

# Sustainability Statement

PERFORMANCE

## Introduction

Welcome to Yew Lee Pacific Group Berhad's ("Yew Lee Pacific" or "Company") Sustainability Statement. Committed to transparency and accountability, we integrate sustainability into every facet of our operations, guided by the Sustainability Reporting Guide. By following the 3 pillars that we set in previous year, **Sustainable Manufacturing, Supportive Working Environment and Compliance & Transparency**, this report showcases our journey toward sustainability, emphasizing environmental stewardship, social responsibility, ethical governance, and community engagement. By fostering trust and collaboration with stakeholders, we leverage sustainability as a source of competitive advantage and long-term value creation.

In addition, within this statement, we showcase our unwavering dedication to incorporating sustainable practices. We have prepared this statement in accordance with the ACE Market Listing Requirements (AMLR) and the Sustainability Reporting Guide provided by the Exchange

## Governance Structure

In Yew Lee Pacific, the Board of Directors assumes a pivotal role in steering the company's sustainability agenda. They oversee the formulation of the overall sustainability strategy, ensuring its alignment with the company's long-term vision and goals. We also appoints a dedicated Sustainability Committee headed by the Chief Operating Officer, which acts as a specialized body focused on sustainability matters. This committee is entrusted with setting specific sustainability goals and targets, monitoring performance against these metrics, and providing regular updates to the Board.

By exercising oversight and guidance, both the Board of Directors and the Sustainability Committee ensure that sustainability considerations are integrated into the company's strategic decision-making processes, fostering a culture of accountability and driving progress towards sustainable outcomes.

## Stakeholder Engagement

Stakeholder Group	Area of Interest	Method of Engagement
Shareholder and Investors	<ul style="list-style-type: none"> <li>Return on Investments</li> <li>Group's performance</li> <li>Sustainability of the business</li> <li>Corporate Governance &amp; Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Company Announcements</li> <li>Corporate Website</li> <li>Annual/Extraordinary General Meeting</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Career and personal development</li> <li>Good remuneration and benefits</li> <li>Work Environment</li> <li>Job performance evaluation</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Internal and External Trainings</li> <li>Staff welfare and benefits</li> <li>Corporate activities and events</li> <li>Internal communications</li> <li>Meetings</li> <li>Yearly performance review</li> <li>Social Media</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Sales support service</li> <li>Price and value</li> <li>Brand reputation and trust</li> </ul>	<ul style="list-style-type: none"> <li>Recertification of ISO9001</li> <li>Customer surveys</li> <li>Newsletters</li> <li>Promotions and loyalty programs</li> <li>Virtual/Physical communications</li> <li>Transparent communication</li> <li>Newsletters</li> </ul>
Suppliers and Vendors	<ul style="list-style-type: none"> <li>Credit terms and timely payments</li> <li>Strategic partnership</li> <li>Sustainable procurement practices</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation form</li> <li>Virtual/Physical communications</li> <li>Newsletters</li> </ul>
Government/Regulatory/ Accreditation Bodies	<ul style="list-style-type: none"> <li>Compliances with rules and regulations as well as policies</li> <li>Corporate Governance</li> <li>Transparency disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of compliance</li> <li>Audits</li> </ul>

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## Key Sustainability Matters

Our Company had accessed the following key sustainability matters that are important to our business operations as well as the interest of our stakeholders. These key sustainability matters are categorized into 3 pillars, **Sustainable Manufacturing, Supportive Working Environment and Compliance & Transparency**, while correlates to the Environmental, Social and Governance (“ESG”) pillars. Our company will report and disclose more matters related to the ESG in the upcoming annual reports as we stay committed to make positive impact to all the stakeholders.

Key Pillars	Key Sustainability Matters	Initiative	Achievement
<b>Sustainable Manufacturing (Environment &amp; Economic)</b>	Energy Management	<ul style="list-style-type: none"> <li>Utilizing renewable energy source</li> </ul>	<ul style="list-style-type: none"> <li>Installed Solar Panels for the manufacturing factory</li> </ul>
	Water Management	<ul style="list-style-type: none"> <li>Utilizing renewable water source</li> <li>Water saving</li> </ul>	<ul style="list-style-type: none"> <li>Rainwater harvesting</li> </ul>
	Product and Service Responsibility	<ul style="list-style-type: none"> <li>Reduce the use of 1 time plastic</li> </ul>	<ul style="list-style-type: none"> <li>Implementing recondition services for Disc Brushes</li> </ul>
	Procurement Practices	<ul style="list-style-type: none"> <li>Prioritising local expenditure</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 70% local expenditure</li> </ul>
<b>Supportive Working Environment (Social)</b>	Diversity	<ul style="list-style-type: none"> <li>Promote diversity in our organisation</li> </ul>	<ul style="list-style-type: none"> <li>Satisfactory diversity within the organisation</li> </ul>
	Occupational Safety and Health	<ul style="list-style-type: none"> <li>Promote and continuous improvement on safety and health awareness</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Response Team in place</li> <li>Archived 0 fatalities within the organisation</li> </ul>
	Labour Practices	<ul style="list-style-type: none"> <li>Committed to provide fair treatment to employees by following labour law or more than what labour law had recommended</li> </ul>	<ul style="list-style-type: none"> <li>Additional benefits provided</li> <li>0 report raise to Department of Labour from employees</li> </ul>
<b>Compliance and Transparency (Governance)</b>	Corporate Governance	<ul style="list-style-type: none"> <li>Adopting policies to govern business operations</li> </ul>	<ul style="list-style-type: none"> <li>Complied to all rules and regulations</li> <li>No whistleblowing reports received</li> </ul>
	Quality Management System	<ul style="list-style-type: none"> <li>Committed to adhere and provide continuous improvement to the international standard on Quality</li> </ul>	<ul style="list-style-type: none"> <li>Complied with all the audits with 0 non-conformances.</li> </ul>



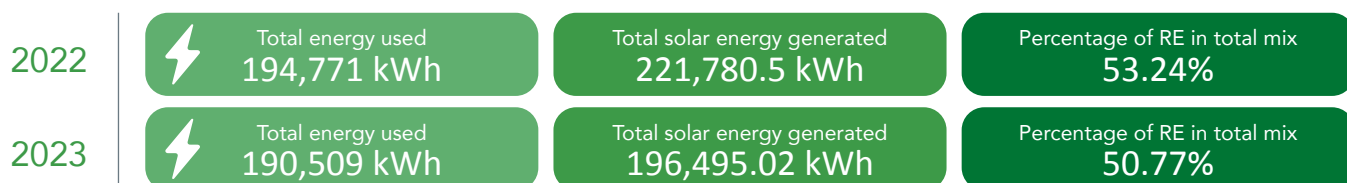
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### Sustainable Manufacturing (Environment & Economic)

Our Company acknowledge the urgent threat of climate change and are actively working to mitigate our environmental impact by investing in renewable energy and sources, implementing energy-efficient technologies, and continuously monitoring and reducing our carbon footprint. By committing to pioneering sustainable manufacturing practices, not only that it will meet the needs of the present but also safeguard the environment and resources for future generations. With a focus on innovation, efficiency, and responsibility, we recognize the imperative to integrate sustainability into every facet of our manufacturing operations. Our dedication to sustainable manufacturing encompasses optimizing resource use, minimizing waste generation, and supporting the sustainability of our local community by implementing initiatives such as, sourcing materials locally where feasible to support local economies, and collaborating with local organizations on environmental and social projects. By embracing sustainable manufacturing principles, we aim to enhance operational resilience, drive competitive advantage, and contribute to the transition towards a more sustainable and equitable future. At Yew Lee Pacific, sustainability isn't just a goal—it's a fundamental part of how we do business, ensuring long-term prosperity for our company, community and the planet.

#### 1. Utilization of Solar Energy



#### 2. Utilization of Harvested Water

In the year 2023, the group has invested in building rainwater collecting tanks with the capacity of 9.46 m<sup>3</sup>. We implemented this water management strategies to use as a water source to wash the used brush plates that we collected from customer that is intended to do reconditioning.



#### 3. Product and Services Responsibility

For year 2023, the company is able to compute the total of 1 time plastic saved from reconditioning of disc brush services – 3797 pieces of plastic disc plate being reuse, estimated about 24.19 tonne of plastics being reuse.

#### 4. Procurement Practices

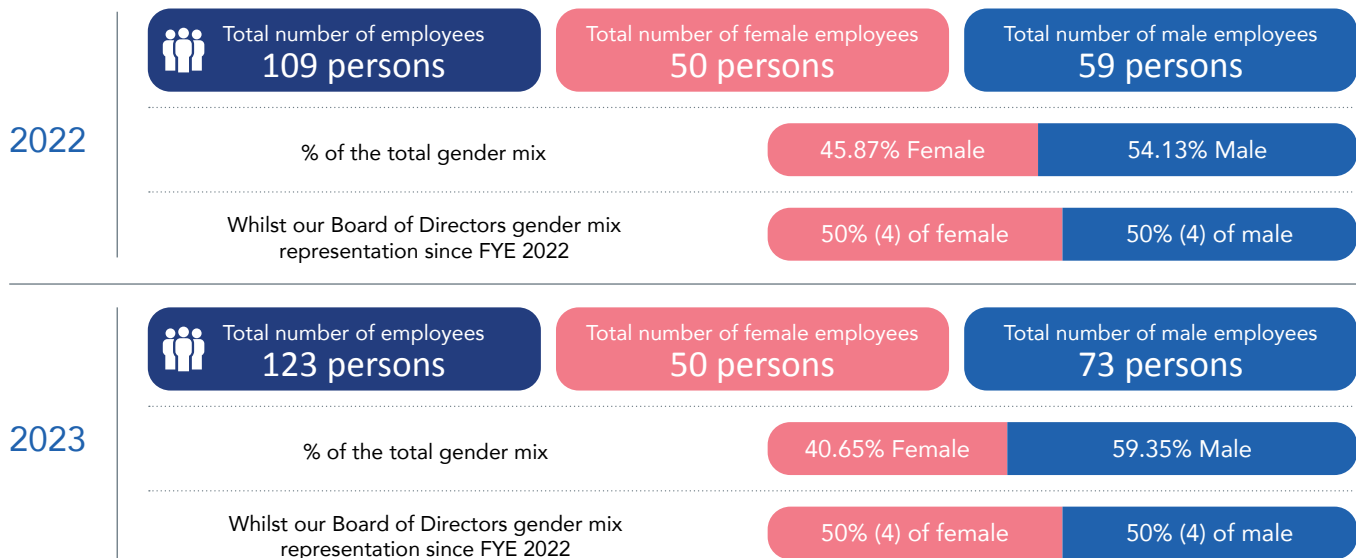
The total group expenses made on the goods and services in FYE 2023 is amounted to RM12,280,751.47 with 74.93% (RM9,202,430.45) contributed to the local communities – Malaysia, mostly consist of industrial hardware and machinery parts, whereas 23.24% (RM2,854,045.39) of the expenses is made to purchase raw materials and parts from China, 1.37% (RM167,696.22) of the expenses is made to purchase machines and parts from Germany, and <0.5% (RM56,579.41) of the expenses was spent on other countries like Italy and Thailand.

### Supportive Working Environment (Social)

At Yew Lee Pacific, we recognize that fostering a supportive working environment is essential not only for the well-being and satisfaction of our employees but also for driving sustainable business success. Embracing the social aspect of Environmental, Social, and Governance (ESG) principles, we are committed to creating a workplace culture that prioritizes inclusivity, respect, and employee empowerment. Through initiatives such as diversity and inclusion programs, employee wellness initiatives, and professional development opportunities, we strive to nurture a culture of collaboration, creativity, and continuous growth. By investing in our greatest asset—our people—we aim to cultivate a workplace where every employee feels valued, respected, and inspired to contribute their best, ultimately driving positive social impact within our organization and beyond.

## Supportive Working Environment (Social) (Cont'd)

### 1. Diversity a) Gender

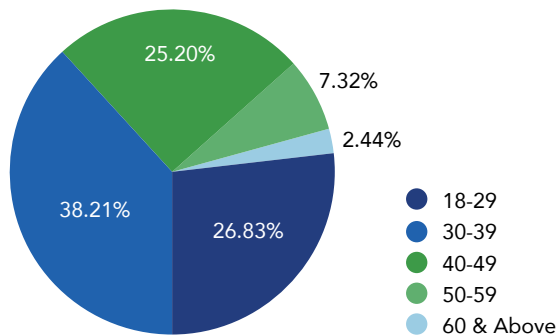


### b) Age Group

Age Group	Number of employees	% of total employees
18-29	33	26.83%
30-39	47	38.21%
40-49	31	25.20%
50-59	9	7.32%
60 & Above	3	2.44%

Our Board of Director on the other hand compiled a total of 50% (4) of the total number of directors are from the age group of 50-59, 37.5% (3) of the total number of directors are from the age group of 40-49, and 12.5% (1) of the total number of director are from the age group of 18-29.

#### Age Group

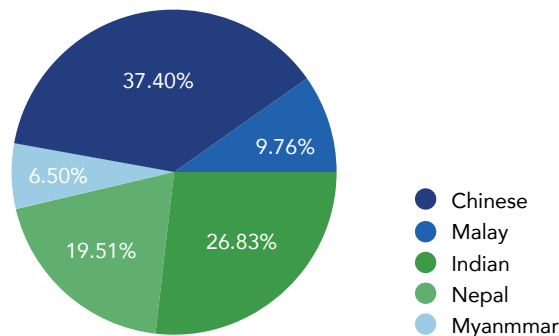


### c) Ethnicity

Ethnicity	Number of employees	% of total employees
Chinese	46	37.40%
Malay	12	9.76%
Indian	33	26.83%
Nepal	24	19.51%
Myanmar	8	6.50%

As for the ethnicity mix for our board of directors, a total of 87.5% (7) from the total number of directors are Chinese and the remaining of 12.5% (1) from the total number of director is Malay.

#### Ethnicity Group



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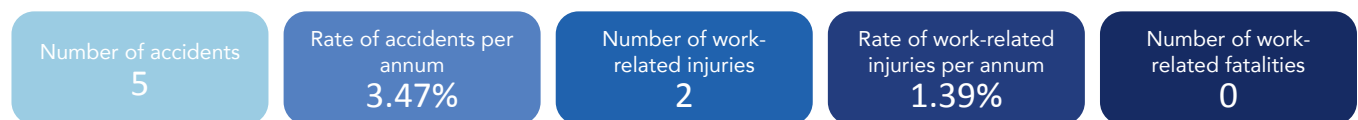
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### Supportive Working Environment (Social) (Cont'd)

#### 2. Occupational Safety and Health

Our company is dedicated to ensure a safe and healthy workplace environment extends beyond regulatory compliance to encompass a culture of care, accountability, and continuous improvement. Through rigorous risk assessments, comprehensive training programs, and robust safety protocols, we strive to safeguard the well-being and dignity of every employee, contractor, and stakeholder involved in our operations. By fostering a culture of prevention, proactive hazard identification, and employee empowerment, we aim to minimize occupational risks, prevent accidents and injuries, and promote a culture of safety excellence that underpins our commitment to social responsibility and sustainable business practices.

There are total of 5 accidents cases with 2 of the cases are reported as work-related injuries. Based on the Guidelines for Hazard Identification, Risk Assessment and Risk Control ("HIRAC"), 2 of the work-related injuries are under the category of Negligible (1) in the severity of hazard marked as minor abrasions, bruises, cuts, first aid type injury with the likelihood of (3). Hence, the 2 cases of work-related injuries are consider as low risk in the HIRAC risk matrix.



#### 3. Labour Practices

At Yew Lee Pacific, we are deeply committed to upholding exemplary labour practices that uphold the highest standards of ethics, fairness, and respect for human rights within the framework of Environmental, Social, and Governance (ESG) principles. We recognize that our workforce is our most valuable asset, and as such, we prioritize creating a workplace culture built on principles of dignity, equity, and inclusion.

Our commitment to good labour practices encompasses fair wages, equal opportunities for advancement, safe working conditions, and adherence to labour laws and regulations. Through robust policies, ongoing training, and transparent communication channels, we strive to empower our employees, foster a sense of belonging, and cultivate a supportive and collaborative work environment.

By doing so, our company remuneration packages go above and beyond what is mandated by law, same as what we disclosed last year in FYE 2022 and be committed to maintain a 0 record of complaints through Department of Labour from the employees.

### Compliance and Transparency (Governance)

We recognize that operating with integrity, accountability, and transparency not only builds trust with stakeholders but also safeguards the well-being of our employees, communities, and the environment. Through rigorous adherence to laws, regulations, and industry standards, as well as transparent reporting practices, we ensure ethical conduct and responsible business practices across all facets of our operations. By fostering a culture of openness, honesty, and integrity, we aim to strengthen relationships with stakeholders, mitigate risk, and uphold our commitment to social responsibility and sustainable business practices.

As a commitment to provide quality products to our customers, we continue to adhere strictly to the international standards on quality management system (ISO9001:2015). In FYE 2023, the recertification of the ISO9001:2015 was completed on 9th Oct 2023 by TUVNORD with 0 non-conformances in the scope of manufacturing and consumer and industrial brush.

Furthermore, compliance and transparency for our company are not just obligations but essential cornerstones of our commitment to creating a positive social impact and driving long-term value for all stakeholders. For more information of our Corporate Governance overview can be view on pages 36 - 45 of this report.