

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

V.S. Industry Berhad (“VS Industry”, “VS”, the “Company or the “Group”) is unwavering in its commitment to a sustainable and responsible approach to business. This Sustainability Statement is a testament to the Group’s dedication to Economic, Environmental, Social and Governance (“EESG”) principles guiding every facet of operations. This statement provides insight into the Group’s sustainability journey, outlining initiatives, challenges and plans.

Reporting Scope and Boundary	<p>This statement covers the operations of V.S. Industry Berhad (“VS”) and its Malaysian subsidiaries.</p> <p>Note: The reported data for FY2021 and FY2022 is restated to include in all manufacturing sites in Malaysia and Hostels.</p>
Reporting Cycle	Annually
Reporting Period	1 August 2022 to 31 July 2023 (“FY2023”)
Reporting Guidelines and Principles	<p>Principle Guideline: Global Reporting Initiative (GRI) Universal Standards</p> <p>Additional Guidelines:</p> <ul style="list-style-type: none"> • Bursa Malaysia’s Sustainability Reporting Guide • FTSE4Good Bursa Malaysia ESG Index • United Nations Sustainable Development Goals (UNSDGs) • International Organisation for Standardisation (ISO) 26000:2010 Guidance on Social Responsibility • Sustainalytics ESG Risk Rating Methodology
Reporting Approach	<p>A comprehensive and transparent approach to reporting conveys our sustainability performance, showcasing progress, challenges and impact on ESG metrics. Our commitment to data-driven disclosure ensures stakeholders are well-informed and engaged in our sustainability journey, fostering trust and accountability in our practices.</p> <p>In this Sustainability Statement, we have meticulously identified and shortlisted the most pertinent UNSDGs for each strategic pillar. These selected UNSDGs serve as our guiding compass, allowing us to set clear targets and Key Performance Indicators (KPIs) aligned with these global sustainability objectives. Our roadmap plan is rooted in these targets, outlining our specific initiatives and efforts to achieve them. Weaving the UNSDGs into our sustainability strategy allows us to actively contribute to a more sustainable future while ensuring transparency and accountability in our actions and impact measurement.</p>
Reporting Principles of Materiality	VS defines materiality as material topics related to sustainability that impact value creation based on mid to long-term social changes and the needs of diverse stakeholders. The Group conducted a materiality assessment from the company’s and stakeholders’ perspectives.
Reliability of Information Disclosed	<p>The accuracy of the Sustainability Statement’s content has been:</p> <ul style="list-style-type: none"> • Reviewed by the Sustainability Committee • Approved by the Board of Directors
Feedback	VS places great importance on engaging with stakeholders and values their input on its sustainability reporting and performance. Please direct your feedback or inquiries to our Sustainability Management Team (Ms. Chelynn Lim) through our website’s ‘Contact Us’ section (http://www.vs-i.com).

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SUSTAINABILITY AT VS

VS is committed to all-encompassing sustainability aligned with global best practices. It surpasses compliance; it's about value creation. Responsible practices benefit the environment, society and our stakeholders, delivering long-term prosperity and trust.

Sustainability at VS has evolved due to heightened customer expectations. Consequently, we have intensified our focus on sustainability and extended it to supply chain partners. Supplier audits lead to actionable plans, and our forthcoming supplier training underscores our commitment to an integrated, sustainable supply chain, aligning with a socially responsible and greener future.

Our initiatives encompass eco-friendly manufacturing, responsible sourcing, employee well-being and community engagement. We prioritise reducing carbon emissions, minimising waste and enhancing energy efficiency. Promoting diversity and inclusivity is a top priority, and we invest in employee development and board diversity. Our sustainable sourcing approach ensures ethical supplier relationships. We aim to create innovative, environmentally friendly products, emphasising transparency and accountability in the reporting progress. Ultimately, our sustainability focuses on being a responsible steward, balancing economic success with environmental and social well-being.

VS SUSTAINABILITY POLICY

Our business practices are designed to create value in both the short and long term, maximising positive impacts and minimising eventual negative impacts on society and the environment throughout our value chain through ethical and transparent conduct.

We aim to satisfy the growing demand for transformation in the electronic manufacturing services field by optimising our contribution to sustainable development.

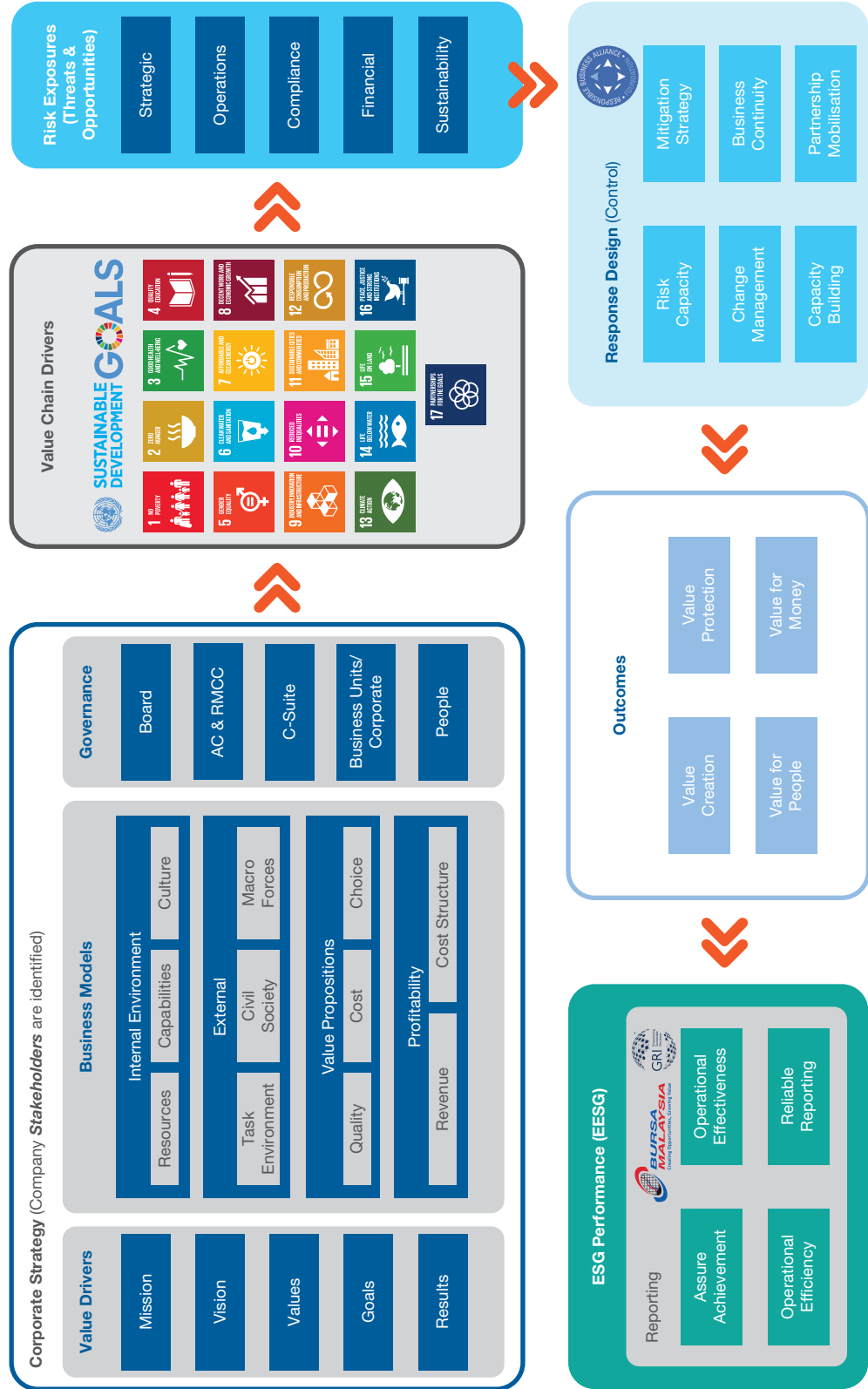
VS Sustainability Policy covers the following commitment:

- Ensuring suppliers' compliance with the highest ethical standards
- Complying to regulations with regards to the environment, occupational, safety and health
- Practicing green procurement and manufacturing
- Responsible waste management and disposal
- Maintaining a safe and healthy working environment at all times
- Fair treatment of employees
- Contributing to local authorities and communities
- Upholding business excellence and continuity
- Continual research and development efforts to achieve product innovations
- Developing long-term partnerships with clients
- Complying with recommended practices under the Malaysian Code of Corporate Governance

SUSTAINABILITY REPORTING FRAMEWORK

The VSI Sustainability Reporting Framework formalises our approach to key elements to enhance stakeholder value and company performance. This framework utilises our corporate strategy as the foundation for making sustainability-related information more relevant to our business and stakeholders. It offers insights into integrating sustainability and stakeholder expectations into our long-term strategy and governance.

By aligning with the UNSDGs, we identify risk exposures, allowing us to develop appropriate responses and controls that optimise stakeholder value and company performance. Ultimately, disclosing and reporting on pertinent sustainability matters and material indicators bolsters stakeholder trust in the company.









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VALUE CREATION MODEL

VS Industry's Sustainability Value Creation Model integrates the six capitals: Financial, Manufactured, Intellectual, Natural, Human, and Social & Relationship. This holistic approach promotes responsible resource allocation, innovation and stakeholder engagement to drive sustainable value, fostering a harmonious balance between economic success and social and environmental well-being.

Capitals	Focus Areas	Input	Value Created	Output	UNSDGs
 <p>Financial</p> <ul style="list-style-type: none"> RM2.15 billion net assets 53.11% equity ratio RM 4.04 billion total assets <p>Manufactured</p> <ul style="list-style-type: none"> 12 manufacturing sites <p>and Intellectual</p> <ul style="list-style-type: none"> Broad-ranging knowledge and technological capabilities Systems and know-how 	Sustainability-led innovation	<ul style="list-style-type: none"> Cash flow generated by operations Efficient systems, controls and processes Resources, equipment and infrastructure 	<ul style="list-style-type: none"> Our advanced manufacturing facilities are in Malaysia, China, Indonesia and Vietnam. As a leading integrated Electronics Manufacturing Services (EMS) provider in the region, our proven capabilities meet the manufacturing needs of global brand names for electrical and electronic products for the office and home. 	<p>Long-term sustainable returns are generated for investors through a sustainable design and manufacturing process. The business is sustained through continuous investment and growth with a considerable targeted return on capital.</p>	
 <p>Natural</p> <ul style="list-style-type: none"> Resource consumption 437,850 GJ energy and 819,976 m³ water 	Low-carbon environment	<ul style="list-style-type: none"> Waste and natural resources Biodiversity and conservation Resources and utilities 	<ul style="list-style-type: none"> Working with supply chain partners, we promote energy-efficient electronic solutions and build a low-carbon impact. We have made a considerable effort to ensure that all products comply with RoHS Requirements. 	<p>Operations have minimal environmental impact, and the Group is committed to addressing climate issues.</p>	
 <p>Human</p> <ul style="list-style-type: none"> 11,755 employees Proportion of engineers 	An integrated and resilient workforce	<ul style="list-style-type: none"> People Skills, knowledge and expertise 	<ul style="list-style-type: none"> A diversified, progressive and inclusive workplace is the goal of sustainable employment. We protect all employees by effective occupational safety measures at all business levels to create a healthy workplace environment. 	<p>Our cohesive and effective management team develops a safe and conducive environment that allows employees to achieve their career aspirations and makes VS an Employer of Choice.</p>	
 <p>Social and Relationship</p> <ul style="list-style-type: none"> Relationship of mutual trust with customers built through many years of performance records Solid cooperative working relationships with suppliers Foundation for business activities in local communities 	Maximising shared societal value	<ul style="list-style-type: none"> Extended communities Our people Ethics and human rights 	<p>Redesigning our business and operation models enables us to provide society with a creative, relevant and differentiating experience.</p>	<p>We are an exemplary corporate citizen with a strong community partnership.</p>	

OUR PRIORITISED UNIVERSAL VALUES

We selected five priority UNSDGs following a rigorous evaluation process that considered the profound influence of our daily operations and value chain. Our core values, vision, mission and business objectives are integral in shaping our sustainability strategy and guiding the development of initiatives and targets that mitigate negative impacts and amplify positive contributions to the chosen UNSDGs.

These five prioritised UNSDGs serve as a strategic roadmap, helping align our efforts and resources towards achieving our ultimate sustainability goals. Focusing our energy on these UNSDGs allows us to maximise our impact in areas closely aligned with our business objectives to fulfil our commitment to creating lasting value for our stakeholders and the broader global community.



Pillars: Governance

VS identifies a priority to maximise its positive impact on SDG 16 by **doing business responsibly** that creates shared value through a strong foundation in integrity of action and compliance with laws and regulations

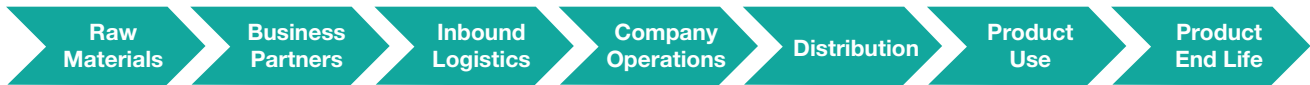


Pillars: Environment

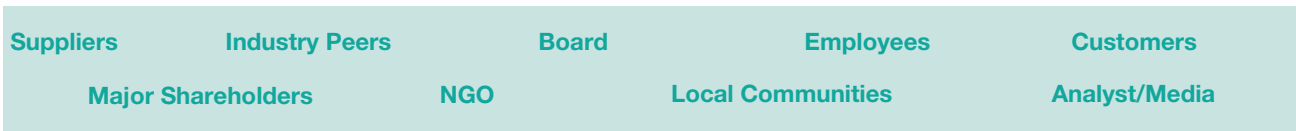
VS identifies a priority to reduce its negative impact on SDG12 and SDG13 in its operations aiming to **reduce its carbon footprint** through the adoption of sustainable practices and reducing waste through prevention, reduction, recycling and reuse of resources



Maximising Positive Impact

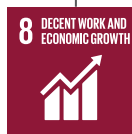


Minimising Negative Impact



Pillars: Economic

VS identifies a priority to maximise its positive impact on SDG17 in its operations ensuring **business continuity** through cooperating with people, authorities, companies and other organisations



Pillars: Social

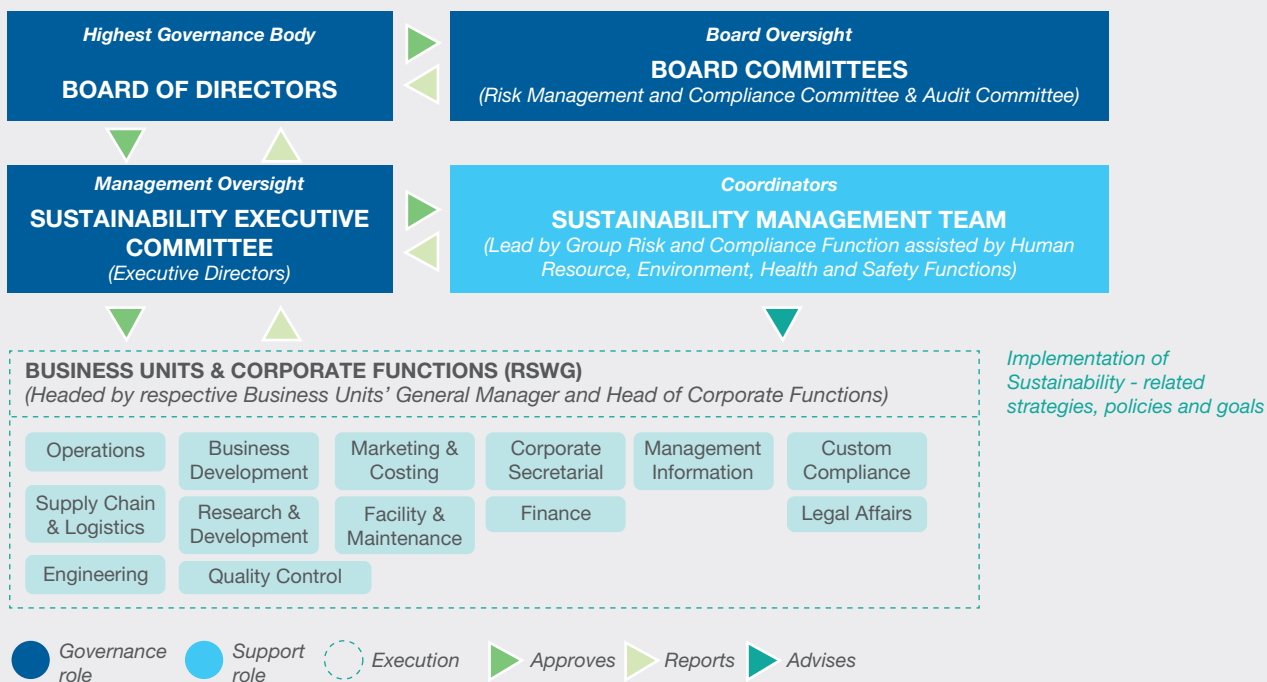
VS identifies a priority to reduce its negative impact on SDG8 in its operations by striving to become a **responsible employer** ensuring a safe and secure working environment and providing a living wage to all employees

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OUR SUSTAINABILITY GOVERNANCE MODEL

VS Sustainability Governance Structure



Roles	Governing Body	Roles and Responsibilities
Governance	Board of Directors (Board)	Responsible for setting the strategic direction for sustainability at VS, including overseeing and having the overall responsibility of sustainability management and reporting at VS. Responsibility of the Board in relation to sustainable development includes: <ul style="list-style-type: none"> ➤ Overall responsibility for the management of risks and opportunities in relation to climate change and sustainability matters ➤ Approving significant sustainability initiatives including projects and participating in sustainability - related disclosures and initiatives ➤ Approving the Group Climate - related targets and monitoring progress against the targets ➤ Approving annual sustainability report
	Risk Management and Compliance Committee (RMCC)	Responsible in supporting the Board in setting and overseeing the risk management and sustainability frameworks which includes: <ul style="list-style-type: none"> ➤ Assisting the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategy and initiatives comprising economic, environmental and social matters ➤ Evaluate and advise the Board on significant strategic activities and policies regarding sustainability practices and initiatives ➤ Ensuring the adequacy of resources and systems for risk, sustainability and compliance management; and assessing the effectiveness of the Group Risk and Compliance function in carrying out the duties and responsibilities to assist the RMCC

Roles	Governing Body	Roles and Responsibilities
Governance	Audit Committee (AC)	Responsible in overseeing management's process for determining ESG disclosures are consistent and complies with recognised standards and frameworks
	Sustainability Executive Committee (SEC)	Responsible for the implementation of sustainability programmes, including: <ul style="list-style-type: none"> ➢ Assessing material sustainability topics ➢ Approving sustainability related policies ➢ Monitoring progress against sustainability targets at an operational level ➢ Responsible for the implementation of sustainable solutions in the value chain ➢ Responsible for reporting operational risks to the Board, including climate-related risks
Support	Sustainability Management Team	Responsible in assisting the governance bodies (Board, RMCC, AC and SEC) in developing the risk management and sustainability framework as well as the sustainability initiatives and targets. They are also responsible to <ul style="list-style-type: none"> ➢ Recommend the approach to Sustainability ➢ Deliver company-wide sustainability programmes ➢ Guide and support Business Units and/or Corporate functions to embed sustainability ➢ Monitor and report on progress of sustainability programmes, initiatives and targets
Execution	Business Units and Corporate Functions (RSWG)	Responsible to conduct business in line with the company's approach to sustainability, including executing sustainability strategy and deliver programmes of work to meet corporate ESG commitments and embedding sustainability in day-to-day operations

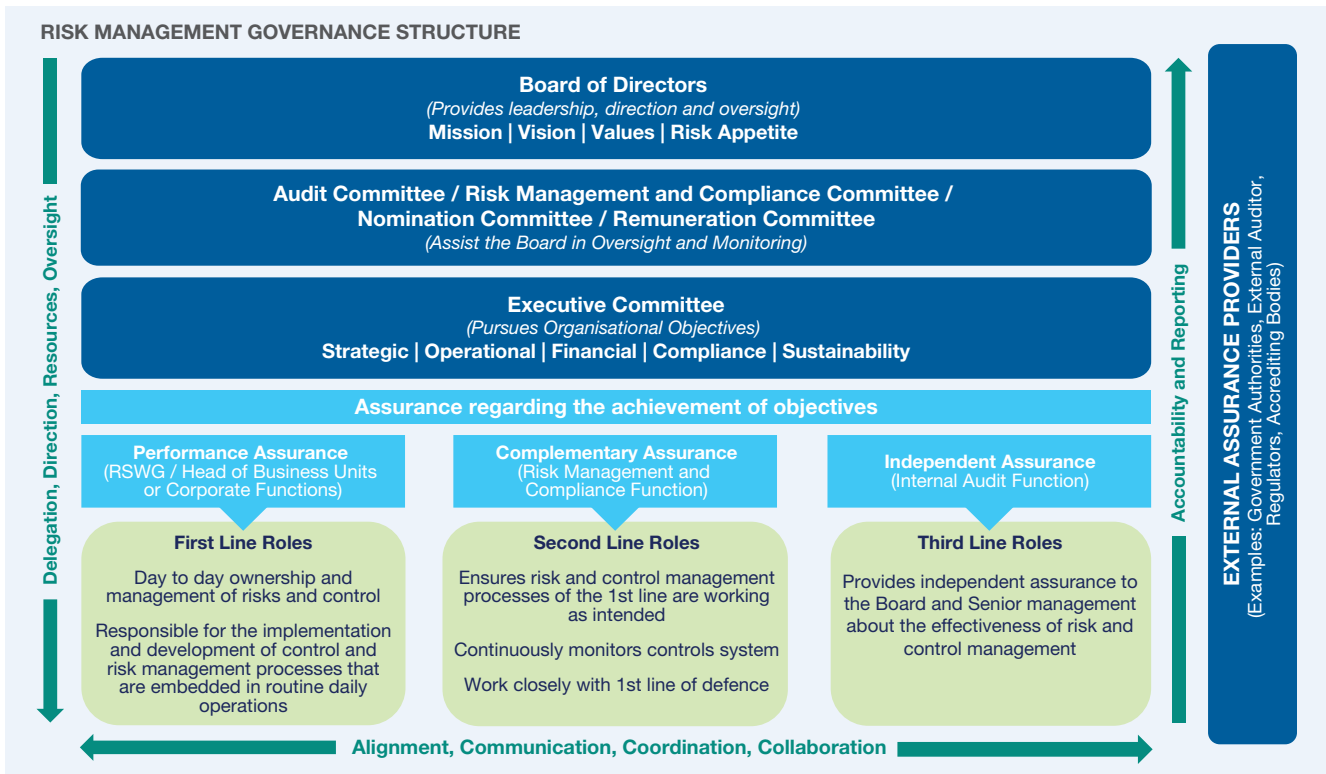
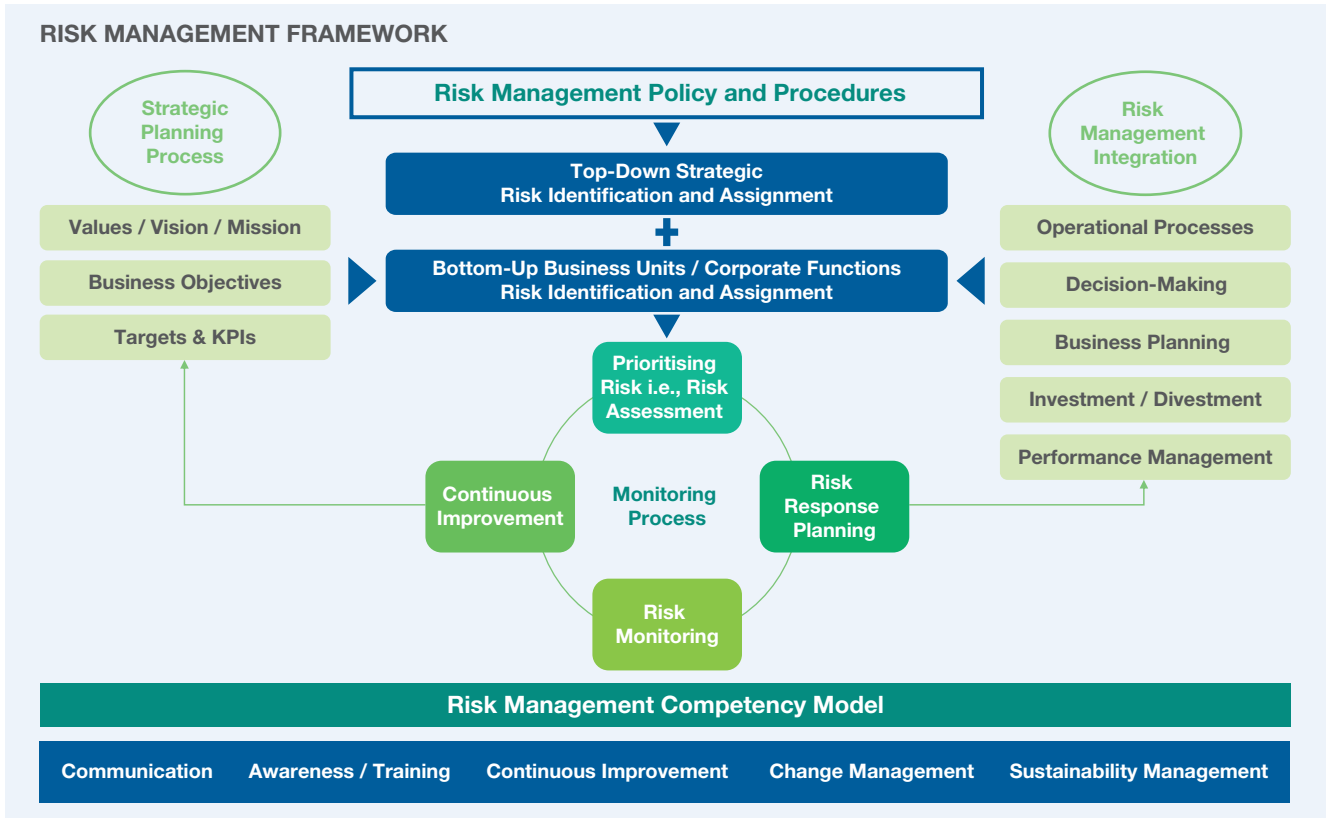
ENHANCING SUSTAINABILITY THROUGH EFFECTIVE RISK MANAGEMENT

Sustainability-related risks and opportunities are seamlessly integrated into VS's comprehensive risk management framework, following ISO 31000:2018 International Risk Management Standards. All employees are responsible for effective risk management, fostering a culture of risk awareness throughout the organisation. Our Risk Management Framework employs a top-down and bottom-up approach.

Line of Defence	Function	Responsibility
<i>First</i> 1	Executive and Management Leaders, the Risk and Sustainability Working Group (RSWG), and Head of Business Units/Corporate Functions (Risk Owners)	Accountable for the risks within their respective areas and fostering risk management as an integral part of daily business operations
<i>Second</i> 2	The Risk Management and Compliance Function with oversight by the Risk Management and Compliance Committee (RMCC)	Monitoring risks and approving actions within their authority for Group-wide implementation
<i>Third</i> 3	Internal Audit (IA) and the Audit Committee	Ensuring an independent assessment of the Group's risk governance framework's effectiveness

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STAKEHOLDER ENGAGEMENT: BUILDING CONNECTIONS

Stakeholder engagement is at the core of VS Industry’s sustainability strategy. We recognise the diverse interests and perspectives of our stakeholders. We actively try to understand their expectations and concerns through open and transparent dialogue.





Our engagement efforts encompass regular communication channels, consultations, feedback mechanisms and collaborative initiatives. Actively involving stakeholders in decision-making ensures we continue delivering positive impacts, fostering trust and contributing to a more sustainable and resilient future for all.

VS applies the AA1000 Stakeholder Engagement Standard in identifying stakeholders and designing its interaction models to respond to them comprehensively and rationally. The Group bases its stakeholder engagement on the principles of Inclusivity, Materiality, Responsiveness and Impact.

Stakeholders	Engagement Channels	Areas of Interest	Concerned Material Issues
Board of Directors 	<ul style="list-style-type: none"> Board meetings Annual General Meetings Company-organised events 	<ul style="list-style-type: none"> Corporate governance Company direction and strategy 	<ul style="list-style-type: none"> Regulatory Compliance
Major Shareholders 	<ul style="list-style-type: none"> Annual General Meetings Investor presentations and meetings Media releases Corporate website 	<ul style="list-style-type: none"> Dividends Return on Investment Financial performance Share price performance 	<ul style="list-style-type: none"> Regulatory Compliance Sustainable Design & Manufacturing
Employees 	<ul style="list-style-type: none"> Induction training Learning and development programmes Employee performance appraisals Corporate-organised events 	<ul style="list-style-type: none"> Occupational safety and health Fair remuneration Fair employment practices Career development opportunities 	<ul style="list-style-type: none"> Safety & Health Human Rights Training & Development Data Privacy & Security Employee Engagement
Customers 	<ul style="list-style-type: none"> Face-to-face interactions Manufacturing collaborations Feedback surveys Customer audits 	<ul style="list-style-type: none"> Manufacturing quality Manufacturing capacity Research & development Equitable business operations 	<ul style="list-style-type: none"> Quality & Satisfaction Data Privacy & Security
Suppliers 	<ul style="list-style-type: none"> Interviews Evaluations and re-evaluations Face-to-face interactions 	<ul style="list-style-type: none"> Agreeable contracts Terms of payment Maintaining partnerships 	<ul style="list-style-type: none"> Safety & Health Training & Development Sustainable Supply Chain Management Data Privacy & Security

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Stakeholders	Engagement Channels	Areas of Interest	Concerned Material Issues
Local Communities 	<ul style="list-style-type: none"> • Online platforms (e.g. corporate website and online job applications) • Corporate volunteering programmes (e.g. community events, knowledge-sharing initiatives & partnerships with non-governmental organisations) 	<ul style="list-style-type: none"> • Support for community development • Job creation for local communities • Undertaking business in a responsible manner 	<ul style="list-style-type: none"> • Human Rights • Energy, Climate Change and Pollution Control • Community Contribution
Analysts / Media 	<ul style="list-style-type: none"> • Press conferences and events • Media releases • Media interviews • Analyst briefings 	<ul style="list-style-type: none"> • Company performance • Responsible business practices • Corporate governance 	<ul style="list-style-type: none"> • Industrial Advancement & Nation Building • Regulatory Compliance
Industry Peers 	<ul style="list-style-type: none"> • Annual reports • Industry collaborative programmes • Industry organisations 	<ul style="list-style-type: none"> • Manufacturing practices • Industry outlook • Collaborations 	<ul style="list-style-type: none"> • Industrial Advancement & Nation Building • Regulatory Compliance • Sustainable Design & Manufacturing
Non-Governmental Organisation 	<ul style="list-style-type: none"> • Public events • Face-to-face interactions 	<ul style="list-style-type: none"> • Working conditions • Labour rights 	<ul style="list-style-type: none"> • Safety & Health • Human Rights • Energy, Climate Change and Pollution Control • Efficient Resource Use & Minimising Waste

IDENTIFYING KEY PRIORITIES WITH MATERIALITY

VS develops diverse businesses globally. We recognise that stakeholders expect us to maintain a well-defined stance and take action to address the issues facing society and the global environment in our industry. We review our material topics annually in response to such expectations and various social and environmental changes.

THE MATERIALITY ASSESSMENT PROCESS

STEP 1: IDENTIFY AND CLASSIFY MATERIAL TOPICS

We selected highly relevant material topics based on internal and external information and documents. References included the GRI Standards, the ISO 26000 international standard for corporate social responsibility and the UNSDGs, which are globally agreed goals for building a sustainable world. We also considered subjects raised by diverse ESG ratings and feedback from our valued stakeholders.

STEP 2: ASSESS THE TOPICS FROM THE PERSPECTIVE OF VS AND ITS STAKEHOLDERS

During the last quarter of FY2023, we commissioned an external consultant to perform a comprehensive, impartial and anonymous materiality assessment with all stakeholder groups. We assessed the topics identified and classified in the first stage from the perspectives of VS and its stakeholders. The respondents rated the relative importance of 20 economic, environmental and social issues.

STEP 3: IDENTIFY THE MOST IMPORTANT TOPICS

We asked respondents to indicate the importance of each criterion from ‘very unimportant’ (1) to ‘very important’ (5). As the survey did not receive equal responses from stakeholder groups, we calculated a separate average score for each area within each stakeholder group before obtaining an average from all eight stakeholder groups. Five members of the Board completed a similar survey, which represented the views of VS.

Indicators Covered in Materiality Assessment

Indicator	Description
 Economic	
Regulatory Compliance	Preventing anti-competitive behaviour and corruption while complying with all other economic, environmental and social legislation
Sustainable Supply Chain Management	Integrating environmentally and socially viable practices into the complete supply chain lifecycle
Industrial Advancement & Nation Building	Advancing the industry by delivering innovative one-stop manufacturing solutions to world-renowned customers
Industry Disruption & Competition	Gaining competitive advantage by disrupting competition through innovation
Regulatory Changes	Keeping up-to-date with regulator changes to mitigate risk, improve ESG disclosure and gain a competitive advantage
Ethics, Values & Governance	Introducing the highest standards of ethics, values and governance to increase stakeholder confidence

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Indicator	Description
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Environment

Energy & Climate Change	Managing energy and greenhouse gases effectively to reduce them whenever possible
Pollution Control	Minimising all forms of pollution, including air emissions and noise
Waste	Minimising all types of waste and recycling whenever possible
Water	Using water efficiently

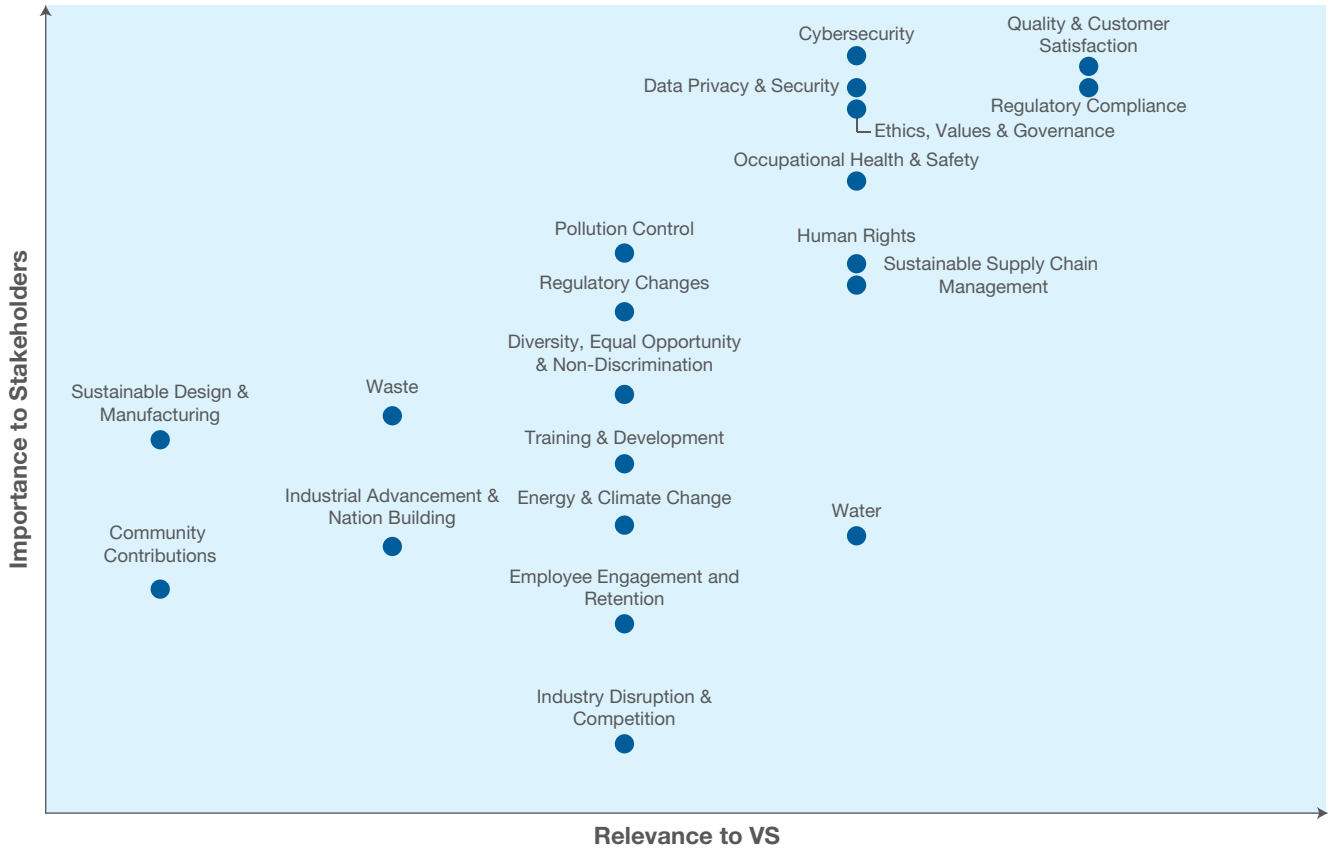


Social

Diversity, Equal Opportunity & Non-Discrimination	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace
Community Contributions	Having a positive influence on local communities through charitable contributions and Corporate Social Responsibility initiatives
Human Rights	Protecting all aspects of human rights, including protecting the indigenous population, staff welfare and security and ensuring there is no child or forced labour
Employee Engagement & Retention	Respecting employees' rights to joint representation and consultative practices
Training & Development	Retaining employees by offering training and education to employees to expand their knowledge base for career development
Occupational Health & Safety	Keeping all workers safe and free from injury and both non-communicable and infectious diseases
Quality & Customer Satisfaction	Promoting quality throughout all aspects of operations to ensure high levels of customer satisfaction
Data Privacy & Security	Protecting all information, including confidential business data, employee information and customers' data privacy
Sustainable Design & Manufacturing	Considering sustainability throughout the entire design and manufacturing processes
Cybersecurity	Mitigating corporate risk and protecting data through stringent cybersecurity systems

STEP 4: ANALYSIS RESULTS AND MATERIALITY MATRIX

The materiality matrix presents our sustainability priorities, ranking key ESG factors based on their significance to our business and stakeholders. This exercise ensures our sustainability initiatives address the most relevant and impactful issues.




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DRIVING GROWTH AND RESILIENCE THROUGH ECONOMIC SUSTAINABILITY

VS is committed to economic sustainability by fostering long-term financial resilience. We prioritise prudent financial management, investment in innovation and responsible supply chain practices to enhance efficiency. This approach reduces operational costs and drives economic growth for our stakeholders, positioning us as a trustworthy and profitable industry leader.

VS Industry is dedicated to evolving into a vertically integrated manufacturer, offering comprehensive manufacturing solutions to our customers. This approach optimises resource utilisation and eliminates unnecessary costs. Our commitment extends to ongoing research and investment in emerging manufacturing technologies and processes to broaden our service offerings. Additionally, we recognise the significance of maintaining a resilient supply chain, achieved through a diverse network of new and alternative suppliers, ensuring our ability to navigate unexpected disruptions effectively.

	Rationale	Focused Target	Key Material Topics
	<p>The economic facet of sustainability encompasses optimal asset utilisation for long-term profitability (performance) and adheres to ethical business conduct, transparency, and regulatory adherence (governance). Within this pillar, VS Industry prioritises its contribution to SDG 17 by ensuring business continuity, aligned with a commitment to staying relevant and creating value through strong business partnerships.</p>	<p>17.16. Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology, and financial resources, to support the achievement of the SDGs in all countries, particularly developing countries</p>	<ul style="list-style-type: none"> • Sustainable Supply Chain Management • Sustainable Design & Manufacturing • Quality & Customer Satisfaction • Industry Disruption & Competition • Regulatory Changes

RESPONSIBLE INVESTMENT

In FY2023, VS introduced an investment policy incorporating ESG considerations into investment evaluations and decision-making procedures to promote responsible and sustainable investments. This policy reflects our steadfast commitment to investing in cutting-edge manufacturing technologies and processes. We recognise that by factoring in ESG-related factors, we promote sustainable practices and align our investments with our long-term growth and diversification objectives.

STREAMLINING PROCEDURES FOR ENHANCED ECONOMIC EFFICIENCY

VS is actively optimising its current procedures and operational frameworks. Revamping workflows, refining business processes, enhancing user interfaces and eliminating evident bottlenecks strengthens the quality of our operations and the services delivered to our valued customers. As a crucial step in this journey, we are embarking on an ERP system upgrade, commencing with our facilities in Malaysia. This strategic move underscores our commitment to operational excellence and customer satisfaction.

SUPPLY CHAIN SUSTAINABILITY

Sustainability stands as a central pillar in our procurement process. We are dedicated to enhancing our business practices and operations through active engagement with suppliers, acknowledging their contributions to sustainable procurement. This strategic approach empowers us to mitigate risks effectively while improving productivity and efficiency throughout our supply chain.



VS's Sustainable Supply Chain is a holistic approach encompassing sourcing, manufacturing, distribution and disposal, emphasising environmental, social and economic responsibility. Our supply chain aims to minimise environmental impact by optimising resource usage, reducing waste and lowering carbon emissions. Additionally, we prioritise ethical labour practices and community engagement to ensure a positive social footprint.

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SUPPLIER PERFORMANCE ASSURANCE

31%

completed SAQ from Critical Supplier

On pace Achieve at least 50% of SAQ replies from Critical Supplier by FY2025 and 100% by FY2030



2022

2025

As of FY2023, a total of 219 critical suppliers have submitted the SAQ

18

Supplier Site Assessment completed

On pace Complete 20 Supplier Site Assessment in a year



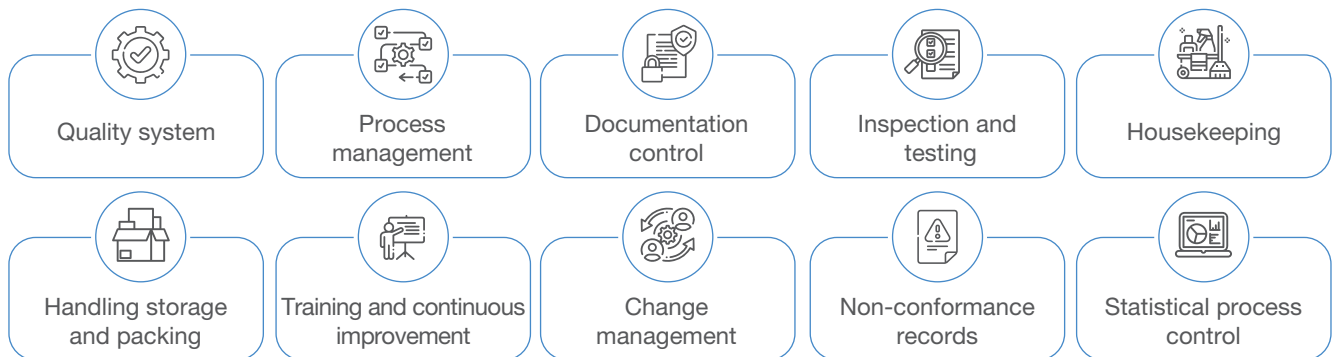
2023

Suppliers hold a significant role in integrating sustainable development into our critical business activities. Their environmental and community impact management is vital and affects our performance during constructing facilities, providing services and supplying equipment.

In our commitment to safeguard operational continuity and mitigate third-party reputational risks, VS exclusively partners with sustainable suppliers. We rigorously assess our major suppliers' performance to ensure compliance with local laws, industry standards, and customer requirements within their respective jurisdictions. We have implemented Self-Assessment Questionnaires that suppliers must complete before site assessment to facilitate this process. This proactive approach fosters transparency and accountability throughout our supply chain. 241 suppliers have completed the Self-Assessment Questionnaires and we have conducted Site Assessment on 18 suppliers throughout the year.

We have also established a supplier matrix to evaluate suppliers in various segments including Quality System Review.

Key Business Performance Areas Audited



In FY2023, we conducted supplier monitoring and audits on 210 vendors, focusing on Quality Management Systems (QMS), Document Control, Receiving and Inspection, Process Control, Outgoing, Non-Conforming Materials Control, Material Handling and Storage, Measuring, Analysis and Improvement, Quality System, Process Management, Inspection and Testing, Corrective & Preventive Actions, Housekeeping, Change Control, Identification/Traceability, Non-Conforming Material Control, 6S, Procurement System, and Statistical Process Control. During the audit, we recorded no instances of major non-compliance.

SUPPLY CHAIN CAPACITY BUILDING

VS remains committed to collaborating closely with suppliers to promote ongoing supplier performance enhancement. We initiate knowledge transfer efforts by conducting awareness during the site audit and plan to deliver training programmes to empower suppliers with valuable insights and expertise. This collaborative approach strengthens our partnerships and drives continuous improvement within the supply chain.

BOOSTING THE REGIONAL ECONOMY

VS connects to a worldwide network of 1,795 active suppliers. Collaborating with suppliers close to our operations is preferable, bolstering the efficiency and agility of our supply chain and ultimately benefiting customers with shortened lead times.

Supporting local sourcing has a positive ripple effect on the country and local communities where we operate. However, due to the specialised nature of our operations requiring unique mechanical parts and components, VS looks to international suppliers when such items are inaccessible locally.

RESPONSIBLE SUPPLY CHAIN PRACTICES

We stand dedicated to upholding our business ethics by fostering business opportunities and facilitating capacity development for local and diverse suppliers within our operational supply chain. The Group's Business Code of Conduct and Ethics guides our supply chain practices.

Our suppliers must expressly acknowledge and uphold the principles outlined in the code and ensure that their sub-contractors also adhere to these standards. VS is fully committed to supporting the ten principles of the UN Global Compact across its supply chain. These principles are seamlessly integrated into our Code of Conduct by reference, encompassing crucial aspects like human rights, labour conditions, environmental impacts and anti-corruption measures, especially in our relationships with external service providers.

Our primary focus within our supply chain responsibility agenda revolves around labour and human rights, safety, ethics and environmental considerations. We expect that they:

- Adhere to industry standards by offering safe working conditions,
- Treat workers with respect and uphold their dignity, and
- Employ environmentally responsible manufacturing processes.

Furthermore, we encourage suppliers to report any known or suspected improper behaviour through a designated whistleblowing channel. We handle all such reports with utmost confidentiality.

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SOCIAL AND ENVIRONMENTAL SUPPLY CHAIN

Previously the Electronic Industry Citizenship Coalition (EICC), RBA is the largest global industry coalition committed to corporate social responsibility within supply chains worldwide. VS has been an active Responsible Business Alliance (RBA) member since 2018. The RBA code of conduct advocates an ethical supply chain for equitable working conditions, extensive labour safeguards and environmentally conscious manufacturing processes within the electronics industry.

THE RBA CODE OF CONDUCT

A. Labour

- A. 1 Freely Chosen Employment
- A. 2 Young Workers
- A. 3 Working Hours
- A. 4 Wages and Benefits
- A. 5 Humane Treatments
- A. 6 Non-Discrimination
- A. 7 Freedom of Association

B. Health and Safety

- Occupational Safety B. 1
- Emergency Preparedness B. 2
- Occupational Injury and Illnesses B. 3
- Industrial Hygiene B. 4
- Physically Demanding Work B. 5
- Machine Safeguarding B. 6
- Sanitation, Food & Housing B. 7
- Health & Safety Communications B. 8

E. Management Systems

- E. 1 Company Commitment
- E. 2 Management Accountability and Responsibility
- E. 3 Legal and Customer Requirements
- E. 4 Risk Assessment and Risk Management
- E. 5 Improvement Objectives
- E. 6 Training
- E. 7 Communication
- E. 8 Worker Feedback, Participation and Grievance
- E. 9 Audit and Assessments
- E. 10 Corrective Action Process
- E. 11 Documentation and Records
- E. 12 Supplier Responsibility

D. Ethics

- D. 1 Business Integrity
- D. 2 No Improper Advantage
- D. 3 Disclosure of Information
- D. 4 Intellectual Property
- D. 5 Fair Businesses, Advertising and Competition
- D. 6 Protection of Identity
- D. 7 Responsible Sourcing of Minerals
- D. 8 Privacy

C. Environmental

- Environmental Permits and Reporting C. 1
- Pollution Prevention and Resource Reduction C. 2
- Hazardous Substances C. 3
- Solid Wastes C. 4
- Air Emissions C. 5
- Materials Restrictions C. 6
- Water Management C. 7
- Energy Consumption & GHG Emissions C. 8

Source: RBA Code of Conduct www.responsiblebusiness.org



We emphasise ensuring that our supply chain partners fully comprehend our ethical dedication and standards. Major suppliers receive VS's Business Code of Conduct and Ethics as well as the Anti-Corruption Policy during onboarding as a contractual prerequisite for business engagement.

Adherence to the VS Business Code of Conduct and Ethics and our Anti-Corruption Policy is mandatory. Non-compliance by third parties may lead to the termination of our business relationship.

ENVIRONMENTAL SUPPLY CHAIN

Our supplier sourcing assessment processes thoroughly evaluate social and environmental dimensions, including energy use, greenhouse gas (GHG) emissions, water use, biodiversity impacts, pollution, waste reduction, resource use and other environmental issues.

Environmental policies are deeply integrated into our supply chain operations. We consistently convey our expectations to major suppliers through regular communication, engagement, and training.

Existing suppliers are subject to an ESG assessment comprising a self-assessment questionnaire and physical inspection. This risk assessment questionnaire is part of due diligence for potential, new and current suppliers and details their economic, environmental, social and governance risks and opportunities. Two hundred and forty-one suppliers have completed the evaluation in FY2023 of which 219 are critical suppliers, and we discovered no major non-compliance in FY2023.

Suppliers are invited to join us on our green journey. They are encouraged to monitor, record and report their environmental performance and impact reduction.

We also conducted risk assessments on existing suppliers' environmental issues, especially those identified as 'high risk'. Looking ahead, we aim to introduce a comparable risk assessment for prospective and incoming suppliers, particularly those flagged as high-risk, as an essential part of our due diligence process.

We will continue mitigating environmental impacts in our supply chain by participating and collaborating in workshops and industry or topic-specific initiatives. Our membership in various relevant organisations, such as the Malaysian Plastics Manufacturers Association (MPMA), allows us to address environmental sustainability in the supply chain through tailored industry-focused efforts.

SOCIAL SUPPLY CHAIN

VS Industry's Social Supply Chain Commitment is communicated to all suppliers. We ensure that its major supply chain partners adhere to all social standards stipulated by Malaysian Labour Law and the International Labour Organisation (ILO). VS has a formal Ethical and Environmental Code of Conduct for suppliers, which includes the following terms:

- Policies on preventing child labour. VS and all suppliers must:
 - Adhere to the Malaysian Labour Law on the minimum legal working age; and
 - Obtain copies of legal documentation providing the age of all workers and conduct background checks to support documentation if necessary.
- Policies on the prevention of forced labour, which state:
 - Work must not be performed under the threat of punishment or confiscation of belongings that the worker has not agreed to;
 - Employment should be freely chosen; and
 - VS will never force its workers to lodge deposits or identity papers with the Company.
- Policies on providing equal opportunities and applying non-discrimination in hiring, remuneration or access to training, promotion, overtime, termination or retirement
- Freedom of association where everyone is respected to have the freedom to belong to any organisation of their choice, following local freedom of association law
- Right to collective bargaining and forming a union, including the right to representation and discussion with the company on employment matters
- Eliminating excessive working hours by complying with local law on working hours and overtime, addressing maximum working hours and reducing working hours:
 - VS' Ethical and Environmental Code of Conduct states that overtime is voluntary and paid at a premium rate.
 - VS adopts the RBA Code by practising 60 hours of work per week, including overtime, except in cases of emergency or unusual situations.
- Meeting or exceeding Malaysia's minimum living wage
- A safety policy, code and practices for providing a safe and healthy workplace according to local laws

SUSTAINABILITY STATEMENT

(Cont'd)

 <p>Social supply chain policy is communicated globally to all suppliers and integrated into buyer training, purchasing policy and suppliers' contracts. The document is available in English and can be translated into other languages if necessary.</p>	<p>Expected social conduct from major suppliers is communicated through purchasing policy, supplier contract, training and sharing best practice as part of capacity building.</p> 
 <p>Major suppliers are encouraged to inform workers of social obligations in a language they can understand.</p>	<p>New and existing major suppliers undergo social risk assessment as part of due diligence to ensure they comply with our standards.</p> 
 <p>Major suppliers, particularly those identified as 'high risk', are assessed informally and formally through physical inspection audits if required. Any non-compliance incidence is subject to disciplinary practices.</p>	<p>102 local and 139 foreign vendors and subcontractors assessed and audited in FY2023. No major non-compliance issues were reported.</p> 

VS works closely with its suppliers to address salient social issues in the electronics manufacturing industry. Regular engagement with suppliers comprising best-practice sharing sessions, training and mentoring provides a platform for discussing solutions for social supply chain challenges.

SALIENT HUMAN RIGHTS ISSUES

VS assessed potential adverse human rights impacts and assessed salient human rights issues.

- Right to:
 - Life
 - Freedom of movement
 - Work
 - Enjoy just and favourable conditions of work
 - An adequate standard of living
 - Health
 - Participate to public life
 - Social security including social insurance

VS supports the amendments to the Workers' Minimum Standards of Housing and Amenities Act 1990. All contractors working on our projects are encouraged to provide facilities to workers that follow the International Labour Organisation (ILO) guidelines.

Facilities Provided for Workers at Our Hostels



We will continue working with other stakeholder groups to improve our approach to mitigating risks arising from these salient human rights issues.

RESPONSIBLE SOURCING OF MATERIALS AND LABOUR

VS' Ethical and Environmental Code of Conduct states that all suppliers must ensure the following:

- Sourced materials and minerals are produced or mined in an environmentally responsible manner
- Working conditions are safe
- Workers choose to work freely
- Minerals-sourcing abides by local, national and international laws

We also ensure suppliers' compliance with legislation, including conflict materials; Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH); and the Restriction of Hazardous Substances (RoHS). VS also submits an annual declaration on conflict minerals.

SUSTAINABILITY STATEMENT

(Cont'd)

CONFLICT MINERALS

As a committed Responsible Business Alliance (RBA) member, we use industry-leading best practice tools and processes to promote responsible sourcing and avoid conflict minerals throughout our global supply chain.

VS complies with all relevant legal requirements and has implemented a robust due diligence process to ensure the Group and its suppliers meet their legal obligations and adhere to its corporate values.

VS has aligned its Responsible Sourcing Programme with all relevant legal requirements and industry best practices for conflict minerals, including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. VS exercises due diligence on these minerals' sources and chain of custody. We continue to work with our suppliers and other RBA members to influence the electronics industry and encourage participation in credible certification programmes.

AUTOMATION: PAVING THE WAY AHEAD

VS is embarking on a journey of automation for enhanced competitiveness. Leveraging technology, primarily through process automation, will be integral in optimising core processes, ensuring economic sustainability, and delivering improved operational outcomes.

VS budgeted RM 100 million in investment in the automation process over five years from FY2023, with RM 37.8 million spent in FY2023.

PRIORITISING ENVIRONMENTAL STEWARDSHIP IN THE ELECTRONIC AGE

VS' environmental commitment is extensive and unified, extending across various aspects of operations. We align our operations with the highest standards through meticulous external environmental audits. This process allows us to assess our ecological impact thoroughly and make informed decisions to minimise our footprint.

Guided by our managerial and board-level executives, we ingrained our commitment to environmental stewardship in our organisational ethos. Sustainability is emphasised in every facet of our business, underscoring our dedication to responsible practices.

Internally, we conduct regular environmental audits that serve multiple purposes. These audits ensure compliance with environmental regulations, prompt immediate corrective actions and catalyse continuous improvement. They also help us maintain consistency in our environmental responsibility efforts.

Education helps foster an environmental culture within our organisation. Through ongoing training and awareness programmes, we empower our employees with the knowledge and understanding needed to contribute to our environmental objectives.

Assigning specific environmental roles to every employee and division head bolsters our sustainability efforts and reinforces our collective impact. Our people actively engage in the Company's environmental programmes, extending sustainable practices within our organisation and the communities we interact with.

Identifying and mitigating environmental impact is a priority. Our proactive approach involves open communication, both internally and externally, seamlessly integrating our environmental management efforts into the overall business strategy.

As part of our ongoing environmental enhancement, we establish measurable objectives and targets, aligning with our sustainability commitments and continuous improvement.

The chart below illustrates how our dedication to environmental responsibility is transformed into actionable guidelines within our environmental policy, providing us with clear guidance and direction.

Our Commitment	Environmental Policy
<ul style="list-style-type: none"> ● Commitment to environmental protection ● Commitment to use natural resources or energy more efficiently ● Commitment to report regularly on environmental issues ● Commitment to consult with stakeholders on environmental issues ● Commitment to monitoring the company's environmental performance ● Commitment to implement an environmental management system ● Commitment to reduce emissions, releases and waste ● Commitment to creating environmental awareness 	<ul style="list-style-type: none"> ● Nurture our desire to make V.S. Industry Berhad a world-class environmental responsible business partner ● Adhere to the applicable environmental, legal, and other requirements ● Train and communicate with our employees on the environmental policy and the Environmental Management System requirements ● Utilise our affordable resources in the prevention of pollution ● Review our environmental objectives and targets strategically for continual improvement ● Ensure that our environmental policy is made available to the public at all times



SUSTAINABILITY STATEMENT

(Cont'd)



VS is deeply committed to environmental responsibility and compliance. We have achieved ISO 14001:2005 accreditation, underscoring our dedication to enhancing our environmental performance while adhering to environmental laws and regulations. We perform monthly EHS inspections and routine air emissions testing while remaining committed to advancing our accreditation. VS fully complied with environmental laws and regulations in FY2023 without any penalties.

We are proactively introducing a range of environmentally friendly projects throughout our facilities, offices, logistics and supply chain. Our efforts focus on enhancing energy efficiency through operational optimisations and adopting energy-saving technologies. Additionally, we are integrating renewable energy to meet our long-term goals. Safety, quality and efficiency of equipment at our plants remain a priority, aligning with environmental regulations and standards. Delivering regular environmental training enhances employees' eco-consciousness.

	Rationale	Focused Target	Key Material Topics
 	<p>Responsible consumption and production and Climate Action are pertinent to electronic manufacturing, fostering eco-friendly production, efficient resource use, and reduced carbon footprint, aligning with sustainability goals.</p> <p>Reducing negative impacts on SDG12 and SDG13 involves enhancing operational and process efficiencies, minimising waste and adopting sustainable supply chain practices to mitigate environmental impact and lower costs throughout the value chain.</p>	<p>12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reusing</p> <p>13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.2: Integrate climate change measures into national policies, strategies, and planning</p> <p>13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> • Energy and Climate Change • Pollution Control • Waste Management • Water Management

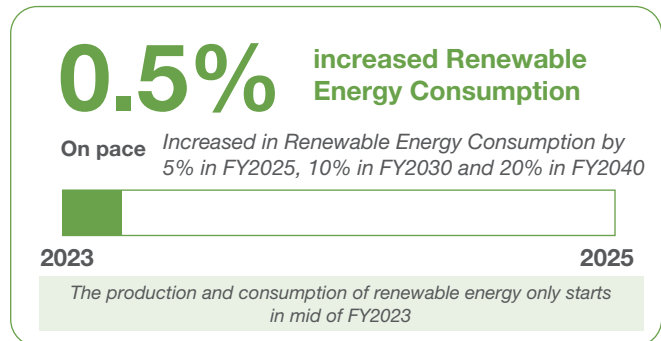
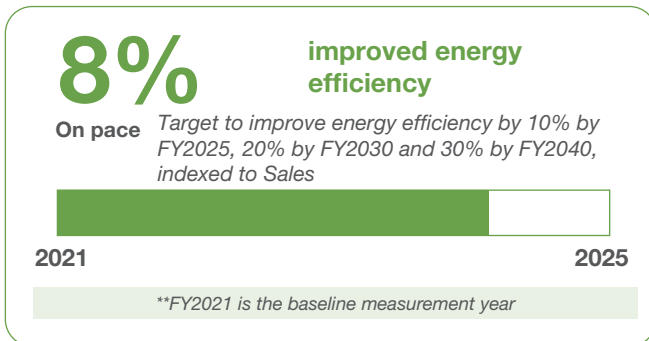
ENERGY

VS' dedicated team analyses energy consumption and enhances efficiency. The VS Facility Team generates routine reports detailing electrical usage for each factory, continuously monitoring power consumption. Electricity Dashboard reporting on energy usage and renewable energy consumption across the entirety of the Group showed VS' commitment to establishing a systematic strategy for overseeing energy assets and discovering efficient improvement opportunities.

VS' Environmental Management Plan examines the management and analysis of resource consumption and formulates and implements annual energy-saving measures. The operations team regularly inspects each plant's energy consumption and adjusts the output level of facilities, such as lighting and ventilation, when necessary.

We submit a biannual Energy Compliance Report to the Malaysian Government to document continued compliance with the Malaysian Energy Management Regulation. The Energy Committee is responsible for setting energy targets.

SCALING UP RENEWABLE ENERGY



We track and report our Scope 1 and 2 emissions and have begun harnessing renewable energy through the phased installation of solar panels. Understanding the advantages of renewable energy in emission reduction and cost savings, VS initiated the phased installation of solar panels across its facilities.

We installed a Solar System at one of our key facilities during the year. We are installing Solar on our second facility, which we aim to complete by the end of 2023, underscoring our dedication to sustainability, reducing emissions and embracing cleaner energy sources to power our operations. As of July 2023, we have already accumulated 0.5% of total electricity usage from renewable sources, marking a significant step towards our sustainability goals.

CLIMATE CHANGE

Climate change is a critical threat to humanity, significantly impacting our business operations. We recognise the importance of climate change risks and their direct relevance to our business. We have implemented a climate change response strategy that centres on expanding renewable energy use, reducing gases used in manufacturing and improving energy efficiency throughout the manufacturing process.

We recognise climate change’s devastating effects and associated short- and long-term business risks. VS remains firmly committed to mitigating these effects by enhancing operational efficiency. Our climate change strategy encompasses collaboration with employees and supply chain partners to implement energy-saving processes and comprehensively assess climate change risks.

In addition to conducting environmental, health, and safety evaluations and implementing environmental policies and management systems, we actively engage with regulators to address climate change challenges. We work closely with the regulators and regularly consult on ways to address challenges brought by climate change, such as through public policy implementation.

Our RBA membership allows us to discuss environmental sustainability topics such as climate change and climate-related issues, reflecting our commitment to mitigating the impact of climate change. The RBA also monitors climate risks. Our involvement in this membership involves working to incorporate the potential effects of climate change into the outlook for the economy and observing the evolving threats to the electronic industry. The RBA is also involved in international efforts to improve regulators’ understanding of the implications of climate change for the electronic sector.

VS integrated climate-related risk management into the company-wide risk scorecard. It is part of the foundation for formulating the business strategy and selecting future R&D and technological investments. VS’ climate risk management process includes mitigation efforts to reduce greenhouse emissions, climate engineering and expanding climate system knowledge. VS integrates climate-related risks and opportunities into the Company’s strategy, especially when designing new processes, R&D, sourcing strategy and mitigation plans.

SUSTAINABILITY STATEMENT

(Cont'd)

Climate change affects operating costs (OPEX) and capital expenditure (CAPEX). Efficiency, output and performance of assets and equipment can decrease due to changing climate conditions. VS may require additional CAPEX due to asset damage or decreased asset performance. Further, complying with environmental regulations requires additional CAPEX for upgrading facilities or equipment to cope with increased pollution risks.

We are committed to addressing the issue of climate change and improving efficiency through adaptation by adopting new and green technology in development and implementing fuel efficiency measures. Notably, we have integrated a monitoring system to track emissions, energy consumption, water usage, and waste generation within our manufacturing processes. Our Climate Change Policy, established in June 2022, aims to achieve emissions reductions efficiently. We track and report on Scope 1 and 2 emissions and have begun harnessing renewable energy through the phased installation of solar panels. In FY2023, VS invested RM 12.2 million in Solar System installations and incurred RM 0.81 million in installing tools and equipment for measuring and monitoring the renewable energy generated.

Our management team, overseen by our Operations Director, Mr Ng Yong Kang, who also sits on the Board, devises strategies to manage and minimise our environmental footprint. Progress reports and proposals on energy management, climate change and pollution reduction, supported by financial indicators and Return on Investment (ROI) calculations, are presented to the Board. In FY2023, we directed investments towards climate-related initiatives, allocating funds to enhance the development of climate and energy management strategies. These strategies encompass both short-term and long-term objectives to mitigate risks and improve the accuracy of our carbon data.

TRACKING AND REPORTING OF OUR GHG

8% reduced in Scope 1 and 2 location-based GHG emissions

On pace Reduce Scope 1 and 2 GHG emissions by at least 15% in FY2025, 20% by FY2030 and 30% in FY2040, indexed to Sales



**FY2021 is the baseline measurement year

VS closely monitors the GHG generated at all of our business sites. We require each business site to enter GHG data concerning energy use into our EHS system, which allows us to identify and analyse the causes of fluctuations at individual sites each month. We are progressing with various programmes to mitigate GHG emissions in all stages of our value chain, from product development to manufacturing and logistics. The GHGs emitted outside and inside our business sites are subject to such programmes.

Consolidation method in calculating our carbon footprint

Operational

Coverage and organisational boundary in calculating the carbon footprint

Accounts for 100% of GHG emissions where VS has the authority to implement operational policies

Independent verification of operational GHG data

The RBA Audit, performed every two years, is based on recognised international standards and management systems such as ISO 14001 and the Eco-Management and Audit System (EMAS). VS conducted a comprehensive audit of environmental permits and reporting, pollution prevention and resource reduction, hazardous substances, solid waste, air emissions, water management, energy consumption and greenhouse gas emissions.

SCOPE 1

VS runs its machinery on diesel and its road vehicles on petrol and diesel. VS derived its CO₂ emissions from fuel consumption using the Direct Emission from Mobile Combustion Sources emission factor published by the United States Environmental Protection Agency.

SCOPE 2

VS derived its CO₂ emissions from electricity use using the emission factor published by the Energy Commission for the Peninsular Grid 2019.

SCOPE 3

VS calculated the GHG emissions from business air travel, from point to point, including the number of employees on board and the distance travelled. VS performed separate calculations for domestic, short- and long-haul flights using the Business Travel emission factors published by the United States Environmental Protection Agency. The vast majority of these emissions resulted from the recruitment and repatriation of foreign workers.

VS fully discloses its carbon footprint in the performance data table at the end of this statement.

SCOPE 3: EMPLOYEES' DAILY COMMUTE TO WORK

Employees' commuting contributes significantly to CO₂ emissions. In FY2023, we initiated a project to calculate the total yearly emissions generated by the daily commutes of our entire Group, encompassing our entire workforce. VS remains dedicated to monitoring and reporting these emissions annually.

METHODOLOGY

In the final quarter of FY2023, VS initiated a survey to gather data to estimate:

- The primary mode of transportation used by employees.
- The approximate daily round-trip commuting distance.
- Specific vehicle details, including type, age, engine size, and fuel type if employees utilised personal vehicles.

This survey was conducted online, with a strong encouragement for all directors and management to participate. As staff travelled to work on company transportation, we captured these emissions in our Scope 1. We employed Mobile Combustion GHG Emissions Calculation Tool provided by GHG Protocol to compute the emissions for each survey respondent. With an average annual work commitment of approximately 242 days per employee, this information was instrumental in estimating VS's yearly emissions.

RESULTS

One hundred and seventy-five employees responded to the survey.

Method of Transport	Number of Employees in Sample	Estimated Total Number of Employees in VS	% of Employees
Bus	5	137	2.86%
Walking	1	27	0.57%
Own Vehicle	169	4,619	96.57%
Total	175	4,783	100.00%

SUSTAINABILITY STATEMENT

(Cont'd)

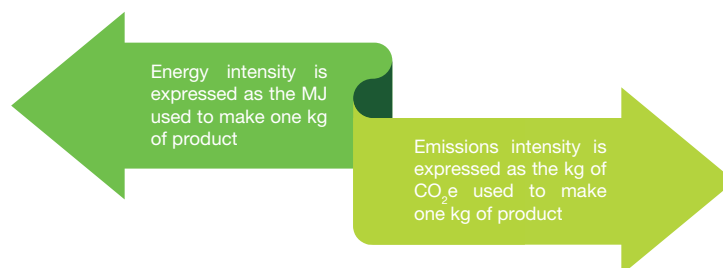
In FY2023, VS employees travelled an estimated 37,773,729 km to and from work. The total yearly CO₂ emissions for employees commuting in FY2023 was 8,430 tonnes.

Method of Transport	Total Annual Distance of Sample (km)	Estimated Total Annual Distance (km) of VS	Total Annual Emissions (tCO ₂ e) of Sample	Estimated Total Annual Emissions (tCO ₂ e) of VS
Bus	26,136	714,334	2	48
Walking	3,630	99,213	0	0
Own Vehicle	1,352,296	36,960,182	306	8,371
Total	1,382,062	37,773,729	308	8,419

ENERGY AND EMISSIONS INTENSITY

Total operational energy and emissions are a poor indicator of emissions efficiency as product volume fluctuates yearly. As the output increases, energy and the resulting carbon emissions usually increase accordingly.

Energy intensity and emissions intensity are better measures of the emissions efficiency of our manufacturing plants. VS uses operational energy and the resulting emissions for these calculations.



Emissions and Energy Intensity

Indicator	FY2021	FY2022	FY2023
Energy Intensity (MJ/kg of product)	0.44	0.66	0.69
Emissions Intensity (kgCO ₂ e/kg of product)	0.09	0.14	0.15

CLIMATE CHANGE RISKS AND OPPORTUNITIES

We assess the significant financial and strategic implications of climate change risks. We integrate responsive actions into our business operations based on their scale and scope. These risks include changes in the global climate system, region-specific regulatory reinforcement, market trends, stakeholder needs and changing physical environment.

VS integrated the Task Force on Climate-Related Financial Disclosures (TCFD) framework into its climate change management, carefully considering risks that may result from climate change and treating them as emerging risks. VS assesses climate change risks for all new operational assets and upstream and downstream activities and closely monitors and tracks climate change that may affect corporate risk levels. The Company's Climate Management Plan integrates mitigation and adaptation actions to manage the risks posed by climate change. This plan improves our resilience to potential threats and exploits new business opportunities.

In the short term, we view extreme weather events and the requirement to introduce high-efficiency technologies as potential risks and reduced energy costs as opportunities. We project changing consumption patterns and expand renewable energy use as mid-term opportunities and the physical impacts, such as climate change and water stress, as long-term risks. We establish response measures for long-term risks based on our emissions mitigation plans according to the Paris Agreement, emissions scenarios of the Intergovernmental Panel on Climate Change (IPCC) and Energy Technology Perspectives of the International Energy Agency (IEA).

VS engaged a consultant to assess the climate change risks to the business, develop climate and energy strategies with short- and long-term goals to address the risks and strengthen its carbon data quality. VS completed a benchmarking exercise and will report the risk assessment, strategies for adoption and goals in its following Annual Report.

TRANSPARENCY AND ACCOUNTABILITY IN EMISSIONS REPORTING

In response to the heightened sustainability reporting regulations introduced by Bursa Malaysia, VS has expanded its measurement and reporting of Scope 3 emissions.

Scope 3 emissions encompass a broader spectrum of indirect emissions across a company's value chain, surpassing the scope of Scope 1 and 2. Recognising the complexity of addressing Scope 3 emissions, VS adopts a gradual approach. We begin by measuring emissions from employee commuting and business travel, with plans to gradually expand to cover transportation and distribution emissions. This incremental strategy reflects our commitment to comprehensive sustainability reporting and reducing our environmental footprint.

WATER

9% decreased in water usage

On pace Reduce Water Usage by 10% by FY2025, 20% by FY2030 and 25% by FY2040, indexed to Sales



**FY2021 is the baseline measurement year

VS does not operate in water-stressed regions. However, significant energy is expended in heating and processing water, making water conservation a dual benefit for reducing environmental impact and operational expenses. In light of this, VS improves its water efficiency by curbing consumption through the phased implementation of rainwater harvesting. We began this initiative at workers' hostels and are replicating it in our manufacturing facilities. We reduce our environmental footprint and monthly operational costs by harnessing rainwater, reinforcing our commitment to sustainable and responsible resource management.

POLLUTION PREVENTION AND CONTROL

VS remains steadfast in its commitment to reducing pollution by focusing on impact reduction and improving operational efficiency. We continue to address pollution by identifying ways to eliminate it at its source by modifying production, maintenance and facility processes.

Adopting efficient production and packaging procedures allows us to reduce resource use and materials costs. We commit to addressing its resource use and avoiding impact by using resources more efficiently and reducing the quantity and toxicity of waste.

VS engaged contractors to obtain air emissions samples of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting substances and combustion by-products generated from operations. VS routinely monitors, controls and treats these by-products as required before discharge. VS also routinely monitors the performance of the air emissions control system as needed.

SUSTAINABILITY STATEMENT

(Cont'd)

The manufacturing plants at VSI and VSE facilities emit air through chimneys. Regular chimney emissions testing, or stack sampling or stack monitoring, studies the levels of effluent pollutants released into the atmosphere. During the year, we performed emissions monitoring on four chimneys. The summary findings affirm that our emissions adhere to the Environmental Quality (Clean Air) Regulations of 1978 and the Environmental Quality (Clean Air) Regulations of 2014.

Parameter	FY2023
Ammonia	Complied
Chlorine	Complied
Hydrogen Chloride	Complied
Hydrogen Sulphide	Complied
Nitrogen Dioxide	Complied
Particulate Matter	Complied
Sulphur Oxides	Complied
Non-methane volatile organic compounds	Complied
Mercury	Complied
Antimony	Complied
Arsenic	Complied
Chromium	Complied
Cobalt	Complied
Copper	Complied
Vanadium	Complied
Nickel	Complied
Manganese	Complied
Cadmium	Complied
Thallium	Complied
Lead	Complied

WASTE

14% manufacturing waste reduced

Outpacing Reduce manufacturing waste by 10% by FY2025, 20% by FY2030 and 25% by FY2040, indexed to Sales



**FY2021 is the baseline measurement year

Time-specific target to reduce waste

VS's waste policy addresses its commitment to reducing or avoiding the impact through improved efficiency. We design our products with a focus on resource efficiency and continually improve our manufacturing process to minimise waste generation.

Precautions Taken to Ensure Site Waste is Disposed of Appropriately

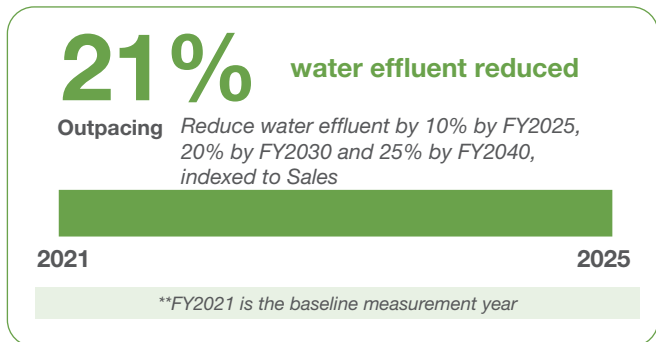
Precautions to ensure waste from its sites is disposed of appropriately	Practised waste labelling and waste segregation	Performed monthly workplace inspections and monthly scheduled waste storage inspections
Established an internal system for disposal site inspector	Improved efforts to minimise risks associated with contracting out waste disposal	Implemented periodic on-site inspections on waste disposal contractors to ensure rigorous management procedures

VS handles all hazardous wastes according to the Environmental Quality (Scheduled Wastes) Regulations 2005 and other relevant environmental-related legislation in the Environmental Quality Act 1974 (EQA 1974). Solid and general wastes are collected and disposed of by licensed collectors appointed by the local authority. As far as possible, we practise reducing waste, reusing and recycling resources before disposing of them.

We are committed to minimising product waste across our operations to reduce its carbon footprint.

- Transitioning to Digital Records:
 - ✓ Shifting from paper records to digital formats, focusing on workflow automation
 - ✓ Introducing e-forms and an Enterprise Content Management (ECM) system to digitise documents and automate document-driven processes
- Eliminating Single-Use Plastics:
 - ✓ Taking steps to ban the use of single-use plastics by employees, canteen operators and food delivery services for packaging
- Promoting Recycling:
 - ✓ Placing convenient recycling bins throughout our workplaces progressively, including production and office areas, making it easier for employees to recycle
- Switching to LED Lighting:
 - ✓ Progressively replacing incandescent bulbs with energy-efficient LED lighting, initially in manufacturing facilities and subsequently in workers' hostels, to reduce energy consumption

WATER EFFLUENT



We have equipped many facilities with an Industrial Effluent Treatment System (IETS). We achieve 100% water recycling without any discharge to the drainage system. The treated water undergoes monthly laboratory testing. Additionally, we test water discharge from our plants into the drainage system annually to ensure compliance with all DOE requirements.

However, some facilities do not have an Industrial Effluent Treatment System (IETS). However, we rigorously monitor stormwater, adhering to EQA effluent regulations. This monitoring covers water discharge from processes such as Oil Filtering systems (moulding), Waste Collection Systems (3PB), and Canteen Operations, aligning with Standard A regulations.

SUSTAINABILITY STATEMENT

(Cont'd)

EMPOWERING INDIVIDUALS AND SOCIETY: A PATH TO COLLECTIVE GROWTH

Social sustainability is vital to overall sustainability, emphasising the well-being and prosperity of communities and societies. Our commitment to social sustainability revolves around promoting fair labour practices, inclusive workplaces and community well-being. Fostering diversity, ensuring workers' rights, and contributing positively to society creates a more equitable and socially responsible business environment.

We focus on the well-being of all employees by actively promoting human rights, diversity and inclusion, guided by unwavering integrity and robust ethical values. We aspire to establish lasting value for employees, encompassing the creation of meaningful and sustainable employment with opportunities for upskilling, ensuring a living wage and guaranteeing a safe and secure work environment. We also implement strategies that safeguard and uphold labour rights.

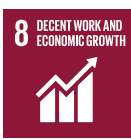
Our Code of Conduct stipulates stringent yet fair employment standards and practices. We communicate our labour standards stance and policy to all employees in English as it is the most commonly used business language. This document is translated into other languages, including *Bahasa Malaysia*, when necessary.



No instances of non-compliance with labour standards



No incidents related to non-compliance were reported

	Rationale	Focused Targets	Key Material Topics
	<p>VS promotes decent work and contributes to economic growth in alignment with UN SDG8. VS aims to support these objectives through responsible employment practices, community engagement, and social responsibility, positively impacting its workforce and the broader economy.</p>	<p>8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers and end child labour in all its forms by 2025.</p> <p>8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women and those in precarious employment</p>	<ul style="list-style-type: none"> • Diversity, Equal Opportunity & Non-Discrimination • Occupational Health & Safety • Training & Development • Human Rights • Employee Engagement and Retention • Community Contribution

ENSURING LEGAL COMPLIANCE

VS is committed to ensuring that all employment terms and conditions, including health and safety, align with local, national, and international labour laws and regulations. We also align our labour standards with the recognised global frameworks, including the RBA code of conduct and the International Labour Organisation's (ILO) fundamental conventions, including core principles and workers' rights.

VS proactively monitors and remains well-informed about evolving labour, health, and safety policies and legislations. We extend our efforts beyond our organisation to ensure that our business partners follow the same standards, such as:

- Performing due diligence on recruitment agencies to ensure compliance with VS's Zero Recruitment Fees policy.
- Effectively communicating our company policies and procedures to all employees and business partners to ensure that they fully comprehend and adhere to them.
- Schedule yearly internal audits, such as self-assessments, to identify deficiencies or inefficiencies in our procedures.

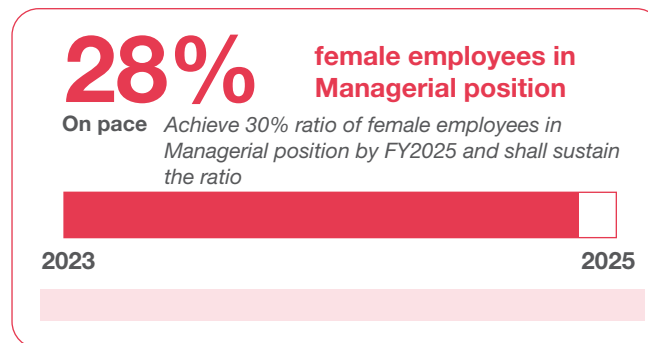
This ongoing commitment underscores our dedication to quality, legal and ethical standards.

However, business growth is not solely about compliance; it also involves creating shared value among stakeholders. VS collaborates closely with customers, the RBA and non-governmental organisations (NGOs) to exchange insights and expertise, jointly addressing social and business needs.

Periodically, VS participates in workshops or industry/topic-specific collaboration projects that provide industry solutions that improve labour standards in Malaysia. As part of our risk assessment procedure, we regularly review the labour standards of existing and potential business and supply chain partners as part of due diligence. We familiarise all parties with our Code of Conduct from time to time. There were no instances of non-compliance with labour standards during this reporting period.

DIVERSITY AND INCLUSION IN THE WORKPLACE

Diversity and inclusion are fundamental principles. We harness the unique value of industry differences, striving to create workplaces where diverse employees can excel, ensuring equity and inclusivity. In FY2023, 55% of VS' overall employees are female employees and 28% of managerial positions are female employees.



SUSTAINABILITY STATEMENT

(Cont'd)

Our Diversity and Inclusion Focus

Equal Opportunity Employment

- All job descriptions offer equal opportunities, prohibiting discrimination based on gender identity, ethnicity, or sexual orientation, with accessible opportunities for candidates with disabilities. Our stand on equal opportunity is also being practised in our recruitment efforts in hiring diverse talent.

Equal Pay for Equal Work

- We have issued a formal principle and code which ensures fair wages, regardless of gender, providing equal compensation for equivalent roles and experience.

Empowering Female Leadership

- We promote gender equality in succession planning, recognising and supporting female leadership.

Career Development

- We actively advance employee career growth through on-the-job learning, in-house certification, and external qualification opportunities.

Our company is committed to fostering diversity through a multifaceted approach, implementing mentorship programmes and nurturing employee growth and empowerment. The managerial and board levels bear direct responsibility for diversity initiatives, ensuring strategic focus and accountability. Offering training and guidance enlightens our workforce on the significance of diversity and inclusivity promotion. We honour and celebrate all festivities, including traditional ones cherished by various races, even if they constitute a minority of our workforce (less than 50%). This inclusivity fosters a harmonious and welcoming work environment for everyone.

LOCAL EMPLOYMENT AND SOURCING

Our approach to local employment and sourcing adheres to local labour laws during recruitment and actively favours local hires. However, given our expanding international customer base and the need for diverse talent and expertise, we extend our search globally when such skills are not readily available locally. Upholding a non-discrimination policy in our hiring process ensures equal opportunities for all.

As of the end of FY2023, our workforce comprised 0% of disabled employees. We are committed to improving representation and fostering an inclusive work environment for individuals with diverse abilities.

Our inclusive hiring policy goes beyond non-discrimination, aiming to provide equal employment opportunities to underprivileged groups, including individuals from disadvantaged and socially underprivileged backgrounds. Additionally, our recruitment strategy actively addresses youth unemployment by offering internships and graduate placements.

DEVELOPING AND SUPPORTING OUR TALENT POOL

Today’s employees expect regular feedback, open dialogue and more personal engagement with managers. Providing this requires a new management style. We have made feedback a fundamental pillar of our managerial culture to strengthen and continuously develop our talent pool to address future business challenges.

We value dialogue and foster employee-employer relationships built on open, continuous feedback and employee development.

VS’s commitment to employee growth is paramount as we prioritise training and development programmes that align with industry needs and job expectations. We regularly assess industry trends, job requirements and evolving skill sets to tailor our training initiatives accordingly. We prioritise employee development by offering a dual approach to training. Our team benefits from external expert-led training sessions, while internal programs further augment their skill sets. This comprehensive approach ensures our employees have the latest knowledge and expertise.

We believe in fostering growth and potential, enabling our team to thrive and contribute meaningfully to their careers and communities. Our talent development programmes also build on personal development skills such as communication, time management, leadership and adaptability. Nurturing a well-rounded workforce by delivering workshops and coaching to empower individuals provides employees with the necessary tools to succeed in their careers and lives outside the workplace.

Examples Of Training Programmes Held Or Attended During The Year:

ISO 14001: 2015 Awareness	ISO 9001 Awareness	MBAM Seminar on Occupational Safety & Health (OSH) And Workshop On Permit To Work (PTW) for Construction	ISO 22301:2019 Business Continuity Awareness
Course for Certified Environmental Professional In the Schedule Waste Management (CEPSWAM)	Integrated Risk & Opportunities for ISO 14001:2015 & ISO 45001:2018, Environmental Aspect Impact & Occupational Risk Assessment	Sustainability and RBA Code of Conduct	Site Safety and Security Threat and Mitigation
Business Continuity Management Systems	Radiation Safety and Security Courses	Robust Process Development & Scientific Moulding	Violence And Harassment In the World of Work
Energy Management	The 7s	Chemical Handling	Fire-Fighting
Training For Hiwin Robot	Chemicals And Chemical Waste Handling, Storage And Disposal	Forklift Train the Trainer	Introduction to Creo Parametric Advance

SUSTAINABILITY STATEMENT

(Cont'd)

We value personal growth and development. Our training programmes enhance essential skills such as communication, time management, leadership, and adaptability. Nurturing a well-rounded workforce and providing workshops and coaching empowers individuals personally and professionally. Employees can reach their full potential through continuous learning, contributing effectively to team dynamics and fostering a positive work environment.

SAFETY AND HEALTH

46%

incident rate reduced

Outpacing Achieve 20% reduction in incident rate by FY2025 and 50% by FY2030



2021

2025

**FY2021 is the baseline measurement year

VS places the utmost importance on the health and safety of its employees, initiating several initiatives to enhance overall well-being. VS plans to reinforce its occupational health and safety management system through ISO 45001 accreditation.

Our people's safety, health and well-being are important to us. We follow the RBA Code and our integrated Environmental Health and Safety (EHS) Management System to protect employees' safety, health and well-being at our manufacturing facilities. Our internal occupational safety and health audit aligns with RBA standards, assessing our performance in emergency preparedness, chemical and electrical safety, occupational injury and illness, storage safety, food hygiene, sanitation, housekeeping, and ergonomics.

VS' Safety and Health Policy, extending to all contractors and external stakeholders, affirms our commitment to a safe working environment. The management is committed to continuous improvement and compliance with OHSA 1994, FMA 1967, EQA 1974 and other applicable acts, legislations, orders, rules, codes of practices and other requirements to which VS subscribes. VS sustained no health and safety incidents resulting in injuries or fatalities in FY2023.

We also perform noise inspections, categorised into Noise Risk Assessment and Environmental Noise Monitoring. These evaluations align with the OSH (Noise Exposure) Regulation 2019 and Section 23 of the Environmental Quality Act (Guidelines for Environmental Noise Limits and Control, Third Edition, 2019, Second Schedule).

We also established a comprehensive health awareness programme featuring health talks conducted every two months for all employees. The health talks cover work-related stress, mental health, musculoskeletal disorders, stroke, heart attacks, high blood pressure and nutrition management. Delivering customised health talks for foreign workers promoted wellness and helped facilitate a healthy transition into the workplace.

We actively promote fitness and a healthy lifestyle by implementing divisional programmes such as Sports Day, incentivising employees to engage in physical activities.

Delivering ongoing training and education to employees helps identify and solve workplace health and safety issues. We trained 952 employees on health and safety-related topics in FY2023, including safety standards, safety work processes, PPE and unsafe habits.

The Company conducts health and safety risk assessments for potential new operations or projects and existing operations as part of its due diligence. We benchmark the assessment results against industry standards and previously set safety performance targets.

VS has established Safety and Health Committees at each facility, which:

- Promote safety and health best practices
- Investigate any incidents or accidents
- Recommend corrective and preventive measures

These committees help the management address safety and health matters. The table below presents the Safety and Health Committee at each facility. Operations Director, Mr Ng Yong Kang, who also sits on the Board, devises and oversees the implementation of EHS programmes and management of EHS risks. The Company conducts internal and external audits to verify the effective implementation of the ESH programmes and conformance to safety and health standards.

Composition of Safety and Health Committees

Property	Chairman	Secretary	Employer Representatives	Employee Representative
VSI18 & VSI20	1	2	5	5
VSI78	2 (1 chairman + 1 vice chairman)	1	6	6
VSI88	1	2	13	13
VSI98	2 (1 chairman + 1 vice chairman)	1	8	8
VSP28	1	1	5	5
VSP39	1	1	10	10
VSP89	1	1	6	6
VSP129	1	1	6	6
SF46	1	2	10	8
VSE	1	1	10	10
VST	1	2	5	5

EMERGENCY PREPAREDNESS AND RESPONSE

The Facility General Manager heads VS' Emergency Response Team (ERT). In consultation with respective Heads of Departments, the ERT identifies potential accidents and emergencies. The team devises response plans to mitigate impacts on people and the environment. VS's ERT includes specialised fire-fighting, evacuation, first aid, and chemical spillage units.



ADDRESSING GLOBAL HEALTH ISSUES

We tackle workplace health concerns and broader global health challenges. Engaging employees and communities through awareness campaigns, sanitation drives, regular testing, vaccinations, fogging and promoting responsible behaviour to curb transmission helps prevent and control COVID-19, HIV/AIDS, tuberculosis, malaria and dengue.

SUSTAINABILITY STATEMENT

(Cont'd)

RESPECTING HUMAN RIGHTS

VS emphasises respecting human rights, recognising them as foundational for cultivating a secure, prosperous and sustainable workplace. We have implemented the following actions to uphold and respect human rights:

- Integrated a Human Rights Policy and Management into management practices;
- Enforced a Zero Recruitment Fees policy to prevent employees from being burdened by recruitment-related costs;
- Introduced a Robust Grievance Mechanism to identify, prevent, mitigate and address human rights risks and issues;
- Delivered ongoing human rights training programmes to enhance employee awareness and deepen internal understanding;
- Engaged actively in dialogue with experts, third parties such as NGOs, and all stakeholders across the value chain to collaboratively address identified risks and devise broad and equitable solutions and
- Assessed suppliers regularly to ensure compliance with human rights principles and prevent violations within our business partnerships.

VS is committed to the highest standards of conduct in business dealings, including International Human Rights Law. We believe in the inherent value of all individuals and acknowledge the risks of specific impacts on particularly vulnerable segments of society, including minorities, women and indigenous peoples.

Respecting internationally recognised human rights principles, we derived our policies from principles such as those defined in the following:

- United Nations' Universal Declaration of Human Rights
- Two International Covenants that make up the International Bill of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- International Labor Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- Ten Principles of the United Nations Global Compact
- Guidance provided by ISO 26000

Our human rights policy is summarised in the Code of Conduct. All team members undergo annual awareness sessions on this code as part of their human rights policy training. We currently provide these materials in English and will explore translation into other languages as needed.

VS is committed to aligning its conduct with the United Nations Guiding Principles on Business and Human Rights. Mr. Ng Yong Kang, our Operations Director and Board member, oversees the Company's compliance with human rights. VS has also designated day-to-day responsibilities and functions for human rights compliance monitoring and compliance.

We consistently evaluate the human rights implications within our fundamental business operations, integrating this assessment as an ongoing part of our core processes. This proactive evaluation guides our continuous improvement efforts by setting goals based on the business impact review centred on averting, proactively addressing, and lessening potential human rights concerns. We have instituted procedures for screening, training, and monitoring human rights aspects within our internal operations and across our supply chain partners. Compliance with all relevant employment and human rights legislations in locations of operation is a fundamental commitment. We expect our suppliers to align with these standards and, at a minimum, uphold our Principles on Labour Practices and Human Rights.


We communicate our human rights expectations to all stakeholders, including business partners. Regular training and awareness sessions reinforce the Company's human rights policy among staff.

The RBA Code of Conduct governs our approach to managing human rights and labour at our facilities, aligned with local laws, international norms, and standards. The Code of Conduct explicitly conveys our commitment to prohibiting forced labour, child labour and unsafe working conditions, emphasising our dedication to upholding these fundamental principles.

As a member of the RBA, we adhere to RBA requirements and employ due diligence processes to evaluate our social performance and associated risks, encompassing compliance and risks related to human rights. We use RBA's Self-Assessment Questionnaire (SAQ) and Risk Assessment Tool to assess and communicate our performance. Our facilities and operations undergo regular third-party audits to validate compliance with the RBA code, encompassing human rights and labour management requisites.







During this reporting period, VS experienced no human rights violations, including cases of discrimination related to equality and diversity.

VS Principles, Codes and Actions With Regards to Human Rights and Labour

<p>Freely Chosen Employment</p> 	<p>We have zero tolerance for forced, involuntary or exploitative prison, indentured, bondage (including debt bondage), trafficked or slave labour.</p>
<p>Prevention of Child Labour</p> 	<p>We have zero tolerance for child labour, defined as work by any person:</p> <ul style="list-style-type: none"> • Aged less than 15 • Under the age for completing compulsory education • Under the minimum age for employment <p>(Whichever is the most stringent in the country of origin)</p>
<p>Working Hours</p> 	<p>We comply with local working hours and overtime laws and reduce excessive overtime.</p>
<p>Wages and Benefits</p> 	<p>Our worker compensation complies with all applicable wage laws. We exceed the legally mandated minimum living wages, benefits and overtime pay.</p>
<p>Humane Treatment</p> 	<p>We treat workers humanely and protect them from actual or threatened sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse.</p>

SUSTAINABILITY STATEMENT

(Cont'd)

<p>Equality and Non-discrimination</p> 	<p>Our recruitment and employment practices safeguard against discrimination based on race, colour, religion, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status.</p> <p>The Company has taken action to improve workforce diversity and equal opportunities and reduce discrimination, including those based on the following:</p> <table border="1" data-bbox="488 587 1432 938"> <tr> <td>Race and Traits</td> <td>Recruitment forms do not request information regarding an individual's race and background, including sexual orientation and nationality.</td> </tr> <tr> <td>Religion</td> <td>Designated prayer rooms at the workplace accommodate various religious practices.</td> </tr> <tr> <td>Gender</td> <td>A breastfeeding room in the workplace supports nursing mothers.</td> </tr> <tr> <td>Age</td> <td>We offer equal training, promotion and appraisal opportunities for employees regardless of age.</td> </tr> <tr> <td>Disabilities</td> <td>We eliminate discrimination in disability hiring and provide feasible assistance and an inclusive work environment.</td> </tr> </table>	Race and Traits	Recruitment forms do not request information regarding an individual's race and background, including sexual orientation and nationality.	Religion	Designated prayer rooms at the workplace accommodate various religious practices.	Gender	A breastfeeding room in the workplace supports nursing mothers.	Age	We offer equal training, promotion and appraisal opportunities for employees regardless of age.	Disabilities	We eliminate discrimination in disability hiring and provide feasible assistance and an inclusive work environment.
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<p>Freedom of Association and Collective Bargaining</p> 	<p>We comply with local laws on freedom of association and collective bargaining, maintain an open-door policy and allow workers to openly communicate their ideas and concerns with management regarding working conditions and management practices without fear of intimidation or reprisal. We also respect the right of all workers to collective bargaining, including forming and joining trade unions of their choice, bargaining collectively, engaging in peaceful assembly, or refraining from such activities.</p>										
<p>Health and Safety</p> 	<p>We have an established Health and Safety management system, and compliant with the RBA Code of Conduct, which reflects ILO Guidelines on Occupational Safety and Health.</p>										
<p>Welfare Arrangements</p> 	<p>We provide decent workers' accommodation, including toilets, sanitary facilities, potable water, food preparation, storage and eating facilities. We also completed the construction of our new hostels, which cost RM30 million. The hostels comply with the Workers' Minimum Standards of Housing and Amenities Act, 1990 (No. 446).</p>										
<p>Talent Development</p> 	<p>We offer workers an opportunity to grow, learn new skills and develop.</p>										
<p>Open and Transparent Communication</p> 	<p>VS has a formal mechanism for internal and external stakeholders, including individuals and communities impacted by our business activities, to engage with company management and raise their grievances, including human rights. Our whistleblowing channel guarantees anonymity and is available to internal and external stakeholders. We are committed to a remediation process to address adverse human rights impacts we have contributed to or caused.</p>										

SYNERGY WITH SOCIETY

Our commitment extends beyond our business operations; we are deeply dedicated to the well-being and betterment of all communities we touch. Initiatives range from connecting with employees' families across distances to fostering collaborations with individuals with unique abilities and our steadfast support for non-profit organisations and educational institutions. Creating a significant and positive influence helps us build a more inclusive, resilient, and sustainable society.

VS aligned its community investment principles with its company strategy, focusing on building the well-being and development of local communities. Our focus areas build thriving communities through charity work, donations and social support.

VS supports Children's Rights and Business Principles, a framework which guides us in respecting children's rights in the core business. We will continue to advocate children's rights, especially their right to education. VS' education-promoting programmes collaborate with local schools and organisations to provide educational materials, scholarships, tutoring programmes and access to quality education. In FY2023, VS spent more than RM 293,000 on non-profit organisations, including schools and local communities, to develop the neighbourhood and the welfare of its people.

BEING PART OF THE COMMUNITY

VS has implemented a well-structured framework to enhance employee engagement and foster a culture of volunteerism. Regular communication channels, inclusive team-building events and opportunities for involvement in decision-making processes encourage employees to participate and contribute to the organisation's initiatives.

VS also supports and recognises employee volunteerism by providing dedicated volunteer leave, offering financial contributions for volunteer activities, and organising group volunteering opportunities. This approach not only strengthens the bond between employees and the company but also instils a sense of social responsibility and community involvement among the workforce, aligning with VS's commitment to making a positive impact beyond the workplace.

UNIFYING THE GLOBAL VS COMMUNITY

Our community programme extends our care by visiting the families of foreign employees in their home countries. This initiative reassures employees' families about their well-being in Malaysia, fostering stronger bonds. It also underscores our commitment to ensuring that the remuneration received by foreign workers is not only fair but also sufficient to maintain a decent standard of living for both the employee and their family. These visits improve our international workforce's overall well-being and quality of life while promoting a sense of belonging and security within our global VS community.

FOSTERING COMMUNITY WELL-BEING AND EMPOWERING FUTURE GENERATIONS

We are expanding our charitable efforts by providing enduring financial support to Non-Profit Organisations dedicated to assisting patients with chronic illnesses. Subsidising polytechnic schools to upskill and reskill younger generations also creates valuable employment opportunities. This dual approach reflects our dedication to:

- Social well-being and economic empowerment
- The long-term betterment of our communities
- A brighter future for individuals facing health challenges and those seeking to enhance their skills and career prospects

SUSTAINABILITY STATEMENT

(Cont'd)

SECURING THE DIGITAL REALM

The evolving cyber landscape poses significant risks, and successful breaches can have devastating consequences. Incidents erode trust and also incur substantial financial losses.

Our commitment to sustainability demands robust cybersecurity measures, consisting of protecting data, ensuring business continuity and upholding stakeholders' trust. We established a dedicated cybersecurity team and made strategic investments to enhance our cybersecurity measures during the year.

System Upgrade

- Transitioned to a cutting-edge cybersecurity system, incorporating Next Generation Anti-Virus (NGAV) in combination with Endpoint Detection and Response (EDR)
- Deployed Multi-factor Authentication (MFA) across various external-facing applications to bolster security, including email access, File Transfer access, Remote Desktop access, SSL, VPN access and Firewall access
- Updated all external-facing servers and applications with the latest firmware and patches, staying current with industry best practices to improve security
- Optimised our system to streamline security measures by automating account password resets for departing employees, aligning with their resignation dates for enhanced efficiency and data protection

Strategic Investment

- Established a dedicated Cybersecurity Team
- Implemented Next Generation Anti-Virus (NGAV) and Endpoint Detection and Response (EDR)
- Adopted specialised Application Software for Multi-factor Authentication (MFA)
- Upgraded Firewall system
- Enhanced Email Spam Filtering with updated Application Software
- Strengthened Data Backup and Recovery capabilities, including encrypted backup copies
- Modernised secure File Transfer System for improved data protection

Action Plan

- Collaborated with a third-party Vulnerability Assessment (VA) service provider on comprehensive VA scan activities
- Executed an internal email phishing campaign
- Implement an internal Learning and Assessment Test Programme addressing email phishing
- Adhered to the Cyber Security Incident Response Plan for a swift and effective response to cybersecurity incidents

MASTERING QUALITY

Quality management is paramount in electronics manufacturing to produce reliable, high-performance electronic components and devices. Our quality commitment extends across every stage of operations, from design and sourcing of materials to assembly and testing.

Ingraining rigorous quality control measures in our processes, such as Six Sigma and ISO standards, ensures precision and consistency. We invest in state-of-the-art testing equipment and employ highly skilled technicians to verify product specifications. Continuous improvement initiatives enhance efficiency and reduce defects, contributing to our industry's reputation for delivering cutting-edge electronic solutions that meet the highest quality standards.

Comprehensive ISO Certifications Achieved by Our Factories




In FY2023, 10 out of 12 sites were ISO14001 certified. Our ISO 14001 certification covers an extensive range of operations, encompassing 83% of our organisational processes and environmental responsibilities.

SUSTAINABILITY STATEMENT

(Cont'd)

GOOD GOVERNANCE AS A FOUNDATION FOR A SUSTAINABLE VS

VS acknowledges the importance of instilling a robust governance ethos within the company's culture. Our approach entails embedding ethical principles at the core of our strategies and policies, ensuring continuous consideration, incentivising ethical behaviour through various rewards and opportunities, and promoting moral norms in our day-to-day business operations.

	Rationale	Focused Targets	Key Material Topics
	<p>VS emphasises the importance of enhancing its positive influence on responsible business practices. We achieve this by promoting shared value through a steadfast dedication to integrity and rigorous adherence to all pertinent laws and regulations.</p>	<p>16.5: Substantially reduce corruption and bribery in all their forms</p> <p>16.6: Develop effective, accountable, and transparent institutions at all levels</p> <p>16.C: Promote and enforce non-discriminatory laws and policies for sustainable development</p>	<ul style="list-style-type: none"> Regulatory Compliance Ethics, Values and Governance Data Privacy and Security Cybersecurity Responsible Sourcing

STRONG GOVERNANCE

Apart from a strong governance body, VS has established policies and a Business Code of Conduct and Ethics. These documents outline our visions, rules, values and ethical principles, which guide all employee grades on how they should work and act while performing their tasks. We also extend the Code of Conduct to all suppliers, expecting them to comply with the values and principles set out in the code and act ethically.

VS ensures it complies with the laws and regulations and does not violate the code. Establishing a robust management system drives, monitors and reports on any sustainability risks and opportunities, related programs, controls and processes. The Sustainability management team champions this management system led by the Risk and Compliance function at the corporate level and the Risk and Sustainability Working Group headed by the respective business units' General Manager and head of corporate functions at an operational level.

We report risks and opportunities identified during the self-assessment or customer-managed audits to the management and Board for their immediate action. We note any violations and establish a system to prevent future reoccurrences.

Financial, accreditation and customer-managed audits assure the effectiveness of the governing board and management system.

PRECISION AND CLARITY IN REPORTING

Stakeholders make critical decisions based on the data presented, encompassing financial and ESG aspects. VS must uphold trustworthiness and validation in its reports.

VS has devised a strategy to address this challenge by upgrading its ERP system and streamlining its processes to mitigate inconsistencies and data duplications.

During the year, VS instituted a data governance function involving IT and Compliance collaboration to enforce data quality improvement processes collaborating between IT and Compliance functions. They are responsible for:

- i. Refining current procedures and operational frameworks by reorganising workflows, standardising business processes and optimising user interfaces that impact data quality.
- ii. Defining data quality standards and policies, outlining data ownership and responsibilities, with each employee accountable for maintaining data quality.
- iii. Encouraging collaboration among various stakeholders engaged in data management and data quality by engaging in discussions with business units and corporate functions regarding their operational aspects.

PROMOTING ETHICAL INTEGRITY

VS upholds a strict zero-tolerance policy against corruption or unethical business conduct, including bribery, kickbacks, fraud, money laundering, and facilitation payments. This policy applies to all board members and employees who fully embrace our commitment to integrity and adherence to the anti-corruption policy. They have undergone comprehensive anti-corruption education and training.

Anti-corruption policies and procedures are communicated to our Board members, employees, business partners, contractors, subcontractors, agents, joint venture companies and third parties through training and awareness. The Board of Directors holds a comprehensive role in overseeing our compliance with anti-corruption policies and compliance.

The Group introduced the Anti-Corruption Framework (“ACF”), which communicates its comprehensive stand on anti-corruption. The ACF evinces a proactive commitment to addressing and mitigating extensive corruption risks, including bribery. Endorsed by the Board of Directors, the ACF fulfils the requirements in the Guidelines on Adequate Procedures to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 (“MACCA”). It applies to all directors, employees and business partners.

VS ensures that every employee is well-informed about the anti-corruption and anti-bribery policy. We communicate the guidelines thoroughly during employee orientation through the Employee Handbook upon their entry into the Company. Each employee must sign an acknowledgement form and submit it to the Human Resource Department. Regular training sessions remind employees of the company’s unwavering dedication to corruption prevention.

Delivering awareness training to all employees guarantees familiarity with the company’s strong stance against corruption. In alignment with the RBA Code of Conduct, VS has instituted a robust Business Ethics Policy outlining the expected values, principles, standards, and behaviour norms in business interactions. As part of our orientation module, all newly hired employees undergo mandatory training, providing a detailed understanding of the Code’s stringent requirements.

Beyond merely establishing policies and procedures to govern the company, VS also:

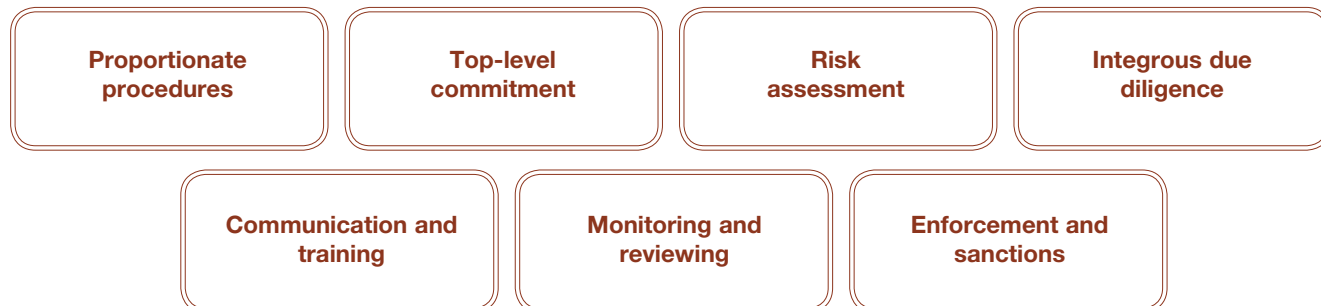
- Regularly reviews the Code of Conduct and aligns its context with global standards
- Customises ethics training catering to all employees
- Assigns employees responsibility for conveying their grievances and reporting unethical behaviour, including corruption and bribery, through the whistleblowing channels
- Enforces the code of conduct and implementing disciplinary measures for violations
- Reviews the ethical culture through focus groups, surveys and assessments

Corruption risks, including bribery, are essential elements in VS’ risk register. This keen understanding helps the Company design effective mitigation strategies and strategically deploy resources to combat potential instances of bribery, corruption and fraud. This approach is essential for operations deemed to be of high risk. VS conducts comprehensive corruption risk assessments, including bribery for intermediaries, contractors, and agents. We communicate our anti-corruption policy clearly to these intermediaries.

SUSTAINABILITY STATEMENT

(Cont'd)

Components of Our Comprehensive Anti-Corruption Efforts



All contractors, subcontractors and third parties are subject to corruption and bribery risk assessments and must declare they are not involved in any misconduct or corrupt, unethical or illegal behaviour. The comprehensive screening of new and existing business partners for corruption and bribery is part of our due diligence in the context of VS' compliance requirements.

There have been no major disciplinary cases reported for corrupt practices which resulted in the dismissal of employees. We have received zero fines and penalties from the authorities during the recent years and reporting period, which demonstrates the effectiveness of our stringent anti-corruption policies and practices.

In FY2023, we continue to meet our target of **ZERO** corruption cases and **ZERO** fines for unethical business practices. The Group is transparent in its public policy engagement and has made no political contributions **(RMO)** in FY2023.

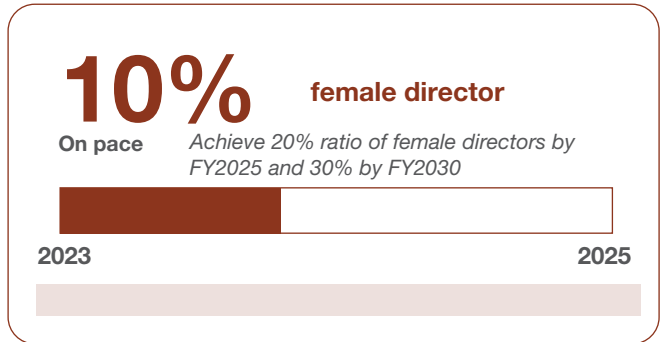
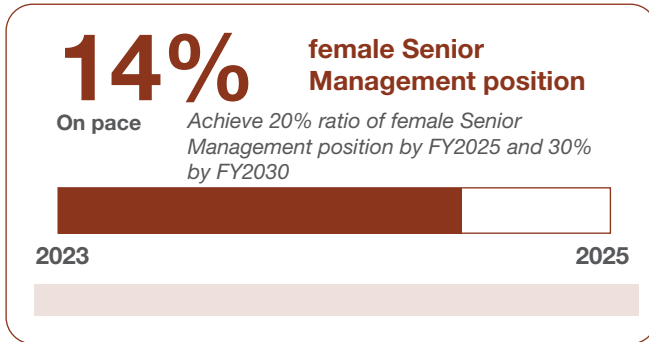
All employees are responsible for conveying their grievances and reporting unethical behaviour, including comprehensive corruption and bribery wrongdoings, through the whistleblowing channels. We enforce strict disciplinary action against violating the Business Ethics Policy to the extent of termination of employment.

VS WHISTLEBLOWING POLICY: ENCOURAGING TRANSPARENCY AND ACCOUNTABILITY

We prioritise transparency and accountability through our whistleblowing policy, ensuring a safe and confidential platform for reporting concerns. Our approach enables anonymous reporting, guaranteeing confidentiality and protecting individuals from retaliation. We have established an independent reporting hotline accessible 24/7 for our employees, suppliers, customers, and other third parties associated with our organisation. We communicate this policy to all employees and make it available in multiple local languages to ensure inclusivity and understanding. We maintain a non-retaliation policy to safeguard those who report in good faith.

VS encourages whistle-blowers to contact the Whistleblowing channel or the Chairman of the Audit Committee (AC) by e-mail or in writing. The Whistleblowing Unit will prepare a summary report without naming the whistle-blower and present it to the Company's Audit Committee. These senior officers of the company are trained to handle these reports of bullying, harassment, bribery, financial irregularity and other offences.

ADVANCING INCLUSIVITY AND REPRESENTATION AT THE TOP



Board composition profoundly impacts the board’s ability to execute its oversight duties effectively. A well-functioning Board should consist of a diverse group of individuals possessing a balanced blend of skills, knowledge, experience, and independence aligning with the company’s objectives and strategic direction.

VS proactively seeks individuals with expertise in areas critical to the company’s needs and expands its search for board candidates while considering various factors, including gender, racial, and ethnic diversity.

INTEGRATING SUSTAINABILITY TARGETS AND KPIS WITH EXECUTIVE AND MANAGEMENT INCENTIVES

We follow the Malaysian Code on Corporate Governance (MCCG) recommendations, tailoring remuneration to:

- Consider business complexity, individual responsibilities
- Align with the company’s long-term strategies and objectives
- Factor in the management of sustainability risks and opportunities.

Given the escalating demand, VS plans to implement incentive-based compensation for executives and senior management, encompassing financial and non-financial metrics. VS’ enhanced remuneration package aligned with robust principles prioritises the company’s objectives and maintains shareholder returns and public trust.

SUSTAINABILITY STATEMENT

(Cont'd)

METRIC TABLES

Values listed have been rounded up or down from the actual values. These metric tables show a three-year history which is calculated by including all manufacturing sites in Malaysia and Hostels.

Indicator	Unit	FY2021	FY2022	FY2023
Economic				
Supply Chain				
Proportion of local suppliers	%	65.20%	64.55%	64.23%
Proportion of spending on local suppliers	%	44.59%	43.13%	44.79%
Corruption				
Total amount of political contributions	RM	0	0	0
Total cost of fines, penalties or settlements in relation to corruption	RM	0	0	0
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	Number	0	0	0
Total employees who have received training on anti-corruption	Number	103	105	177
Total confirmed incidents of corruption	Number	0	0	0
Environment				
Energy				
Non-renewable electricity consumption	MWh	107,928	111,685	118,144
Renewable energy generation (solar)	MWh	NA	NA	931
Renewable energy consumption (solar)	MWh	NA	NA	573
Renewable energy sold (solar)	MWh	NA	NA	357
Total electricity consumption	MWh	107,928	111,685	118,717
Direct energy *	GJ	7,802	9,660	10,467
Indirect energy consumption (electricity) *	GJ	388,539	402,065	427,382
Total energy consumption*	GJ	396,341	411,725	437,850
Energy intensity	MJ/kg of product	0.44	0.66	0.69
* Conversion coefficients for electricity and diesel to Joules are derived from the Malaysia Energy Commission 2016 Report				
Water and Effluent				
Total municipal water consumption	m ³	755,633	858,465	819,976
Total surface water from rivers, lakes and natural ponds	m ³	NA	NA	NA
Total groundwater from wells and boreholes	m ³	NA	NA	NA
Total water consumption	m ³	755,633	858,465	819,976
Total volume of effluent discharge	m ³	8,339	7,765	6,596

Indicator	Unit	FY2021	FY2022	FY2023
Environment (Cont'd)				
Waste				
Total solid waste disposed	tonnes	1,837	1,902	1,995
Non-recycled waste *	tonnes	110	89	155
Total recycled solid waste	tonnes	1,727	1,813	1,839
Total scheduled waste disposed	tonnes	2,248	2,028	2,137
<i>* Food waste</i>				
Carbon Emissions				
Total Scope 1 CO ₂ emissions *	tonnes	539.02	664.00	718.17
Total Scope 1 CH ₄ emissions *	tonnes	0.004	0.007	0.008
Total Scope 1 N ₂ O emissions *	tonnes	0.003	0.005	0.006
Total Scope 1 CO ₂ e emissions *	tCO ₂ e	539.58	664.52	719.77
Total Scope 2 emissions **	tCO ₂ e	84,183	87,114	92,152
Scope 3 emissions: business travel (air) ***	tCO ₂	NA	252.66	360.97
Scope 3 emissions: business travel (air) ***	tCH ₄	NA	0.001	0.001
Scope 3 emissions: business travel (air) ***	tN ₂ O	NA	0.008	0.012
Scope 3 emissions: business travel (air) ***	tCO ₂ e	NA	252.67	360.97
Scope 3 emissions: employee commuting	tCO ₂ e	NA	NA	8,419
Emissions intensity	kgCO ₂ e/kg of product	0.09	0.14	0.15

* Calculated using the Direct Emission from Mobile Combustion Sources emission factor published by the United States Environmental Protection Agency

** Calculated using the emission factor published by the Energy Commission for the Peninsular Grid 2019

*** Calculated using the Business Travel emission factors published by the United States Environmental Protection Agency

Social				
Diversity, Equity & Inclusion				
Total employees	Number	8,402	9,551	11,755
<i>Employees by contract</i>				
Permanent employees	Number/%	8,402 (100.00%)	9,551 (100.00%)	11,755 (100.00%)
Contractors/temporary employees	Number/%	0 (0.00%)	0 (0.00%)	0 (0.00%)
<i>Employees by nationality</i>				
Local	Number/%	3,856 (45.89%)	3,945 (41.30%)	5,052 (42.98%)
Overseas	Number/%	4,546 (54.11%)	5,606 (58.70%)	6,703 (57.02%)
<i>Employees by gender</i>				
Female	Number/%	4,340 (51.65%)	4,930 (51.62%)	6,479 (55.12%)
Male	Number/%	4,062 (48.35%)	4,621 (48.38%)	5,276 (44.88%)

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Unit	FY2021	FY2022	FY2023
Social (Cont'd)				
Diversity, Equity & Inclusion (Cont'd)				
<i>Employees by age</i>				
<30	Number/%	5,273 (62.76%)	6,422 (67.24%)	8,597 (73.13%)
30-50	Number/%	2,850 (33.92%)	2,837 (29.70%)	2,884 (24.53%)
>50	Number/%	279 (3.32%)	292 (3.06%)	274 (2.33%)
<i>Employees by ethnicity</i>				
Malay	Number/%	2,524 (30.04%)	2,809 (29.41%)	3,668 (31.20%)
Indian	Number/%	723 (8.61%)	769 (8.05%)	674 (5.73%)
Chinese	Number/%	408 (4.86%)	220 (2.30%)	348 (2.96%)
Others	Number/%	4,747 (56.50%)	5,753 (60.23%)	7,065 (60.10%)
<i>Employees by category</i>				
Directors	Number/%	10 (0.11%)	11 (0.11%)	10 (0.09%)
Top management	Number/%	36 (0.42%)	35 (0.37%)	37 (0.31%)
Management	Number/%	282 (3.36%)	337 (3.53%)	362 (3.08%)
Staff	Number/%	8,074 (96.10%)	9,168 (95.99%)	11,344 (96.50%)
<i>Gender by category</i>				
Directors: Female	Number/%	1 (10.00%)	1 (9.09%)	1 (10.00%)
Directors: Male	Number/%	9 (90.00%)	10 (90.91%)	9 (90.00%)
Top management: Female	Number/%	5 (13.89%)	5 (14.29%)	6 (16.22%)
Top management: Male	Number/%	31 (86.11%)	30 (85.71%)	31 (83.78%)
Management: Female	Number/%	74 (26.24%)	95 (28.19%)	106 (29.28%)
Management: Male	Number/%	208 (73.76%)	242 (71.81%)	256 (70.72%)
Staff management: Female	Number/%	4,260 (52.76%)	4,829 (52.67%)	6,366 (56.12%)
Staff management: Male	Number/%	3,814 (47.24%)	4,339 (47.33%)	4,978 (43.88%)

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Unit	FY2021	FY2022	FY2023
Social (Cont'd)				
Diversity, Equity & Inclusion (Cont'd)				
<i>Age by category</i>				
Directors: <30	Number/%	0 (0.00%)	0 (0.00%)	0 (0.00%)
Directors: 30-50	Number/%	4 (40.00%)	2 (18.18%)	2 (20.00%)
Directors: >50	Number/%	6 (60.00%)	9 (81.82%)	8 (80.00%)
Top management: <30	Number/%	0 (0.00%)	0 (0.00%)	0 (0.00%)
Top management: 30-50	Number/%	5 (13.89%)	5 (14.29%)	7 (18.92%)
Top management: >50	Number/%	31 (86.11%)	30 (85.71%)	30 (81.08%)
Management: <30	Number/%	1 (0.35%)	1 (0.30%)	5 (1.38%)
Management: 30-50	Number/%	202 (71.63%)	249 (73.89%)	272 (75.14%)
Management: >50	Number/%	79 (28.01%)	87 (25.82%)	85 (23.48%)
Staff: <30	Number/%	5,272 (65.30%)	6,421 (70.04%)	8,592 (75.74%)
Staff: 30-50	Number/%	2,637 (32.66%)	2,579 (28.13%)	2,601 (22.93%)
Staff: >50	Number/%	165 (2.04%)	168 (1.83%)	151 (1.33%)
<i>Employees by union membership</i>				
Union members	Number/%	0 (0.00%)	0 (0.00%)	0 (0.00%)
Non-union members	Number/%	8,402 (100.00%)	9,551 (100.00%)	11,755 (100.00%)
<i>Disabilities</i>				
Disabled employees	Number/%	0 (0.00%)	0 (0.00%)	0 (0.00%)
Employee Turnover				
Total turnover	Number/%	4,570 (54.12%)	5,334 (59.42%)	4,780 (44.87%)
<i>Turnover by gender</i>				
Female	Number/%	1,878 (43.27%)	2,110 (42.80%)	1,875 (28.94%)
Male	Number/%	2,692 (66.27%)	3,224 (69.77%)	2,905 (55.06%)

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Unit	FY2021	FY2022	FY2023
Social (Cont'd)				
Employee Turnover (Cont'd)				
<i>Turnover by age group</i>				
<30	Number/%	3,334 (63.23%)	3,943 (61.40%)	3,665 (42.63%)
30-50	Number/%	1,206 (42.32%)	1,363 (48.04%)	1,080 (37.45%)
>50	Number/%	30 (10.75%)	28 (9.59%)	35 (12.77%)
<i>Turnover by employment category</i>				
Directors	Number/%	0 (0.00%)	1 (8.33%)	1 (9.09%)
Top management	Number/%	1 (2.86%)	2 (5.88%)	1 (2.63%)
Management	Number/%	12 (4.26%)	21 (6.23%)	33 (9.12%)
Senior management	Number/%	4,557 (56.44%)	5,310 (57.92%)	4,745 (41.83%)
Director Diversity				
<i>Directors by gender</i>				
Female	Number/%	1 (10.00%)	1 (9.09%)	1 (10.00%)
Male	Number/%	9 (90.00%)	10 (90.91%)	9 (90.00%)
<i>Directors by age group</i>				
<30	Number/%	0 (0.00%)	0 (0.00%)	0 (0.00%)
30-50	Number/%	4 (40.00%)	2 (18.18%)	2 (20.00%)
>50	Number/%	6 (60.00%)	9 (81.82%)	8 (80.00%)
Training & Development				
Total time spent on employee development training to enhance knowledge or individual skills	Hours	832	2,464	2,736
Total employees attending training	Number	475	1,446	2,328
Total time spent on employee development training for non-executive employees	Hours	NA	NA	NA
Total time spent on employee development training for junior management	Hours	NA	NA	NA
Total time spent on employee development training for middle management	Hours	NA	NA	NA
Total time spent on employee development training for senior management	Hours	NA	NA	NA
Average training per employee	Hours	1.75	1.70	1.18

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Unit	FY2021	FY2022	FY2023
Social (Cont'd)				
Community				
Total amount of corporate or group donations/ community investments made to registered not-for-profit organisations	RM	78,600	231,900	293,500
Total number of beneficiaries of the investment in communities	Number of communities Note: No specific data on number of beneficiaries	5	5	6
Health and Safety				
Fatalities	Number	0	0	0
Lost time incident rate *	Rate	0.25	0.13	0.12
Employees trained on health and safety standards	Number	147	645	952
Employees receiving general training, which includes safety	Number	147	645	952
<i>* Number of lost time injuries in the reporting period / Total number of hours worked in the reporting period * 200,000</i>				
Human Rights				
Substantiated complaints concerning human rights violations	Number	0	0	0
Data Privacy and Security				
Total substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0