

Sustainability Statement

About Us

Yew Lee Pacific Group Berhad (“Yew Lee Pacific”, “the Group”, “Company”, “us”, “our”, or “we”) was incorporated in Malaysia under the Companies Act 2016 on 10 November 2020 as a private limited company under the name of Yew Lee Pacific Group Sdn Bhd. On 25 August 2021, we converted into a public limited company under our present name. We are an investment holding company. Through our subsidiaries and associate company, we are principally involved in the manufacturing of industrial brushes as well as trading of industrial hardware and machinery parts.

Our Sustainability Core Strategies

We are dedicated to aligning our core strategies with the 17 United Nations Sustainable Development Goals (UN-SDGs), embedding Environmental, Social, and Governance (ESG) principles into every aspect of our operations.

Our Initiatives

- Recycling & Circular Economy
- Climate Change & Green Energy
- Diversity, Equity & Inclusion (DEI)
- Occupational Safety & Health
- Corporate Social Responsibilities & Collaboration
- Effective, Accountable & Transparent Organisational Structure & Culture



About Our Sustainability Statement

Welcome to Yew Lee Pacific Group Berhad's 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. Aligned with our vision to be the leading brush manufacturer by establishing branches worldwide, providing cost-effective, eco-friendly solutions and trustworthy services for our business partners, we strive to create a sustainable future for our industry. Our mission is to provide our customers with high-quality, sustainable products and services by continuously improving through training, research, and development in environmentally responsible practices. By fostering trust and collaboration with stakeholders, we leverage sustainability as a source of competitive advantage and long-term value creation.

Scope & Boundaries

Information in this statement primarily reflects the sustainability performance of Yew Lee Pacific during the period of 1 January 2024 to 31 December 2024. It covers the one business segments of the Group, namely, Yew Lee Pacific Manufacturer Sdn Bhd in Malaysia. It does not cover overseas operation in Thailand. Historical information from previous years was included, wherever applicable, to provide a basis for comparison.

Reporting Framework

This statement has been prepared to conform with the applicable requirements of the ACE Market Listing Requirements (AMLR) and the Sustainability Reporting Guide issued by the Exchange, Bursa Malaysia.

Sustainability 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 appoint a dedicated Sustainability Committee headed by the Executive Director, 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. We led our sustainability framework from the top-down, and each level of our organisation holds its respective responsibilities.

Stakeholder Engagement

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



Key Sustainability Matters

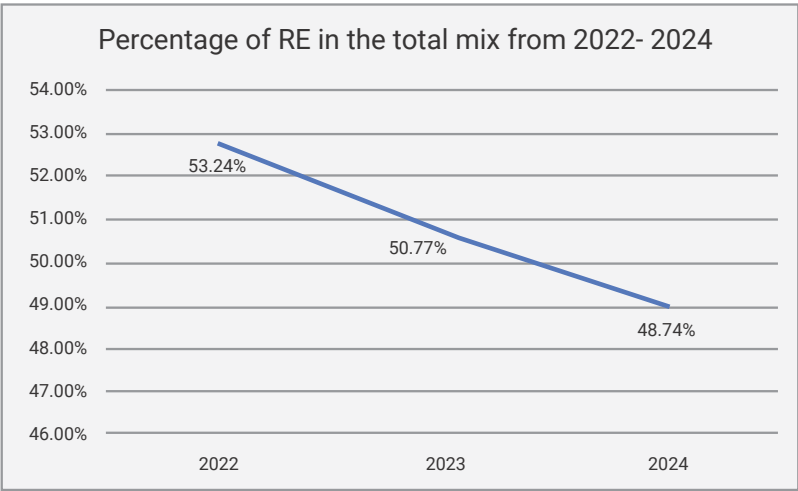
Our Company had accessed the following key sustainability matters that are important to our business operations as well as the interest of our stakeholders. These key sustainability matters are categorized into 3 pillars, **Sustainable Manufacturing, Supportive Working Environment and Compliance & Transparency**, 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
Sustainable Manufacturing (Environment & Economic)	Energy Management	<ul style="list-style-type: none"> Utilizing renewable energy source 	<ul style="list-style-type: none"> Installed Solar Panels for the manufacturing factory
	Water Management	<ul style="list-style-type: none"> Utilizing renewable water source Water saving 	<ul style="list-style-type: none"> Rainwater harvesting
	Product and Service Responsibility	<ul style="list-style-type: none"> Reduce the use of 1 time plastic 	<ul style="list-style-type: none"> Implementing recondition services for Disc Brushes
	Procurement Practices	<ul style="list-style-type: none"> Prioritising local expenditure 	<ul style="list-style-type: none"> > 70% local expenditure
	Carbon Emission	<ul style="list-style-type: none"> Emissions avoidance Energy substitution 	<ul style="list-style-type: none"> 1st year tracking
Supportive Working Environment (Social)	Diversity, Equity	<ul style="list-style-type: none"> Promote diversity in our organisation 	<ul style="list-style-type: none"> Satisfactory diversity within the organisation
	Occupational Safety and Health	<ul style="list-style-type: none"> Promote and continuous improvement on safety and health awareness 	<ul style="list-style-type: none"> Emergency Response Team in place Archived 0 fatalities within the organisation
	Labour Practices	<ul style="list-style-type: none"> Committed to provide fair treatment to employees by following labour law or more than what labour law had recommended 	<ul style="list-style-type: none"> Additional benefits provided 0 report raise to Department of Labour from employees
Compliance and Transparency (Governance)	Corporate Governance	<ul style="list-style-type: none"> Adopting policies to govern business operations 	<ul style="list-style-type: none"> Complied to all rules and regulations No whistleblowing reports received
	Quality Management System	<ul style="list-style-type: none"> Committed to adhere and provide continuous improvement to the international standard on Quality 	<ul style="list-style-type: none"> Complied with all the audits with 0 non-conformances.

Sustainable Manufacturing (Environment & Economic)

Our Company acknowledges 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 will it 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. As an initiative, our company is committed to environmental sustainability and is planning to apply for ISO 14001:2015 certification. This globally recognized standard for Environmental Management Systems (EMS) will help us enhance environmental performance, reduce waste, and ensure regulatory compliance. By adopting ISO 14001:2015, we aim to minimize our environmental impact, promote sustainable practices, and demonstrate our dedication to a greener future. 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



2022

Total energy used from TNB supply-
⚡ 194,771 kWh

Total energy used from solar supply -
221,780.5 kWh

Percentage of RE in total mix -
53.24%

2023

Total energy used from TNB supply -
⚡ 190,509 kWh

Total energy used from solar supply -
196,495.02 kWh

Percentage of RE in total mix -
50.77%

2024

Total energy used from TNB supply -
⚡ 208,228 kWh

Total energy used from solar supply
197,961.86 kWh

Percentage of RE in total mix -
48.74%

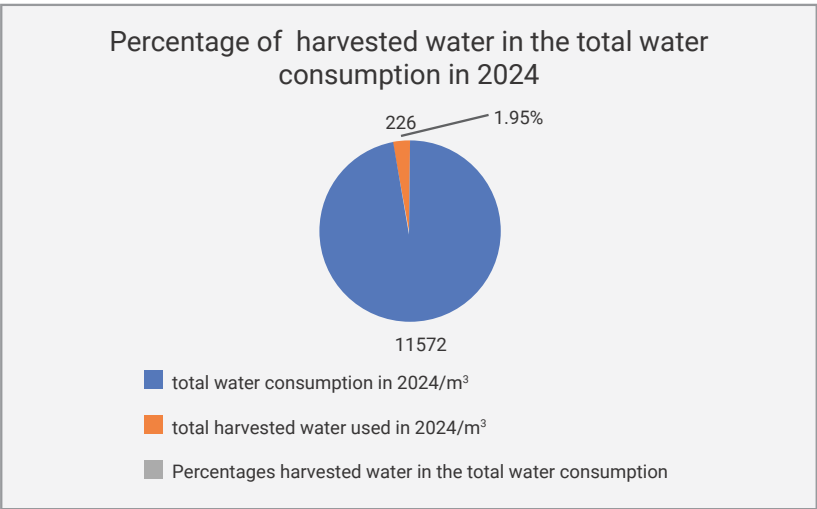
Sustainable Manufacturing (Environment & Economic) (Cont'd)

2. Utilization of Harvested Water



By the end of 2023, the group has invested in building rainwater collecting tanks with the capacity of 9.46m³. We utilise harvested rainwater for housekeeping and operational purposes. Our rainwater harvesting system, which includes tanks to retain rainwater, is designed to reduce reliance on municipal water. We implemented these water management strategies to use as a water source to wash the used brush plates that we collected from customers that are intended to do reconditioning.

In 2024, the group will begin using this year as the baseline to measure the total volume of harvested rainwater. This baseline will enable us to systematically track, evaluate, and improve our rainwater harvesting performance over time. Establishing this reference point will also allow us to monitor the effectiveness of our water conservation efforts and identify opportunities for further optimisation, especially in reducing the consumption of treated municipal water for non-potable applications.



2024

Total water consumption throughout the year –
11572m³

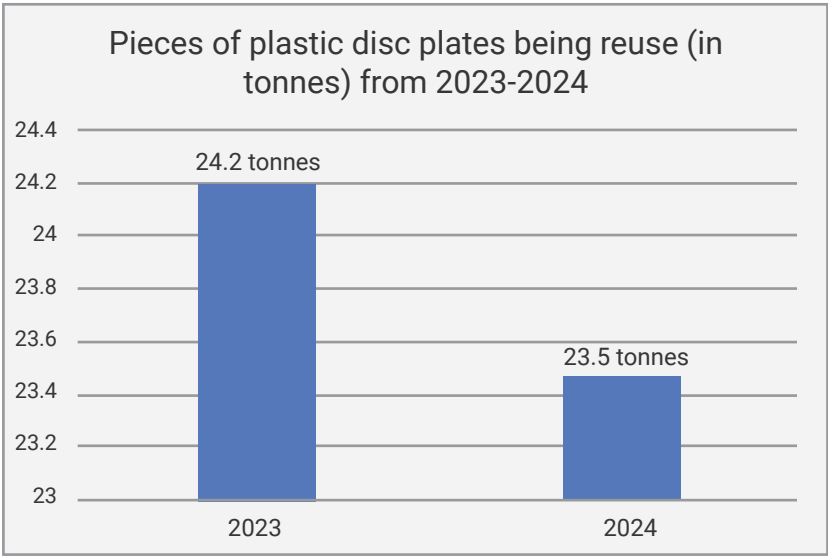
Total harvested water used since December 2024 –
226m³

Percentage of harvested water in the total water consumption –
1.95%



Sustainable Manufacturing (Environment & Economic) (Cont'd)

3. Product and Services Responsibility

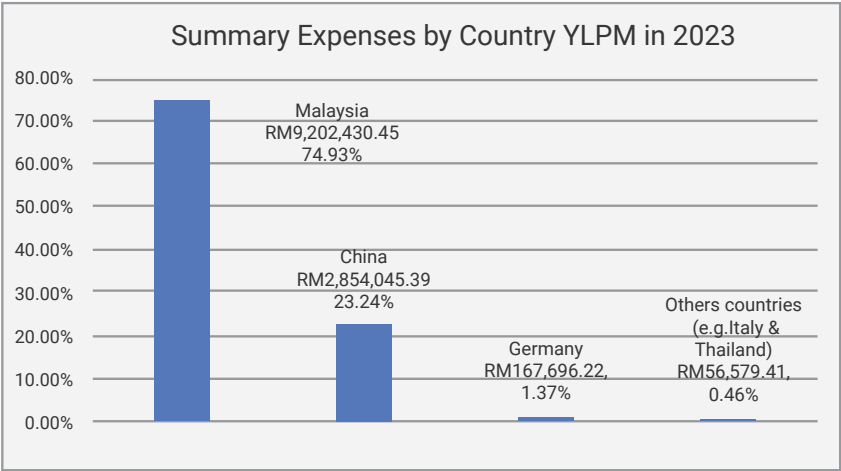


For year 2023, the company is able to compute the total of 1 time plastic saved from reconditioning of disc brush services – 3797 pieces of plastic disc plates being reuse, estimated about 24.19 tonnes of plastics being reuse.

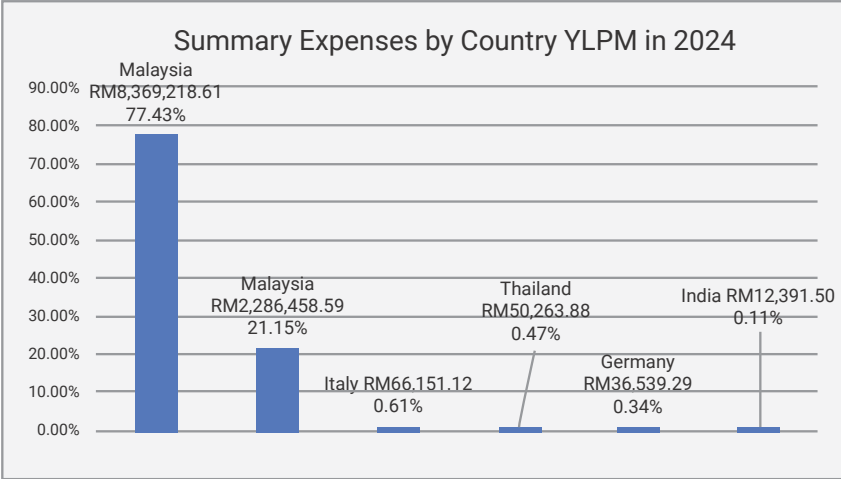
As for year 2024, the company is able to compute the total of 1 time plastic saved from reconditioning of disc brush services – 3659 pieces of plastic disc plates being reuse, estimated about 23.49 tonnes of plastics being reuse.

Sustainable Manufacturing (Environment & Economic) (Cont'd)

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.



In FYE 2024, the group's total expenditure on goods and services amounted to RM10,808,631.49. A significant portion of this spending, 77.43% or RM8,369,218.61, was directed towards supporting local communities in Malaysia, primarily for the procurement of industrial hardware and machinery parts. In addition to local spending, 21.15% of the total expenses, amounting to RM2,286,458.59, was used to purchase raw materials and parts from China. A smaller portion, 0.61% or RM66,151.12, was allocated for acquiring machines and parts from Italy. Further minor expenditures were made in other countries, including 0.47% (RM50,263.88) in Thailand, 0.34% (RM36,539.29) in Germany, and 0.11% (RM12,391.50) in India. These figures highlight the group's commitment to prioritizing local procurement while also sourcing specialized materials and equipment internationally.

Sustainable Manufacturing (Environment & Economic) (Cont'd)

5. GHG Emissions



As a producer of plastic brushes, Yew Lee Pacific directly and indirectly contributes to GHG emissions. Yew Lee Pacific is committed to limiting emissions and adapting to climate change.

Understanding where emissions occur across the value chain is crucial for improving our climate impact. Our assessment of Scope 1 & Scope 2 emissions revealed that 100% of Thong Guan's production sites' energy consumption comes from purchased electricity (Scope 2), while our Scope 1 emissions derive from diesel consumption.

Scope 1 (Direct Emissions) – sources that are owned or controlled by company

Mobile Combustion (Diesel Consumption by Forklift & Lorry) consist of 48% among total emissions

Scope 2 (Indirect Emissions)

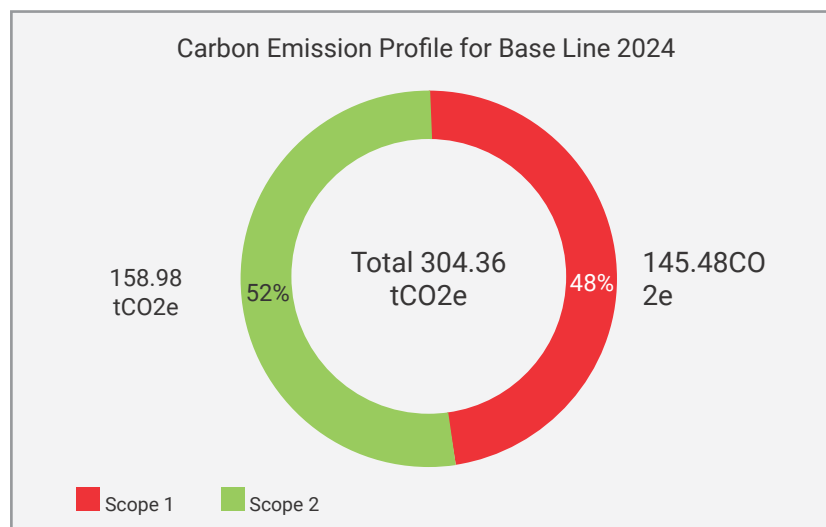
Imported Energy (Electricity Consumption) consist of 52% among total emissions

GHG Emissions Intensity

Year 2024 Emission – 304.36 tCo2e

Year 2024 Total output – 1,691,376 pcs of product

GHG Emission Intensity – 0.17994623 tCo2e/1000 pcs of product



6. Scheduled Waste

Our company is committed to enhancing environmental sustainability through the implementation of effective scheduled waste management practices. Recognizing the importance of responsible waste handling, we have initiated key measures to reduce waste generation, improve waste segregation, and explore opportunities for recycling and reuse.

To ensure proper waste classification, the company began implementing a comprehensive waste segregation and monitoring system. This initiative focuses on systematically separating different categories of scheduled waste to facilitate better tracking and to identify materials that may possess recyclable or reusable value. By maintaining detailed records and regular monitoring, we aim to increase transparency and ensure compliance with environmental regulations.

Sustainable Manufacturing (Environment & Economic) (Cont'd)

In parallel with waste segregation efforts, our company is improving production processes to enhance efficiency and minimize in-house scrap generation. By optimizing manufacturing workflows and implementing best practices, our company aims to reduce material wastage at its source. These measures not only contribute to cost savings but also align with the company's commitment to sustainable resource management.

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.

1. Diversity, Equity & Inclusion (DEI)

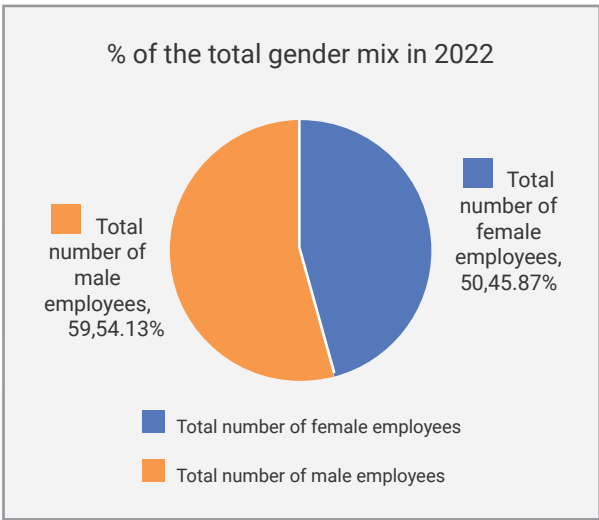
Organizations that prioritize DEI often experience higher levels of innovation, creativity, and employee satisfaction. Employees feel empowered and motivated, which can lead to improved productivity and business outcomes. By embracing DEI, our company can foster a culture of respect, drive innovation, and achieve sustainable success.

a) Gender



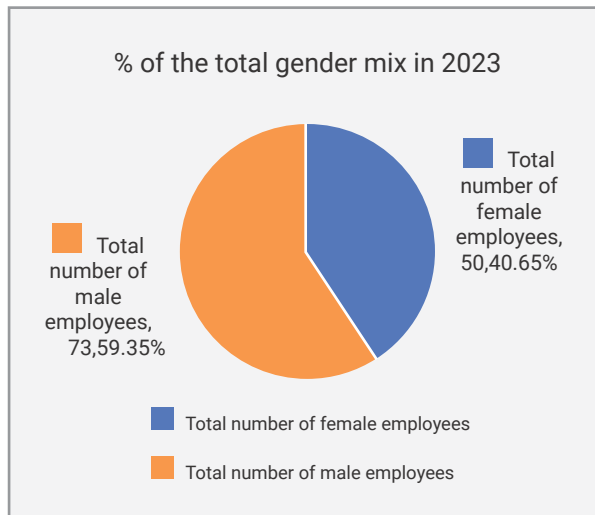
2022

Total number of employees – 109 persons
Total number of female employees – 50 persons
Total number of male employees – 59 persons
% of the total gender mix – 45.87% Female, 54.13% Male
Whilst our Board of Directors gender mix remains 50% (4) of female and 50% (4) of male representation.



Supportive Working Environment (Social) (Cont'd)

2023



Total number of employees – 123 persons

Total number of female employees – 50 persons

Total number of male employees – 73 persons

% of the total gender mix – 40.65% Female, 59.35% Male

% of the total gender mix – 40.65% Female, 59.35% Male

Whilst our Board of Directors gender mix remains 50% (4) of female and 50% (4) of male representation since FYE 2022

2024

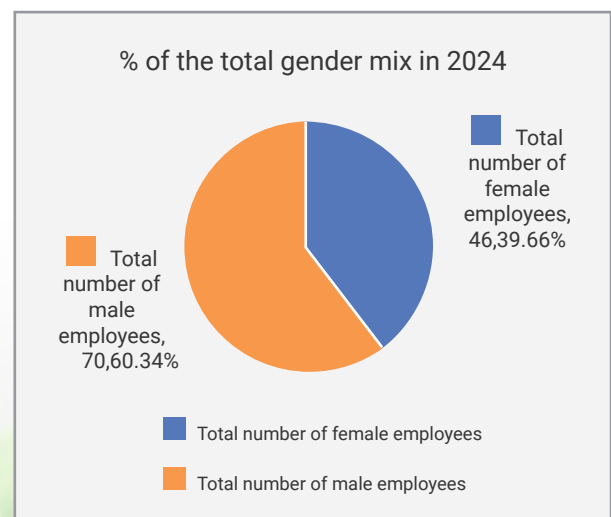
Total number of employees – 116 persons

Total number of female employees – 46 persons

Total number of male employees – 70 persons

% of the total gender mix – 39.66% Female, 60.34% Male

Whilst our Board of Directors gender mix consists of 60% (6) of female and 40% (4) of male representation.



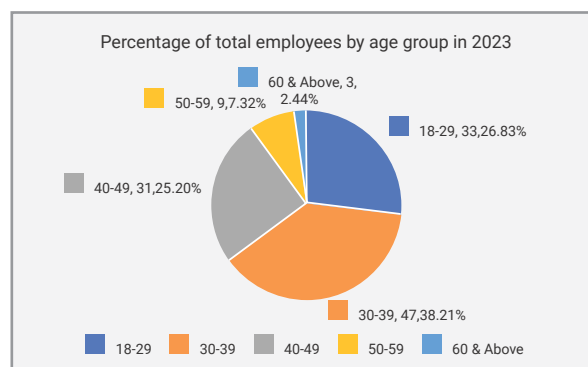
Supportive Working Environment (Social) (Cont'd)

b) Age Group



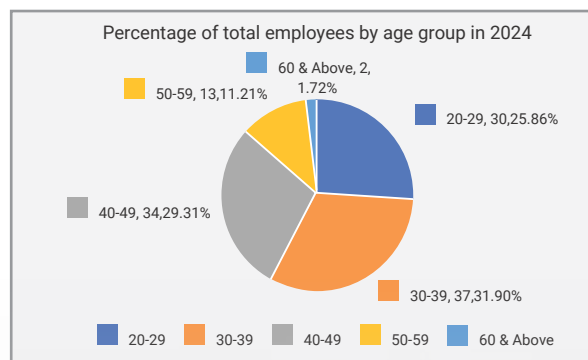
2023

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%



2024

Age Group	Number of employees	% of total employees
20-29	30	25.86%
30-39	37	31.90%
40-49	34	29.31%
50-59	13	11.21%
60 & Above	2	1.72%



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, 25% (2) of the total number of directors are from the age group of 40-49, 12.5% (1) of the total number of directors are from the age group of 30-39 and 12% (1) of the total number of director are from the age group of 20-29.



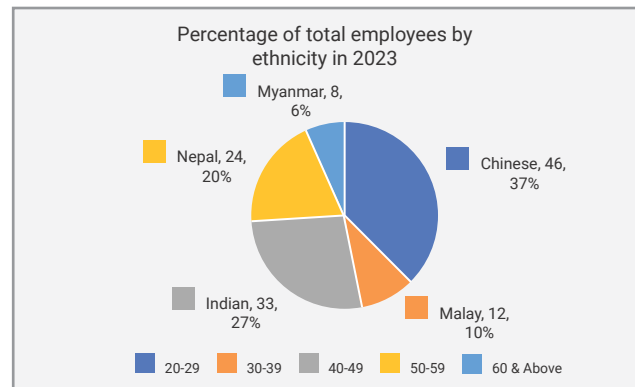
Supportive Working Environment (Social) (Cont'd)

c) Ethnicity



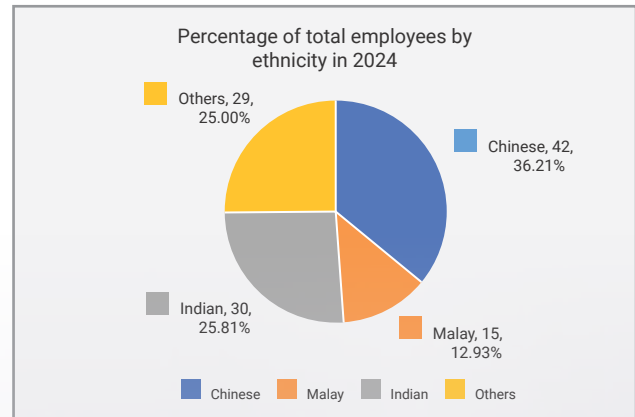
2023

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%



2024

Ethnicity	Number of employees	% of total employees
Chinese	42	36.21%
Malay	15	12.93%
Indian	30	25.86%
Others	29	25.00%



As for the ethnicity mix for our board of directors, a total of 90% (9) from the total number of directors are Chinese and the remaining of 10% (1) from the total number of director is Malay.



Supportive Working Environment (Social) (Cont'd)

2. Occupational Safety and Health



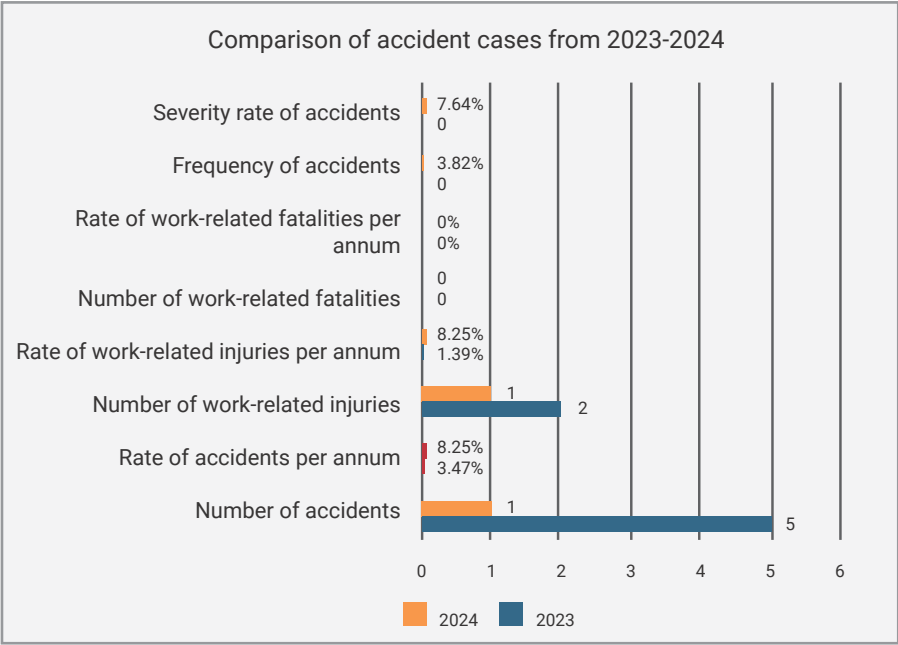
Our company is dedicated to ensuring a safe and healthy workplace environment extends beyond regulatory compliance to encompass a culture of care, accountability, and continuous improvement. Through rigorous risk assessments, comprehensive training programs, and robust safety protocols, we strive to 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.

Furthermore, our company is planning to apply for ISO 45001:2018 certification as an additional sign of commitment towards occupational safety and health. ISO 45001 is a globally recognized standard for Occupational Health and Safety Management Systems (OHSMS) that helps organizations create safer work environments. It reduces workplace risks, enhances employee well-being, and ensures compliance with legal requirements. By implementing ISO 45001, businesses can improve productivity, minimize accidents, and lower operational costs. It also demonstrates a commitment to worker safety and continuous improvement, boosting stakeholder trust and corporate reputation.

We are also committed to upholding high standards of workplace safety and health, as demonstrated by our active participation in OSH-C (Occupational Safety and Health Coordinator) training classes. Key personnel have successfully completed the training, equipping them with the essential knowledge and skills to identify hazards, assess risks, and implement effective control measures in the workplace. In alignment with this commitment, we have also officially appointed a qualified OSH Coordinator within the organization. This individual is responsible for overseeing the implementation of safety practices, ensuring compliance with relevant regulations, and fostering a safety-first culture among all employees. These proactive steps reflect our dedication to continuous improvement in occupational safety and health, as well as our determination to create a safe and healthy working environment for everyone in the company.

Additionally, our company has undergone a comprehensive HIRARC (Hazard Identification, Risk Assessment, and Risk Control) review to ensure a safe and compliant working environment. Through this process, we systematically identified potential workplace hazards, evaluated the associated risks, and implemented appropriate control measures to mitigate them effectively. All necessary corrective and preventive actions have been taken in accordance with regulatory standards and best industry practices. These measures include administrative controls, engineering improvements, and staff training to reinforce awareness and adherence to safety protocols. By proactively addressing these risks, we aim to prevent the recurrence of past incidents and strengthen our overall occupational safety and health management system.

Supportive Working Environment (Social) (Cont'd)



	2023	2024
Number of accidents	5	1
Rate of accidents per annum	3.47%	8.25%
Number of work-related injuries	2	1
Rate of work-related injuries per annum	1.39%	8.25%
Number of work-related fatalities	0	0
Rate of work-related fatalities per annum	0%	0%
Frequency of accidents	N/A	3.82%
Severity rate of accidents	N/A	7.64%

Supportive Working Environment (Social) (Cont'd)

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 2023 and be committed to maintain a 0 record of complaints through the Department of Labour from the employees.

Yew Lee Pacific Manufacturer Sdn Bhd has been awarded the Anugerah Majikan Terbaik Tahun 2024 by KWSP Negeri Perak. The event had taken place at Hotel Casuarina, Meru on 7th October 2024. This award is given to recognise the employers who have shown exemplary compliance towards their employees' Employees Provident Fund (EPF) contributions for the year 2023/2024.

4. Employee Engagement and Talent Development

Our people are our most valuable assets. As such we invest heavily in our workforce where we focus on talent development in our employees. We have also distributed 10 Years' Service Award as a sign of reward and recognition to appreciate their contribution. Festival celebrations are conducted in the company to increase engagement with the employees as well. We continually attract qualified and talented personnel and nurture our workforce, so they are ready to take on current and future market challenges. We encourage employees to adopt a growth mindset where learning is ongoing. There are different ways to learn and grow, depending on the development needs and an individual's learning style. The learning styles we adopt include on the job training and learning, and formal training. Each business unit and department need to submit a training need analysis to the human resources department to make necessary training arrangements. Employees can also discuss with their superiors to request additional training if required.

Supportive Working Environment (Social) (Cont'd)

5. CSR Project



As part of the company's effort to contribute to society, a meaningful employment initiative has been launched by our company to empower persons with disabilities (PWD). We firmly believe in creating an inclusive and diverse workplace where every individual, regardless of physical or mental challenges, is given the opportunity to thrive. By opening our doors to PWD candidates, we are not only promoting equal employment opportunities but also breaking down societal barriers that often limit their potential. This initiative reflects our core values of compassion, respect, and community engagement, while also fostering a supportive work environment that celebrates the unique strengths and contributions of every team member. Through this effort, we hope to inspire greater inclusivity across the industry and encourage others to join us in building a more equitable future.

As a member of Malaysian Plastic Manufacturers Association (MPMA) Perak Branch, Yew Lee Pacific participated in 'Jom Kitar Semula' program to promote sustainable practices among the factories/work premises and enhance public awareness about recycling and environmental responsibility.

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.

In our commitment to ethical business practices and corporate integrity, our company has formally implemented comprehensive Anti-Corruption and Anti-Bribery Policies across all levels of operation. These policies are designed to prevent, detect, and address any form of corruption or bribery, ensuring that all employees, stakeholders, and business partners uphold the highest standards of honesty and transparency. As part of this initiative, we have also introduced a Whistleblowing Policy that provides a safe and confidential channel for individuals to report any suspected misconduct, unethical behaviour, or violations of company policies without fear of retaliation. These measures not only reinforce our zero-tolerance stance towards corruption and bribery but also cultivate a culture of accountability and trust within the organization.

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 on our Corporate Governance overview can be view on pages 48 to 59 of this report.