

# SUSTAINABILITY STATEMENT

## ABOUT THIS REPORT

YKGI Group firmly advocates the adoption of sustainable business practices as the key to ensuring its long term continuity. It is also proactively reviewing and upgrading its sustainability framework that provides the basis for a clear focus on impacts, policies, and initiatives of the Company and Group for the financial year ended 31 December 2022 in the areas of Environmental, Social and Health Governance ("ESHG"). We disclose material information relating to our business activities for the year from 1 January 2022 to 31 December 2022. This report is prepared in accordance with Part III of Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the principles and reference to Sustainability Reporting Guide 2018, 2nd Edition and Toolkits issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

## SUSTAINABILITY STATEMENT AND GOVERNANCE

At YKGI, all matters related to sustainability are governed and managed across various levels in the organisation. We strive to maintain high standards of corporate governance best suited to the needs and interests of YKGI. Our Board has the ultimate responsibility and works together with the key senior management team to steer the Company's sustainability efforts and performance.

To this end, members across all departments and operational units are to have strategic oversight on the aspects of ESHG in their activities and to provide risk mitigation solution with the full support of the Board.

We are also establishing and maintaining a culture of ethical behaviour and practices and committed to uphold the highest standards in corporate governance. We strive to strictly comply with the principles and guidelines set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia. The following are some of the policies which serve to embed our commitment towards responsible corporate governance across our operations (i) Board Policies, (ii) Board Charter, (iii) Code of Conduct and Ethics, (v) Anti-Bribery and Corruption ("ABC"), and (vi) Whistleblowing Policy & Procedures.

## STAKEHOLDER ENGAGEMENT

The Group acknowledges that responses from stakeholders are important in planning the roadmap and strategies to strengthen the ESHG management and through timely and regular engagements, allow us to understand our stakeholders' expectations and concerns in achieving sustainable growth. The key stakeholders identified based on their impact and involvement in our business are set out below.

Stakeholders	Material Matters	Method of Engagement
Shareholders	<ul style="list-style-type: none"> <li>Profitability</li> <li>Dividend</li> <li>Corporate governance and ethical management</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Annual General Meeting</li> <li>Company website, announcement</li> <li>Press release</li> </ul>
Customers/ Suppliers	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Timely delivery of products and services</li> <li>Payment terms and timeliness</li> <li>Product innovation</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face meeting</li> <li>Events and site visits</li> <li>Receive feedback and products quality</li> <li>Customer satisfaction survey and supplier evaluation form</li> </ul>
Regulators/Government Authorities	<ul style="list-style-type: none"> <li>Compliance and certification exercises</li> <li>Certifications/awards</li> <li>Industry best practices and updates</li> <li>Safety and health regulations including prevention of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Periodic site visits and audits</li> <li>Company representation at initiatives/technical working groups</li> <li>Industry-related initiatives and events</li> </ul>

Stakeholders	Material Matters	Method of Engagement
Employees	<ul style="list-style-type: none"> <li>• Business performance and direction</li> <li>• Career development</li> <li>• Learning opportunities</li> <li>• Welfare and benefits</li> <li>• Health and safety</li> <li>• Working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Departmental meeting</li> <li>• Company intranet</li> <li>• Performance evaluations</li> <li>• Compensations and benefits</li> </ul>
Local Community	<ul style="list-style-type: none"> <li>• Environment impact from operation</li> <li>• Emissions management</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate website and social media platforms</li> <li>• Community engagement programmes</li> <li>• Corporate advertisements</li> </ul>

## MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

Having taken into consideration the stakeholders' engagements, we have identified the following sustainability matters in accordance to its level of significance to the Group's economic, environmental and social performance and their value to our stakeholders.

### 1. ECONOMIC

#### **Ethics and Conducts**

The Group and its employee endeavors to conduct its business in compliance with applicable laws, rules, and regulations and in accordance with high ethical principles and standards.

To facilitate the above development, the Group has adopted Anti- Bribery and Corruption Policy ("ABC") in line with the framework under Section 17A of the MACC Act. The Group intends to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls.

#### **Customer Focus, Product Quality, and Delivery**

YKGI Group emphasizes integrity value and user value; devoting to the concept of safe, environmental-friendly and reliable products. These enhance customers satisfaction and contribute towards creating a strong local brand. To keep pace with the projected demand and sustaining our business growth, the Group focuses on:

- Adhering to our Vision and Mission of gearing towards business excellence.
- Improving the competencies and customer service quality of sales force by training. This includes quality assessment on market place knowledge as well as thorough briefings on product features and prices.
- Participating in product exhibition to share information of our steel products with relevant parties such as developers, architects and customers.
- Always sourcing for competitively priced and better quality products from reliable sources and passing on the savings to customers where possible.
- Obtaining product certification such as SIRIM Eco-Labeling for eco-friendly products and other SIRIM certifications of Malaysia Standard.
- ISO for continuous improvement






## 2. ENVIRONMENTAL

The Group understands the importance of EES matters. The Group takes measures to protect the environment in which we operate through the implementation of an environmental management system at our factory.

YKGI has initiatives to reduce waste and recycle materials to be environmentally friendly. YKGI continues to be committed to:

- The Group ensures that the supplies of raw materials are from sustainable sources and obtained/produced with due environmental consideration and best practices. Review their environmental sustainability practices as a requisite for continuous business.
- Constantly striving to promote the 3R systems (reduce, reuse and recycle) in waste management.
- Energy-saving initiatives such as switching off non-essential electrical machinery, equipment and appliances when not in use.
- Practicing schedule waste and water management for optimum usage and to minimise consumption and wastage.
- Converting energy source of production facilities from fossil fuel to electric to reduce carbon footprint.

Initiatives made in 2022 to minimise the impact on the environment are as follows:-

		2021	2022
 Recycling	Steel recycle per tonne of product	9.13 kg	7.38 kg
 Schedule Waste	Output per tonne	0.47 kg	0.51 kg
 Electricity Consumption	Consumption per tonne	71.81 KWH	67.65 KWH
 Water Consumption	Consumption per tonne	0.63 m <sup>3</sup>	0.75 m <sup>3</sup>
 Fuel Consumption	Consumption per tonne	40.73 L	40.14 L

## 3. SOCIAL

YKGI Group is committed to the well-being of our employees who has played a major role in driving the growth of the Group over the years. We promote and foster a conducive working environment such as an open communication policy, so our employees stay motivated. Our employees are encouraged to be innovative to help foster an interesting working environment.

Our people are the most valuable asset we have. We empowered the best professionals in our industry to grow in their careers and to work together to achieve our vision. As an equal opportunity employer, our workplace terms and conditions of employment are opposed to any form of discrimination and upholding the fundamental human rights protected by legislation. The areas that YKGI specifically looks at are:

- The health and safety of our people in the workplace are the core values and we practice "Safety First" for all activities to minimize any preventable accidents and health hazards that may occur not only in the workplace but also in the communities we operate in. We aim to achieve zero harm at work and ensure the health and safety of our people by implementing amongst others, proper work instruction and/or operation manual and adequate Personal Protective Equipment (PPE);
- Promoting workplace diversity. To select and recruit candidates who are most suitable for the performance of the job vacancy and does not discriminate against the applicants in terms of age, gender and ethnicity;
- In appreciation, long service awards were awarded to staff who have served with the Company for more than 10 years.
- Emphasising on-going training (internal or external) for employees;
- Emphasising on employee health and safety issues through education and awareness campaigns.
- Implementing the "5S" Quality Environment Management System certified by Malaysia Productivity Corporation.
- Provision of meal allowance to employees to eat in the canteen and instill good conduct of dining through self-responsibility on the cleanliness of the canteen area.
- Morning assembly exercise to promote a healthy body and work punctuality.

## COMMUNITY

YKGI continues to support charity programs through assistances and volunteering efforts of our employees. The Group supports various communities through advertising and sponsoring events. We also run practical-training programmes with local technical Institutions to promote work-experience and employability of their students.

In the year 2022, we had reached out to various sectors of the community including masjid, churches, chapels, schools and charitable institutions. In terms of food and aids, we had helped needy families to tide over difficult situations with supplies and provisions. Following are some of the institutions benefited from our initiatives - Persatuan OKU Kuching, Pertubuhan Pemulihan Dalam Komuniti, Home Rehabilitation Program, The Salvation Army Children's Home, Lions Club, Sarawak Blood Donors Society and Kem Pengakap & Pandu Puteri Sarawak.

# YKGI GROUP CSR 2022



CNY Visit to Salvation Army Children's Home: Pressure Gun, Ang Pows and Oranges (Jan. 2022)



Super Charge Team Building (Feb. & Mar. 2022)



Super Charge Team Building (Feb. & Mar. 2022)



Visit by Ministry of International Trade and Industry (MITI) (Feb. 2022)



Medical Check-ups for Staff (Feb. 2022)



Graduation Ceremony - Certificate in Manufacturing Technology (CMT) at UNIMAS (Mar. 2022)



Appreciating Staff for their diligence (May. 2022)



Tasik Biru Roadshow (Apr. 2022)



Sumiran Roadshow (Aug. 2022)



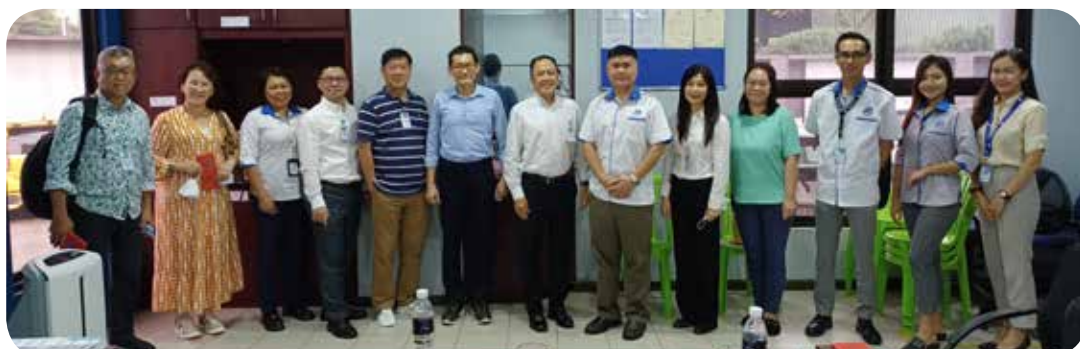
Visit by i-CATS University College (May, Oct.2022)



ASTEEL sponsored: Malaysia Largest Sarawak Theme Mural (Jun. 2022)



ASTEEL Group received the 19th Asia Pacific Entrepreneur NOBEL Records for Excellence Brand (Platinum), Excellence Product, Excellence Service Quality and Excellence Emerging Entrepreneur; with Group Managing Director, Dato' Sri Victor Hii being awarded with the title of Excellence Leadership (Jun. 2022)



Visit by STATOS (Sarawak Trade and Tourism Co. Pte. Ltd. Singapore) (Jul. 2022)



GAWAI-RAYA Celebrations (Jul. 2022)



Super Golden Bull: Golden Bull Award (Aug. 2022)





Envio Concept Store: Lucky Draw Grand Prize (Aug. 2022)



Visitors from India (Aug. 2022)



Visit by Royal Institution of Surveyors Malaysia (RISM) (Oct. 2022)



CCC Creators, Creature + Creations co-sponsored by  
ASTAR Steel (Oct. 2022)



Academic Award: Mr Chin Chung Fui  
(Executive Master Category)



Graduation at UNIMAS: Executive Master in Leadership Development Programme (Nov. 2022)



Memorandum of Agreement (MOA) between UNIMAS & ASTEEL  
Resources for Insect Repellent Paint Project (Nov. 2022)



Visit by Politeknik Students (Dec. 2022)