of external consultants to advise us on our approach and to conduct the necessary evaluations and verifications. For this preliminary stage, we have outlined **three** areas for FY2022:



FEEDBACK

In line with our continuous effort to raise its performance in sustainability standards, the Group welcomes stakeholders' feedback. Comments and enquiries can be directed to corporate@yewlee.com.my.

GOVERNANCE STRUCTURE

The Board strives to ensure fair and transparent remuneration, promoting positive outcomes in tandem with the achievement of ESG-linked targets. In line with the Securities Commissions' ("SC") update in April 2021 to the Malaysian Corporate Code of Governance ("MCCG"), the Board has direct oversight of ESG matters, related risks and opportunities over the short, medium, and long-term.

The Group views sustainability governance as part of business management by monitoring and managing sustainability matters as part of our daily operations. As part of our commitment to sustainability, we have established a clear governance structure to ensure compliance and optimal performance across our business operations. The Group's Board of Directors has the overall responsibility of overseeing the Group's sustainability matters, its direction and performance. We are in the process of appointing a dedicated Sustainability Committee to oversee the implementation, monitoring, and reviewing of the sustainability initiatives and matters of the Group, in accordance with the established policies and practices.

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Sustainable Manufacturing

Supportive Working Environment

Compliance and Transparency

The Group acknowledges that climate change has a significant impact on businesses, society, and individuals, and a shift towards a low-carbon economy is a matter of global urgency. While our operations are fully compliant with all environmental laws and regulations, we are committed to addressing challenges and opportunities in our surroundings where we conduct our business and actively participate in the sustainable practices of the manufacturing industry and those of our clients. This will enable us to contribute to environmental value and minimise damage to the environment.

Sustainable manufacturing is defined as manufacturing methods that minimise waste and reduce environmental impact. These are formulated by adopting practices that influence the design and processes, determined by the input from our stakeholders.



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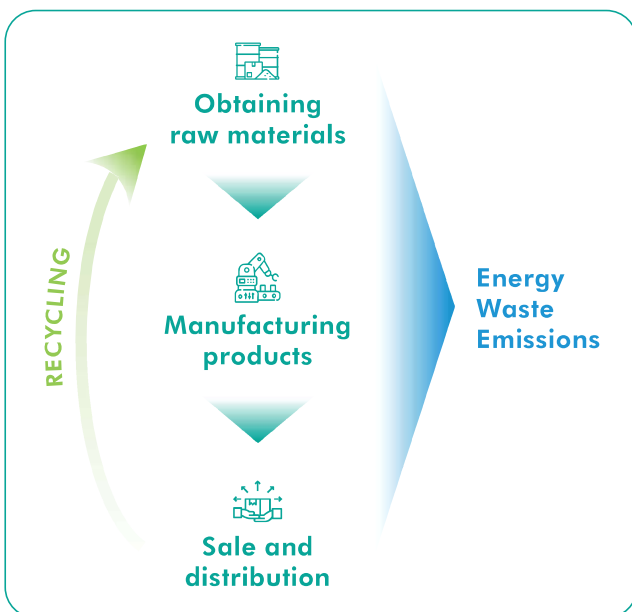
Sustainable Manufacturing

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Compliance and Transparency

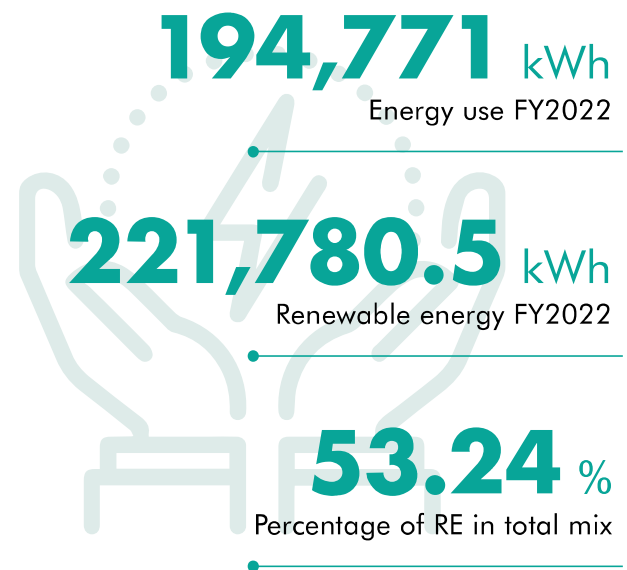
In FY2022, we identified areas within our product lifecycle to implement sustainability initiatives, focusing on energy, waste, and emissions, to be addressed in phases over the coming financial years.

We utilise solar energy in our manufacturing operations to reduce our carbon footprint as we as to offset our own energy costs in the long term.



We have identified several key areas in improving the sustainability of our own operations:

- ① **Assessing and adopting clean technologies**
- ② **Increasing production capacity to meet growing demand**
- ③ **Improving on our ESG initiatives to meet stakeholder expectations**
- ④ **Embracing new technologies and automation for enhancing efficient use of resources**



Meanwhile, our water consumption for FY2022 was 6425 cubic meter. The Group is currently planning initiatives to reduce water consumption.

USING RECYCLED MATERIALS

Not only for our Eco Brooms, is all of the household brooms we utilises recycled PET materials. We are currently evaluating our processes to extend the use of recycled bristles to our other products as well as identifying opportunities to upcycle or reuse materials. The materials used in manufacturing all our products are eco-friendly and do not include chemicals that are harmful to the environment or result in hazardous waste.

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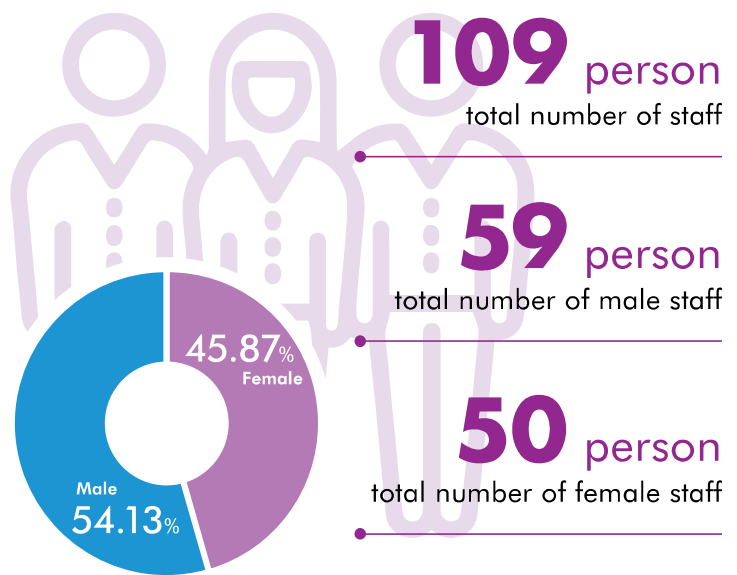
Our employees are our most valuable asset in their role as drivers of organisational growth. We are committed to providing a safe and conducive working environment that encourages development, recognises achievements, and facilitates communication.

We strive to provide competitive remuneration to attract and retain talent from various backgrounds and experiences, and career progression and appointment are based solely on merit. We believe that the skill, expertise, and work ethic of the employees are the attributes that will determine their success, and ultimately, that of the organisation.

Our remuneration packages go above and beyond what is mandated by law, and include benefits such as:

- ③ Medical coverage (claims, fees, etc)
- ③ Additional annual leave days
- ③ Attendance allowances
- ③ Training
- ③ Long term service awards

DIVERSITY IN THE WORKPLACE



Our Board comprises individuals with vast experience and skills in their specialised roles and in the industry. We are proud to say that female representation in our Board of Directors has exceeded the national target of 30%. Female representation is **4 out of 8** total Board members, or **50%**.

Employee turnover (January - December 2022)

Age group	Male	Female	% of total employees
18-29	15	12	21.43%
30-39	17	12	23.01%
40-49	11	4	11.90%
50-59	1	1	1.59%
60 and above	3	0	2.39%

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WORKPLACE HEALTH AND SAFETY

We are fully compliant with all safety and health regulations and labour laws. The Group prioritises the safety and health of our employees and contract workers. We conduct regular safety training at our facility and office premises and provide adequate safety equipment for our manufacturing staff. Our Executive Director and Chief Operating Officer is the appointed Occupational Safety and Health Coordinator, overseeing the compliance with safety standards within our business units. We are in the process of establishing a Safety Committee to oversee compliance, conduct reviews and mediate concerns.

Noise-induced hearing loss (NIHL) is a public health concern, and it is the foremost preventable cause of hearing loss in the workplace. In compliance with OSH (Noise Exposure) Regulations 2019, 14 employees were sent for annual audiometric testing in FY2022.

SUPPORTING DEVELOPMENT

The development of our employees is central to their job satisfaction and productivity. To encourage skill-building in their roles and in their career development, the Group allocates an annual budget for in-house and external training. We engage our employees' feedback as well in determining which courses to select and conduct.

In FY2022, our staff recorded a minimum of 8 hours of training, while senior management and office staff completed a minimum of 16 hours.

FACILITATING COMMUNICATION

We engage our employees in our decision-making processes and provide them with adequate channels and clear processes to enable them to voice their concerns.

The Group's employees are encouraged to voice their concerns and suggestions directly to management, with no fear of bias or repercussion. We have in place a Whistle Blowing Policy to protect our employees should they wish to inform management of any incidences of bribery, corruption, or wrongdoing that goes against our policies and laws. Our employees are provided a Handbook upon induction that outlines our code of conduct.

8 hours
minimum training
hours of staff

16 hours
minimum training hours
of senior management
and office staff



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The Board of Directors of the Company is fully committed to upholding high standards of corporate governance throughout the Group's operations with the ultimate objective of safeguarding the interests of all stakeholders and enhancing shareholder value. More information is available in the Corporate Governance Overview section on pages 49 to 58 of this report.

The Group's Anti-Bribery and Corruption Policy requires that all our employees conduct business in legal and ethical manner and to act in good faith. The policy demonstrates our zero-tolerance approach to corruption and bribery in all forms, implied or direct, and our commitment to acting professionally, fairly and with integrity in all its business dealings and relationships wherever we operate. Our senior management team is required to attend training sessions on this topic each year.

In addition, the Group complies with Personal Data Protection Act (PDPA) in protecting our employees' and customers' information.