

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

SUSTAINABILITY STATEMENT

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 (Environment)**, **Supportive Working Environment (Social)** and **Compliance & Transparency (Governance)**, this report showcases our journey toward sustainability, emphasising 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.



**Sustainable Manufacturing
(Environment)**



**Supportive Working Environment
(Social)**



**Compliance & Transparency
(Governance)**

Reporting Scope and Boundaries

It covers the one business segment of the Group, namely, Yew Lee Pacific Manufacturer Sdn. Bhd. in Malaysia. It does not cover overseas operations in Thailand. Historical information from previous years was, wherever applicable, to provide a basis for comparison.

Reporting Period and Cycle

The reporting period of the Report is from 1 January to 31 December 2025. Our Sustainability Reports are issued on an annual basis and our last Sustainability Report was published on 30 April 2025.

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). The Group commenced formal sustainability target-setting in FY2025 in line with the enhanced sustainability reporting requirements of Bursa Malaysia. FY2024 has been adopted as the baseline year for the Group's sustainability targets, as it represents the most recent complete year prior to the establishment of targets. Historical data from FY2023 to FY2024 is presented for trend analysis to provide additional context on performance.

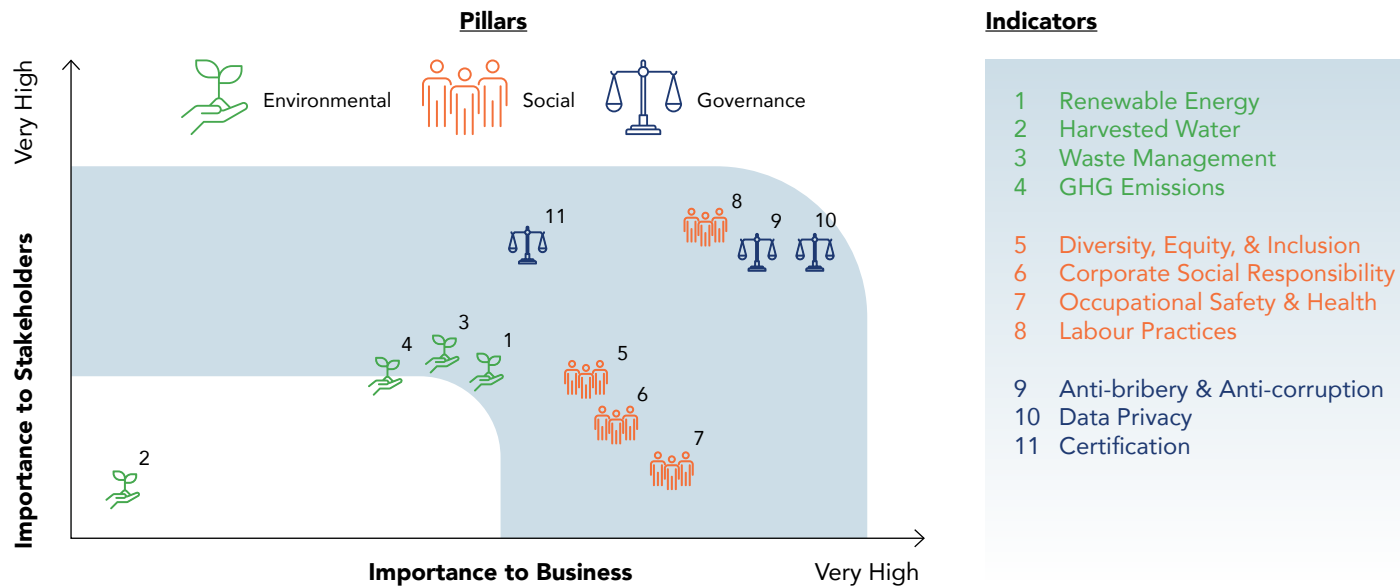
Assurance

We are dedicated to improving our data collection in Yew Lee Pacific to ensure completeness and accuracy. The Sustainability Statement has been subjected to internal review by the Audit and Risk Management Committee. The Group has not obtained independent external assurance for this report.

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Materiality Matrix

In FY2025, we conducted a materiality assessment based on Yew Lee Pacific Materiality Assessment Guideline. The ESG materiality matrix illustrates how key Environmental, Social, and Governance indicators are prioritised based on their importance to both stakeholders and the business. Sustainable Manufacturing indicators are renewable energy (Item 1), harvested water (Item 2), waste management (Item 3), and GHG Emissions (Item 4). Supportive Working Environment indicators, including Diversity, Equity, & Inclusion (DEI) (Item 5), Corporate Social Responsibility (CSR) (Item 6), Occupational Safety & Health (Item 7) and labour practices (Item 8). Compliance and Transparency indicators—anti-bribery and anti-corruption (Item 9), data privacy (Item 10), and certification (Item 11).



The matrix shows that while sustainability manufacturing topics remain essential, stakeholders place even greater emphasis on compliance and transparency, and supportive working environment dimensions in FY2025. This highlights a shift toward ensuring integrity, data protection, and inclusive workplace practices, while still maintaining commitments to resource efficiency and emissions reduction.

Based on the material sustainability matters identified, the Group has established measurable sustainability targets and performance indicators to monitor progress. These targets are reviewed annually by Management and the Board, and will be progressively enhanced as the Group's sustainability initiatives and data collection processes mature.



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Top Priority Material Matters

Labour practices (Item 8), anti-bribery and anti-corruption (Item 9), data privacy (item 10) and certification (item 11)—are positioned in the high-to-very-high business importance area, underscoring their critical role in maintaining ethical conduct, regulatory compliance, and organisational integrity. These are the most material issues that require top management attention and continuous monitoring.

Metric	Baseline (FY2024)	FY2025	Target	Status
Labour Practices (pg 36)	0	0	0 complaints to the Labour	Achieved
Anti-Bribery and Corruption (pg 39)	0	0	0 cases reported to MACC	Achieved
Data Privacy & Cybersecurity (pg 39)	N/A	0	0 data breach incidents	Achieved
Certification & Compliance (pg 40)	1 (ISO 9001:2015)	1 (ISO 9001:2015)	Maintain existing certification and to obtain ISO 14001 and ISO 45001 certifications	ISO9001 maintained, ISO14001 and ISO 45001 planned

Moderate to High Priority Material Matters

Diversity, Equity, & Inclusion (DEI) (Item 5), Corporate Social Responsibility (CSR) (Item 6), Occupational Safety & Health (Item 7) fall within the moderate-to-high importance range. These are important to business strategy and operations, while also receiving significant, though slightly lower, emphasis from stakeholders compared to the top-right cluster.

Metric	Baseline (FY2024)	FY2025	Target	Status
Gender Diversity (pg 31)	39.66%	38.46%	At least 30% of Female employees	Achieved
Corporate Social Responsibility (CSR)	“Jom Kitar Semula” Program - PWD employment initiative	N/A	To expand initiatives	On going
Occupational Safety & Health (pg 34)	1	2 (occupational related injuries) 0 (Fatality and permanent disability)	- Below 5 cases of occupational related injuries 0 cases of fatality and 0 permanent disability	Achieved

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Moderate Priority Material Matters

Renewable energy (Item 1), waste management (Item 3), GHG emissions (Item 4) fall within the lower left to mid-range. This placement suggests they matter for internal business efficiency and compliance but are currently perceived as less pressing by stakeholders.

Metric	Baseline (FY2024)	FY2025	Target	Status
Renewable Energy (pg 24)	48.74%	42.31%	To increase percentage of RE in total mix to 45% by 2028	Behind
Waste Management (pg 29)	N/A	In progress	CePSWaM Competency by 2026	In progress
GHG Emissions (pg 29)	304.36	310.64	To be established	Slight increase

Low Material Matters

Harvested Water (Item 2) and others meaning it has relatively low importance to both business and stakeholders at present. This does not imply irrelevance, but it is less of a strategic focus compared to others. As this is not identified as a material sustainability matter for FY2025, the Group has not established a formal target at this stage and will continue to monitor performance.

Metric	KPI	Baseline (FY2024)	FY2025
Harvested Water (pg 25)	Water Usage/ Harvesting practice	1.95%	2.12%
Product and Services Responsibility (pg 26)	Recycle and reuse plastic as much as possible	23.49 tonnes reused plastic	25.97 tonnes reused plastic
Procurement Practices (pg 26)	Percentage of local procurement	77.34%	47.70%
Training & Development (pg 37)	Percentage of employee trained - Executives (2 or more trainings) - Non-Executives (at least 1 training)	N/A	Executive level: 68% Non-executive level: 41% (Behind)

Sustainability Governance Structure

In Yew Lee Pacific, the Board of Directors ("Board") 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 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.

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Stakeholder Engagement

Stakeholder Group	Area of Interest	Frequency	Method of Engagement	Outcome
Shareholder and Investors 	• Certification • Anti-Bribery & Anti-Corruption • Renewable Energy • Diversity, Equity & Inclusion (DEI) • GHG Emissions	Annually / Ongoing	• Company Announcements • Corporate Website • Annual/ Extraordinary General Meeting	Business Ethics, Financial Performance, Governance & Transparency, Anti-Bribery and Corruption Policy, GHG calculation.
Employee 	• Occupational Safety & Health • Labour Practices • Data Privacy • Anti-Bribery & Anti-Corruption	Annually / Monthly / Ongoing	• Internal and External Trainings • Staff welfare and benefits • Corporate activities and events • Internal communications • Meetings • Yearly performance review	Labour Practices, Diversity & Inclusion, Occupational Health & Safety, Human Capital Development, IT Policy and Procedures Manual, Anti-Bribery and Corruption Policy.
Customers / Clients 	• Anti-Bribery & Anti-Corruption • Data Privacy • Certification	Annually / Ongoing	• Recertification of ISO 9001 • ISO 14001 & ISO 45001 certification audit • Customer surveys • Newsletters • Virtual/ Physical communications • Transparent communication	Product Quality & Safety, Customer Data Privacy, Anti-Bribery and Corruption Policy, IT Policy and Procedures Manual, ISO 9001, ISO 14001 & ISO 45001 Certification.
Suppliers / Vendors / Contractors 	• Anti-Bribery & Anti-Corruption • Data Privacy • Labour Practices	Annually / Ongoing	• Supplier evaluation form • Virtual/ Physical communications • Newsletters	Supply Chain Management, Sustainable Procurement, Anti-Bribery and Corruption Policy, IT Policy and Procedures Manual.
Government / Regulators / Accreditation Bodies 	• Occupational Safety & Health • Labour Practices • Data Privacy • Certification	Annually / Monthly / Ad-hoc	• Monitoring of compliance • Recertification of ISO 9001 • ISO 14001 & ISO 45001 certification audit	Regulatory Compliance, Socio-Economic Contribution, IT Policy and Procedures Manual, ISO 9001, ISO 14001 & ISO 45001 Certification.

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Sustainable Manufacturing (Environment)



Yew Lee Pacific is committed to reducing its environmental impact through sustainable manufacturing practices, including improving energy efficiency, reducing waste, and increasing the use of renewable energy. Environmental considerations are integrated into operational processes to enhance resource efficiency and ensure regulatory compliance. As part of this effort, the Group is in the process of obtaining ISO 14001:2015 to strengthen its environmental management system.

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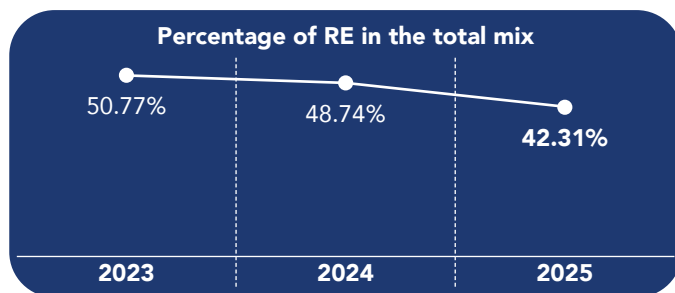
Utilisation of Solar Energy

(Target: To achieve percentage of RE in total mix to 45% by 2028)



Renewable Energy Generated

Up until FY2025, the Group has achieved a total installed solar capacity of 0.35 MWp with annual solar generation reaching approximately 278,435.66 kWh based on the latest reporting period, subject to operational conditions. By FY2028, Yew Lee Pacific's target to achieve the percentage of renewable energy (RE) in total mix by 45%, demonstrating Yew Lee Pacific's commitment to renewable energy and decarbonisation.



The total energy used from TNB supply in FY2025 is equivalent to 242,810 kWh which is 34,582 kWh higher than FY2024 (208,228 kWh). The total energy used from solar supply is 178,065.66 kWh which is 19,896.20 kWh lower compared to the FY2024 (197,961.86 kWh). Overall, the baseline year for renewable energy contribution is FY2024, where renewable energy constituted 48.74% of total energy consumption. In the FY2025, the renewable energy contribution decreased to 42.31%, representing a decline of 6.43% points from the baseline.

The decrease of the percentage of RE in total mix was primarily attributed to wiring and electrical mismatch that interfered with the power transmission which caused the Q1 of FY2025 to yield lower solar energy, hence causing a low energy use from solar supply. On the other hand, the increase of energy used from TNB supply due to the newly established corporate office in Q3 FY2025 which needed additional power supply also contributed to the decrease. Moving forward, the Group will continue to monitor and increase the energy contribution to 45% by FY2028 by optimising solar generation efficiency, evaluating expansion of solar capacity and improving overall energy management practices.

Item	2023	2024	2025
Total energy used from TNB supply (kWh)	190,509.00	208,228.00	242,810.00
Total energy used from solar supply (kWh)	196,495.02	197,961.86	178,065.66
Total energy used from TNB and solar supply	387,004.02	406,189.86	420,875.66
Percentage of RE in total mix (%)	50.77%	48.74%	42.31%

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2 Utilisation of Harvested Water



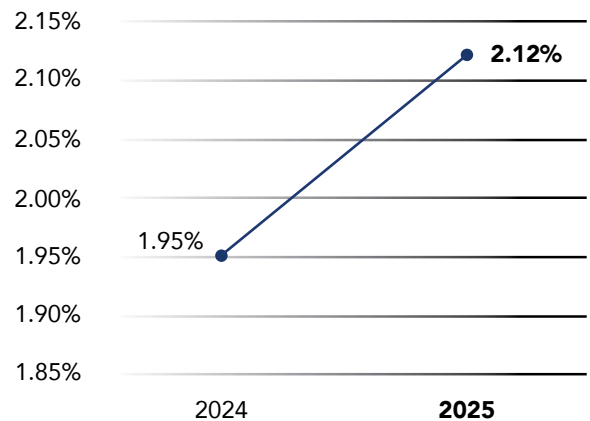
We utilise harvested rainwater for housekeeping and operational purposes. Our rainwater harvesting system, which includes tanks to retain rainwater, is designed to reduce reliance on municipal water. We implemented these water management strategies to use as a water source to wash the used brush plates that we collected from customers that are intended to do reconditioning.

In FY2024, 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.

Item	2024	2025
Total water consumption (m ³)	11,572.00	10,193.00
Total harvested water used (m ³)	226.00	216.00
Percentage of harvested water in the total water consumption (%)	1.95%	2.12%

The total harvested water used decreased from 226 m³ in 2024 to 216 m³ in 2025, reflecting a slight reduction of 10 m³. However, the percentage of harvested water relative to total water consumption increased from 1.95% in 2024 to 2.12% in 2025. Despite the reduction in volume, the proportion of harvested water increased to 2.12% in FY2025, indicating improved utilisation efficiency.

Percentage of Harvested water in the total water consumption (%)

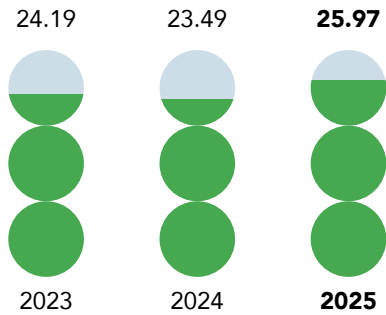


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3 Product and Services Responsibility



Pieces of plastic disc plates being reconditioning



Item	2023	2024	2025
Total Weight of Plastics Reused (tonnes)	24.19	23.49	25.97
Total Number of Plastic Disc Plates Reused (pieces)	3,797	3,659	4,240

The Group continues to promote circular economy practices through the reconditioning of disc brush plates. In FY2025, a total of 4,240 plastic disc plates were reused, equivalent to approximately 25.97 tonnes of plastic, representing an increase from 23.49 tonnes in FY2024. This improvement was driven by higher demand for reconditioned products.

4 Procurement Practices



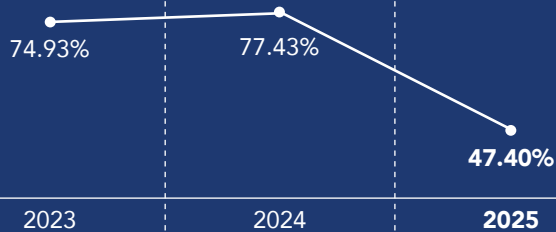
Summary Expenses in Procurement from 2023 - 2025



The chart shows the summary of procurement expenses from 2023 to 2025, procurement expenditure declined in FY2024 before increasing in FY2025, reflecting a rebound in operational and capital expenditure activities. In 2023, the total expenditure was RM12,280,751.47, which was the highest among the years shown. This amount decreased in 2024 to RM10,821,022.99, reflecting a reduction of approximately RM1.46 million compared to the previous year. The expenses continued to increase in 2025, reaching RM11,376,206.88, representing an increase from FY2024 though remaining below FY2023 levels, which is an additional expense of around RM555k from FY2024.

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Percentage of Local Purchase (%)



The Group's percentage of local spending drops significantly from 77.43% in FY2024 to 47.40% in FY2025 from the total spending amount of RM11,376,206.88. This is mainly due to the increase of spending in rest of the world that the Group had purchased new machinery from Germany and Italy.

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 a significant portion of Yew Lee Pacific's energy consumption arises from purchased electricity (Scope 2), while Scope 1 emissions are primarily from diesel consumption and refrigerant leakage.

Carbon Emission (2025)

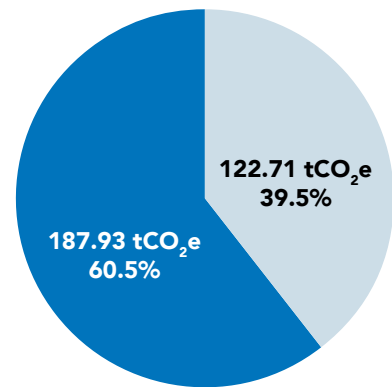
Scope 1 (Direct Emissions) – sources that are owned or controlled by company

Mobile Combustion (Diesel Consumption by Forklift & Lorry) and Refrigerant Leaks (Refrigerant R32 & R410A) consist of 39.5% among total emissions.

Scope 2 (Indirect Emissions)

Imported Energy (Electricity Consumption) consists of 60.5% among total emissions. Scope 2 emissions have been calculated using the latest Grid Emission Factor for Malaysia published by Suruhanjaya Tenaga Malaysia, ensuring that our reporting remains consistent with current national guidelines and best practices.

Carbon Emission Profile for 2025

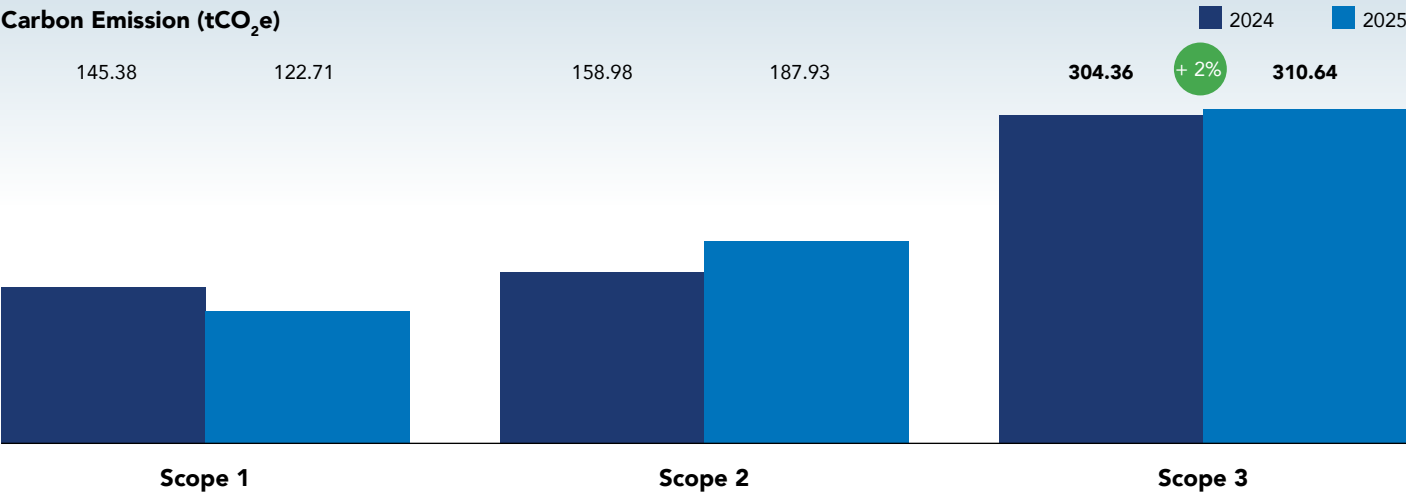


Total 310.64 tCO₂e

Scope 1 Scope 2

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Carbon Emission Profile



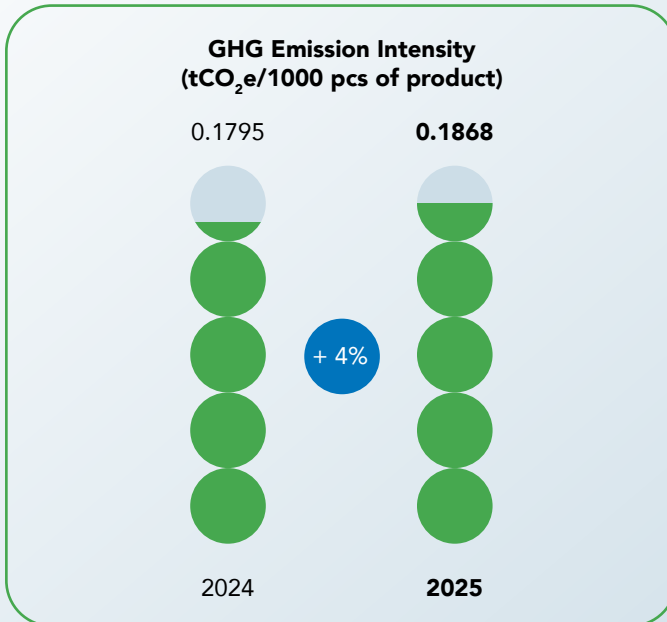
Carbon Emission	2024	2025
Scope 1 (tCO ₂ e)	145.38	122.71
Scope 2 (tCO ₂ e)	158.98	187.93
Total Scope 1 & Scope 2 (tCO ₂ e)	304.36	310.64
Total output of product (pcs)	1,691,376	1,662,889

In FY2025, Scope 1 emissions decreased to 122.71 tCO₂e, while Scope 2 emissions increased to 187.93 tCO₂e, bringing total emissions to 310.64 tCO₂e. This represents an overall increase of 6.29 tCO₂e, or approximately 2.06%, compared to FY2024. The increase in total emissions was primarily driven by increased electricity consumption associated with the newly established corporate office in Q3 FY2025, despite a reduction in direct emissions (Scope 1). During the same period, total production output decreased from 1,691,376 pcs in FY2024 to 1,662,889 units in FY2025, representing a reduction of 28,487 pcs. As a result, emissions intensity is expected to increase slightly (refer to GHG Emissions Intensity), reflecting higher indirect energy consumption relative to production output.



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GHG Emissions Intensity



GHG Emission

2024

2025

GHG Emission Intensity
(tCO₂e/1000 pcs of product)

0.1795

0.1868

In FY2024, GHG Emission Intensity is 0.1795 tCO₂e/1000 pcs of products. Meanwhile in 2025, it increases 4% with the data of 0.1868 tCO₂e/1000 pcs of products from the baseline FY2024.

The Group commenced formal tracking of greenhouse gas (GHG) emissions in FY2024. As such, FY2024 has been established as the baseline year for emissions reporting. Given that the Group is still in the early stage of developing a comprehensive emissions inventory and understanding emission drivers, a formal quantitative reduction target has not been established at this stage. The Group intends to refine its data collection processes and establish appropriate emissions reduction targets in the next reporting cycle.

In the interim, the Group remains committed to managing its carbon footprint through initiatives such as increasing renewable energy usage, improving energy efficiency, and optimising operational processes.



Scheduled Waste

(Target: To obtain CePSWaM competency by 2026)

The Group is committed to enhancing environmental sustainability through effective scheduled waste management practices, focusing on waste reduction, segregation, and recycling initiatives.

A structured waste segregation and monitoring system has been implemented to ensure proper classification, improve traceability, and identify opportunities for reuse. These practices support compliance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005.

In parallel, the Group continues to optimise production processes to minimise in-house scrap generation and reduce material wastage at source, contributing to both cost efficiency and sustainable resource management.

To strengthen regulatory compliance, designated personnel have undergone CePSWaM (Certified Environmental Professional in Scheduled Waste Management) training in August 2025 and are expected to obtain certification by October 2026. These personnel are responsible for overseeing scheduled waste handling, documentation, storage, and disposal in accordance with regulatory requirements.

The Group will also establish a designated Scheduled Waste Storage Area within its facility to make sure that the scheduled waste is properly segregated at source using dedicated bins and subsequently transferred to the central storage area prior to disposal by licensed contractors.



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Supportive Working Environment (Social)



At Yew Lee Pacific, we recognise 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 prioritises 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 organisation and beyond.

1 Diversity, Equity & Inclusion (DEI)

The Group is committed to fostering a diverse and inclusive workplace that promotes equal opportunities, mutual respect, and fair treatment across all levels of the organisation. Diversity in gender, age, ethnicity, and background supports a balanced workforce and contributes to sustainable business performance. The Group continues to monitor workforce diversity metrics and implement initiatives to support an inclusive and equitable working environment.



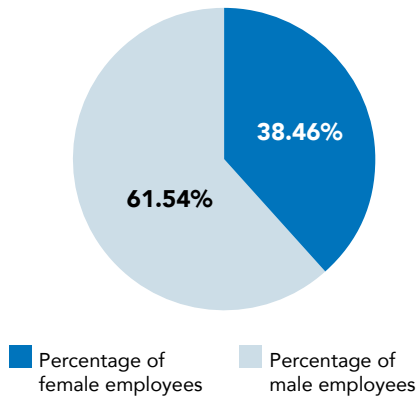
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a) Gender

(Target: To maintain at least 30% of female employees in workforce by 2028)



Percentage of the total gender mix in 2025



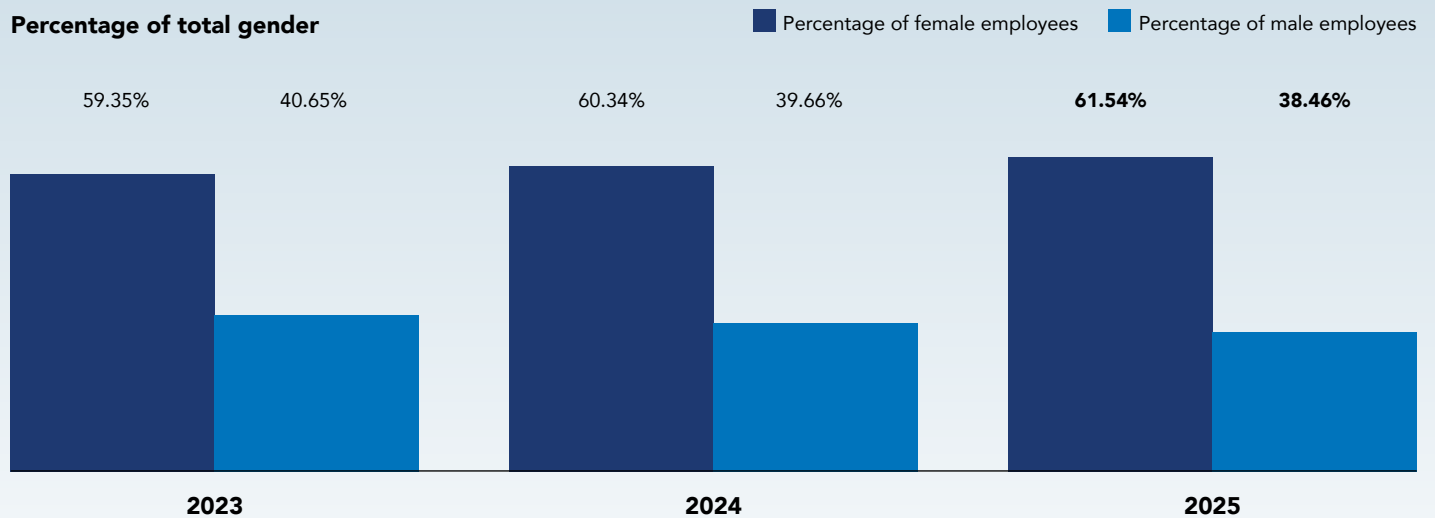
Item	Female	Male
Number employees	40	64
Percentage of employees (%)	38.46	61.54
Total number	104 persons	

From the total 104 employees, the percentage of female employees at Yew Lee Pacific is 38.46% representing 40 employees and the major percentage of male employees is 61.54% indicating 64 employees.

On the other hand, our Board consists of 43% of female directors which is equivalent to 3 directors while the remaining 57% is male directors which is equivalent to 7 directors.

Comparison of gender percentage from 2023 - 2025

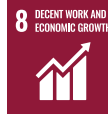
Percentage of total gender



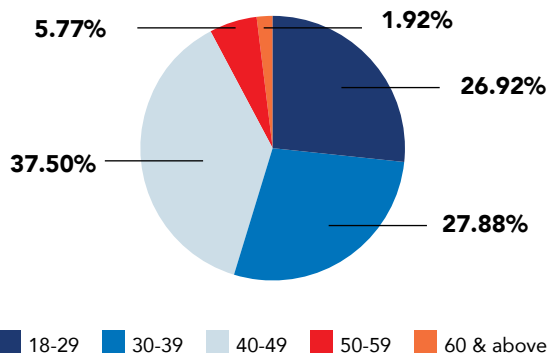
Graph above shows percentage of total gender in Yew Lee Pacific from 2023 – 2025. There is increasing of percentage from 2023 – 2025 in male employees and decreasing in percentage of female employees. The target of to maintain 30% of female employees in workforce remained achievable across all 3 years. Yew Lee Pacific is committed to enhancing gender diversity by increasing the number of female employees throughout the workforce.

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b) Age Group



Percentage of total employees
by age group in 2025

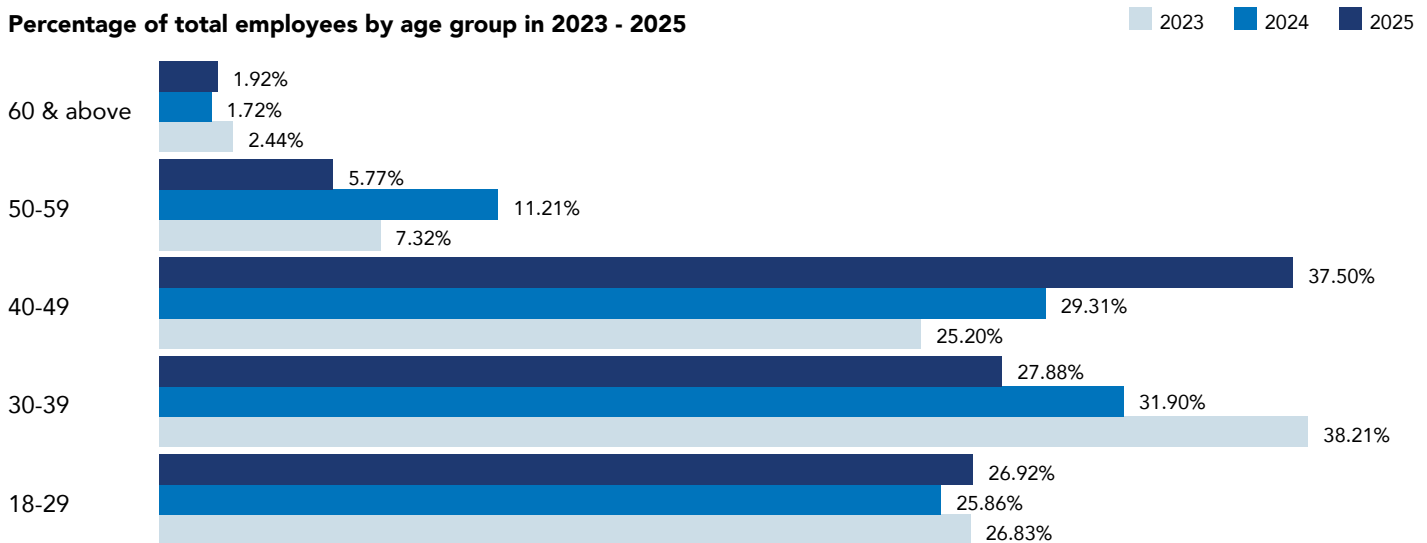


Age Group	Number of employees	Percentage of total employees
18-29	28	26.92%
30-39	29	27.88%
40-49	39	37.50%
50-59	6	5.77%
60 & above	2	1.92%

The workforce is primarily composed of employees aged 40–49, representing the largest proportion at 37.50% (39 employees). This is followed by employees aged 30–39 with 27.88% (29 employees), 18–29 with 26.92% (28 employees), 50–59 account for 5.77% (6 employees). The smallest proportion of the workforce is employees aged 60 and above, comprising 1.92% (2 employees) of the total employees.

Comparison percentage of total employee by age group in 2023 - 2025

Percentage of total employees by age group in 2023 - 2025



The workforce age distribution shows a concentration of employees within the 30–39 and 40–49 age groups across 2023 to 2025. In 2025, the largest proportion of employees falls within the 40–49 age group (37.50%), followed by the 30–39 age group (27.88%) and 18–29 age group (26.92%).

Compared to 2023 and 2024, there is a noticeable increase in the 40–49 age group, while the 30–39 age group shows a declining trend. The 50–59 and 60 & above groups remain relatively low, indicating a smaller proportion of senior-aged employees within the workforce.

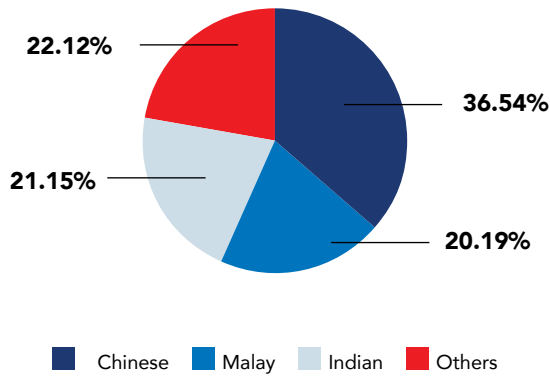
Overall, the data reflects a workforce that is largely mid-career, with a balanced mix of younger employees, supporting both operational experience and workforce sustainability

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c) Ethnicity



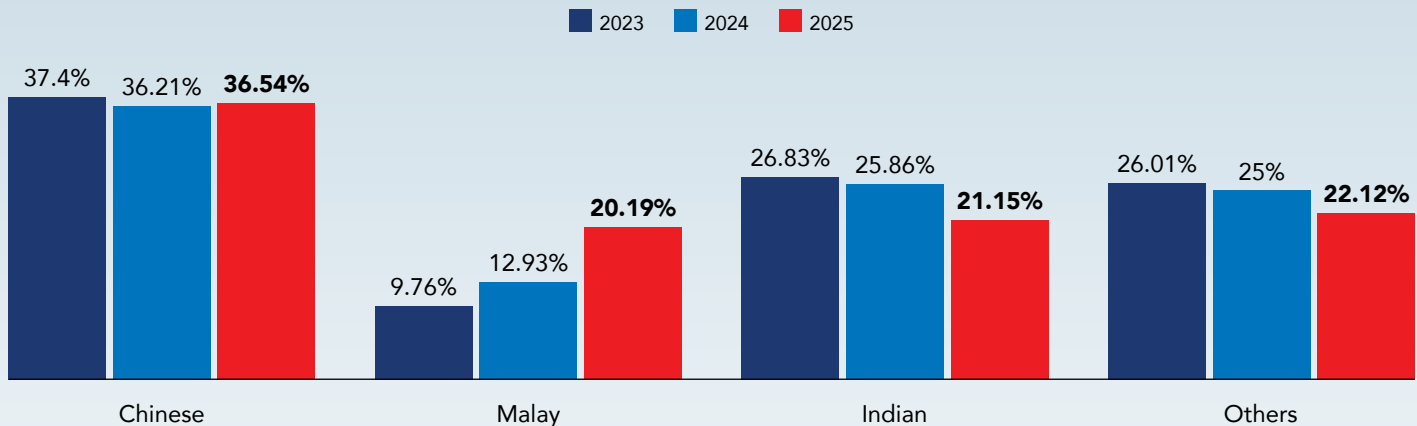
Percentage of total employees
by ethnicity in 2025



Ethnicity	Number of employees	Percentage of total employees
Chinese	38	36.54%
Malay	21	20.19%
Indian	22	21.15%
Others	23	22.12%

The workforce demonstrates a diverse ethnic composition. Chinese employees represent the largest proportion at 36.54% (38 employees). This is followed by Malay and Indian employees, 20.19% (21 employees) and 21.15% (22 employees) respectively of the total workforce. Employees categorised under Others (Nepalese and Myanmar) represent 22.12% (23 employees).

Percentage of total employees by ethnicity in 2023 - 2025



Total employees

Across the three reporting periods (FY2023 – FY2025), the workforce demonstrates a diverse ethnic composition. Chinese employees consistently represent the largest proportion of the workforce, accounting for 37.40%, 36.21%, and 36.54% respectively. Indian employees also form a significant portion, representing 26.83%, 25.86%, and 21.15% over the same period.

The proportion of Malay employees shows a steady increasing trend, rising from 9.76% in 2023 to 12.93% in FY2024, and further to 20.19% in 2025. Meanwhile, employees categorised under Others—which include foreign nationals such as Nepalese and Myanmar employees—account for 26.01%, 25.00%, and 22.12% respectively, indicating a gradual decline.

Overall, the data reflects a balanced and diverse workforce, with a notable increase in local workforce representation over time.

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2

Occupational Safety and Health

(Target: 1. To maintain below 5 cases of occupational related injuries per year
2. To maintain 0 cases of fatality and 0 permanent disability per year)

The Group is committed to maintaining a safe and healthy workplace in compliance with the Occupational Safety and Health Act 1994 and related regulations. Occupational safety and health practices are guided by the Group's Environmental, Occupational, Safety and Health (EOSH) policy, which emphasises compliance, prevention, awareness, communication, and continual improvement.

Key initiatives implemented during the year include:

Conducting HIRARC (Hazard Identification, Risk Assessment and Risk Control) assessments

Appointment of a qualified Occupational Safety and Health Coordinator (OSH-C)

Implementation of safety training programmes, including forklift safety, emergency response, and workplace safety procedures

Ongoing improvements to engineering and administrative controls to mitigate workplace risks

The Group is also in the process of pursuing ISO 45001:2018 certification to further strengthen its occupational safety and health management system.

Workplace incidents are managed through a structured reporting and investigation process in accordance with the Notification of Accident, Dangerous Occurrence, Poisoning and Occupational Disease (NADOPOD) Regulations 2004, with corrective actions implemented to prevent recurrence.

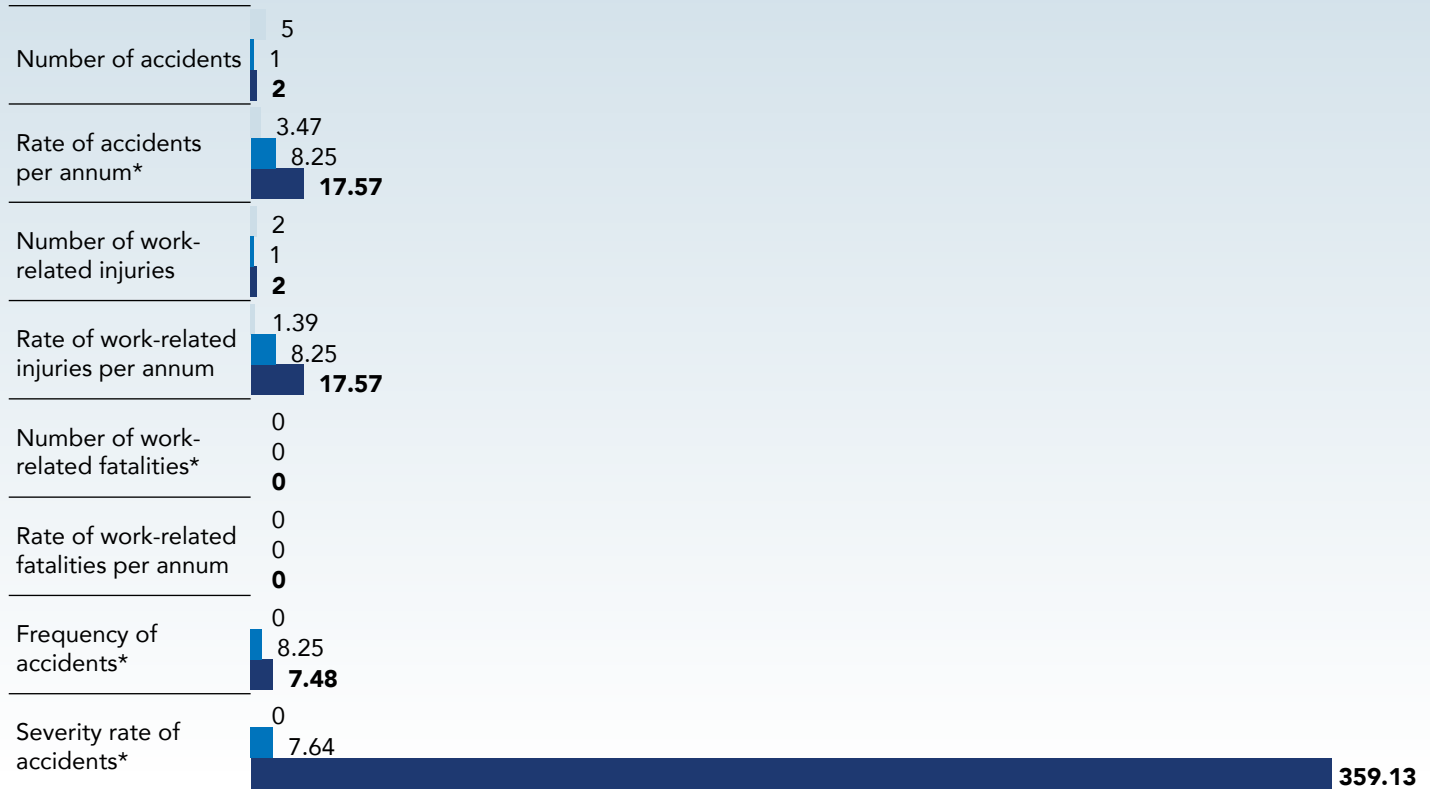


SUSTAINABILITY STATEMENT

Safety and Health Performance

Comparison of accident cases from 2023 - 2025

2023 2024 2025



Item	2023	2024	2025
Number of accidents	5	1	2
Rate of accidents per annum*	3.47	8.25	17.57
Number of work-related injuries	2	1	2
Rate of work-related injuries per annum	1.39	8.25	17.57
Number of work-related fatalities*	0	0	0
Rate of work-related fatalities per annum	0	0	0
Frequency of accidents*	N/A	3.82	7.48
Severity rate of accidents*	N/A	7.64	359.13**

* Calculation refers to Register of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (JKKP 8 (I)/(IV)), Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Disease) Regulation 2004

** The severity rate appears high primarily due to the nature of the recorded cases, which involved extended medical leave. It measures total workdays lost, not the number of incidents. Although there were few accidents, longer recovery periods increased the overall rate. Even with a large workforce, a small number of serious cases can raise the Severity Rate. So, the higher value is due to the severity of cases, not the number of incidents.

SUSTAINABILITY STATEMENT

Between 2023 and 2025, workplace safety indicators showed a mixed trend. The total number of accidents decreased from five in 2023 to one in 2024 but slightly increased to two in 2025, while the rate of accidents per annum increased from 3.47 in 2023 to 17.57 in 2025. Work-related injuries followed a similar pattern, with no fatalities reported throughout the period. The frequency of accidents increased from 3.82 in 2024 to 7.48 in 2025, and the severity rate of accidents spiked significantly to 359.13 in 2025, indicating that although accidents were few, their impact was substantial.

Yew Lee Pacific remains committed to reducing incident rates over time by fostering a strong safety culture, implementing engineering controls, and prioritising the wellbeing of our workforce.

Accident and Incident Reporting

Work-related accidents and incidents at Yew Lee Pacific are systematically identified and assessed through a structured reporting procedure according to Notification of Accident, Dangerous Occurrence, Poisoning and Occupational Disease (NADOPOD) Regulations 2004. Each case is thoroughly investigated with input from the relevant process owner, and corrective measures are implemented following the hierarchy of controls: elimination, substitution, engineering controls, administrative controls, and PPE. These measures are regularly reviewed and monitored to ensure their effectiveness and to prevent recurrence.

During the reporting year (2025), two (2) accident cases were recorded. Both incidents were fully investigated, reported to the Department of Occupational Safety and Health (DOSH), and appropriate corrective actions were implemented, including improvements to engineering controls, updates to SOP and HIRARC, and additional safety training.



Labour Practices

(Target: 0 reports lodged with the Department of Labour from employees)

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 recognise that our workforce is our most valuable asset, and as such, we prioritise 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.

In line with regulatory requirements and industry expectations, the Company has implemented the revised minimum wage of RM1,700 effective 1 February 2025. We have also ensured compliance with the requirements set by Jabatan Tenaga Kerja (JTK), including proper management and standards for employee hostel accommodations effective 4 May 2025. In addition, the Company supports the implementation of Employees Provident Fund (EPF) contributions for foreign workers, with contributions of 2% by both employer and employee effective October 2025.

Our remuneration packages continue to remain competitive and in line with market practices, as disclosed in FY2025. The Company is also committed to maintaining a zero (0) record of employee complaints lodged with the Department of Labour, reflecting our continuous efforts to uphold fair and responsible employment practices.

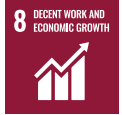


SUSTAINABILITY STATEMENT



Employee Engagement and Talent Development

(Target: To provide minimum 2 training for executive level and above and 1 training for non-executive)



Yew Lee Pacific recognises that its people are its most valuable assets and is committed to investing in the development, engagement, and well-being of its workforce. The Group focuses on nurturing talent and providing opportunities for employees to grow professionally and personally, ensuring they are equipped to meet current and future market challenges.

To recognise and reward employee contributions, the Group distributed 10 Years' Service Awards and organises festival celebrations to foster engagement and strengthen workplace culture. Yew Lee Pacific also continually attracts qualified and talented personnel and encourages employees to adopt a growth mindset through ongoing learning and development.

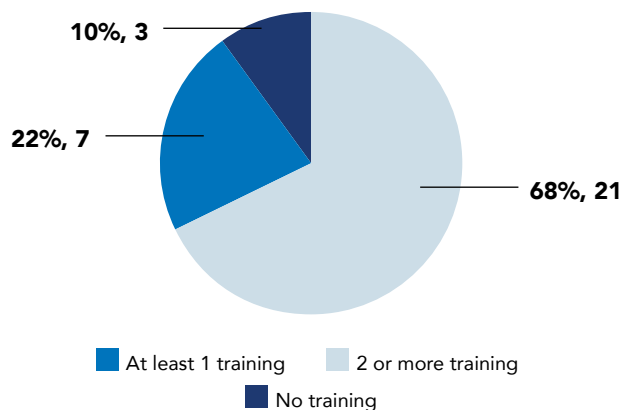
Learning and development initiatives are tailored to individual needs and learning styles, including on-the-job training, structured formal training, coaching, and mentoring. Each business unit and department submit a Training Needs Analysis to the Human Resources Department, while employees can request additional training through discussions with their superiors.

In 2025, employees actively participated in a variety of training programmes and workshops, including:

- **Technical Skills Training:** ISO 9001:2015 Internal Audit Training
- **Soft Skills / Professional Development Training:** Financial Literacy for Non-Finance Executives
- **Management & Leadership Training:** ISO 31000 Risk Management Training
- **Compliance and Professional Skills Workshops:** Determination of Legal Requirements under ISO 14001:2015 and ISO 45001:2018, Effective Internal Audit Skills for ISO 9001:2015, Certified Environmental Professional Training in Scheduled Wastes Management, Awareness & Application of ISO 31000:2018, Materiality Assessment Workshop
- **Other Programs:** ESG Kickstart for SMEs, Product Training, and SST Expansion

These initiatives reflect Yew Lee Pacific's proactive approach to employee development, safety, and compliance, ensuring employees are well-prepared to maintain a safe, efficient, and sustainable working environment. By providing a wide range of learning opportunities, the Group empowers employees to enhance skills, expand knowledge, and foster a growth mindset, enabling them to excel in their roles, adapt to evolving market conditions, and contribute to the company's ongoing success and innovation.

Executive Training Statistics in 2025



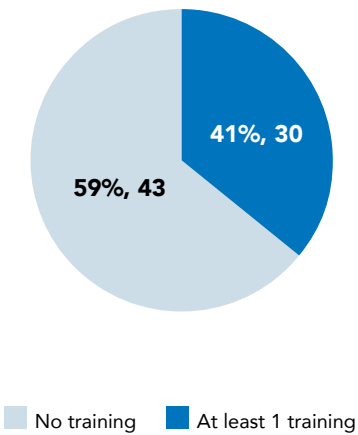
Number of trainings attended

	2025	
	(n)	(%)
At least 1 training	21	68%
2 or more training	7	22%
No Training	3	10%
Total	31	

Out of the total of 44 employees holding executive and above positions, 64% (28 employees) attended two or more training programmes in 2025, 16% (7 employees) attended at least 1 training programmes, while the remaining 20% (9 employees) did not attend any training.

SUSTAINABILITY STATEMENT

Non-Executive Training Statistics in 2025



Number of trainings attended

	2025	
	(n)	(%)
At least 1 training	30	41%
No training	43	59%
Total	73	

For non-executive positions, out of 73 employees, 41% (30 employees) attended at least one training programme in 2025, while the remaining 59% (43 employees) did not participate in any training during the year.

This represents a total shortfall of 32% for executive-level employees and 59% for non-executive employees against the Group’s training targets. The training participation target was not fully achieved due to scheduling and operational constraints. The Group will strengthen its training framework and implement more structured planning to improve participation rates in the next reporting cycle.



SUSTAINABILITY STATEMENT

Compliance and Transparency (Governance)



1 Anti-Bribery and Anti-Corruption

(Target: 0 cases reported to MACC per year)



The Group is committed to maintaining high standards of integrity, accountability, and transparency in its operations. Through compliance with applicable laws, regulations, and industry standards, the Group ensures ethical conduct and responsible business practices while safeguarding stakeholder trust.

The Group has implemented Anti-Bribery and Corruption (ABC) Policies across all levels of operations to prevent, detect, and address any form of corruption or bribery. These policies have been communicated to employees to ensure awareness and compliance.

A Whistleblowing Policy is in place to provide a safe and confidential channel for reporting suspected misconduct or unethical behaviour without fear of retaliation, reinforcing a zero-tolerance stance towards corruption.

In FY2025, the Group recorded zero cases reported to the Malaysian Anti-Corruption Commission (MACC) and no major findings from internal audits, reflecting effective implementation of its governance controls.

2 Data Privacy and Cybersecurity



Data privacy is a top priority for Yew Lee Pacific, reflecting the Company's commitment to protecting sensitive information and maintaining the confidentiality of employee and business data. Employees are required to comply with data privacy requirements through internal practices and signed declarations.

Basic cybersecurity measures such as controlled access, system protection, and regular data backup are implemented to reduce the risk of unauthorised access, data loss, or leakage. Employees are also guided on the proper and responsible use of company email and systems. Yew Lee Pacific implements robust security measures, including encryption, secure access controls, firewalls, secure authentication protocols, and data backups, to safeguard data integrity and privacy. These practices support the Company's efforts to protect data integrity and maintain trust with stakeholders. The Group recorded zero data breach incidents in FY2025.

3

Certification and Compliance



Yew Lee Pacific is committed to obtaining and upholding global standards in Quality (ISO 9001:2015), Environmental (ISO 14001:2015), and Occupational Health & Safety (ISO 45001:2018). These certifications reflect the Company’s commitment to corporate responsibility, regulatory adherence, and continual improvement.

Yew Lee Pacific holds and is in the process of obtaining certification for:

Standard	Description of the ISO Standard	Certification Status
ISO 9001:2015	Quality Management System – ensures products and services consistently meet customer and regulatory requirements	Certified
ISO 14001:2015	Environmental Management System – minimizes environmental impact and ensures regulatory compliance	On-going
ISO 45001:2018	Occupational Health & Safety Management System – ensures workplace safety and health for employees and contractors	On-going

The Company demonstrates a strong commitment to quality, environmental sustainability, and occupational health and safety through its ISO-certified management systems and structured Internal Audit Program. Continuous monitoring and audits ensure compliance with standards, drive operational improvements, and promote a safe, responsible, and sustainable workplace. These efforts reflect the Company’s dedication to integrating ESG principles into its business practices and fostering long-term value for employees, customers, and the broader community.

Furthermore, compliance and transparency are not merely obligations for our Company, but fundamental pillars of our commitment to creating positive social impact and delivering long-term value to all stakeholders. For further details on our Corporate Governance overview, please refer to pages 51 to 60 of this report.

Prescribed Table

Yew Lee Pacific Group Berhad BMLR Transition Period

Date & Time: 2026-04-22 18:25:31
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Energy Management	Renewable Energy Contribution	%	42.31	45% by FY2028	Internal	Decreased compared to FY2024 due to higher electricity consumption and lower solar generation. The Group will continue to optimise renewable energy usage.
Water Management	Harvested Water Usage Ratio	%	212	Monitoring	Internal	Improved utilisation efficiency of harvested water despite lower total volume.
Product Responsibility	Plastic Reused/Recycled	Tonnes	25.97	Increase reuse	Internal	Increase driven by higher demand for reconditioned products and circular economy practices.
Greenhouse Gas Emissions	Total GHG Emissions (Scope 1 + Scope 2)	tCO2e	310.64	To be established (early stage of data collection)	Internal	Increased by 2.06% compared to FY2024 mainly due to increased reliance on purchased electricity (Scope 2 emissions). The Group is in the early stage of data collection and will establish targets in future reporting cycles.
Workforce Diversity	Female Workforce Representation	%	38.46	At least 30%	Internal	The Group maintains female workforce representation above the internal target and continues to promote diversity and equal opportunity.
Occupational Safety and Health	Number of Fatalities	Cases	0	0	Internal	No fatalities recorded during the financial year.
Occupational Safety and Health	Number of Workplace Accidents	Cases	2	Less than 5 annually	Internal	Within acceptable threshold. No fatalities recorded.
Labour Practices	Number of Labour Complaints	Cases	0	0	Internal	No complaints lodged with the Department of Labour.

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Training and Development	Executive Training Participation Rate (2 or more trainings)	%	68	100% participation	Internal	Below target due to scheduling and operational constraints. Improvement measures will be implemented in the next reporting cycle.
Training and Development	Non-Executive Training Participation Rate (at least 1 training)	%	41	100% participation	Internal	Lower participation rate; improvement measures will be implemented in the next reporting cycle.
Anti-Bribery and Corruption	Number of Reported Cases (MACC)	Cases	0	0	Internal	No cases reported.
Data Privacy and Cybersecurity	Number of Data Breaches	Cases	0	0	Internal	No data breach incidents recorded during the financial year.