SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Uchi Technologies Berhad ("UCHITEC" or "the Group") is pleased to present this Sustainability Statement ("Statement") for the financial year ended December 31, 2023 ("FY2023"). This Statement discusses the business sustainability of UCHITEC, including Economic, Environmental, Social and Governance ("EESG") aspects and provide an overview of our sustainability commitments, approaches, progress and performance.

This Statement is prepared in accordance with the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and guided by the Sustainability Reporting Guide and Toolkits (3rd Edition) issued by Bursa Securities. This Statement should be read in conjunction with other sections in our Annual Report namely Management Discussion and Analysis, Corporate Governance Statement, Statement on Risk Management and Internal Control as well as Corporate Governance Report, as our sustainability efforts may be better contextualised and narrated in the respective sections.

FTSE4Good	Additionally, we have undergone FTSE4Good assessment and we remain as a constituent of the FTSE4Good Bursa Malaysia ("F4GBM") Index series. Based on the December 2023 review, we have been included in the 2-star ESG Grading Band, representing the top 51%-75% by ESG ratings amongst Public Listed Companies in FBM EMAS that have been assessed by FTSE Russell.

SCOPE AND BASIS OF SCOPE

The Statement covers the business operations of three of its subsidiaries, namely, Uchi Optoelectronic (Malaysia) Sdn. Bhd. ("UOM"), Uchi Electronic (Malaysia) Sdn. Bhd. ("UEM") and Uchi Technologies (Dongguan) Co., Ltd ("Uchi Dongguan"), as these subsidiaries contribute approximately 100% of the Group's total revenue. The scope of this Statement is defined to ascertain the sustainability topics that affect the Group's business strategy and how performance can be improved in the short, medium, and long term.

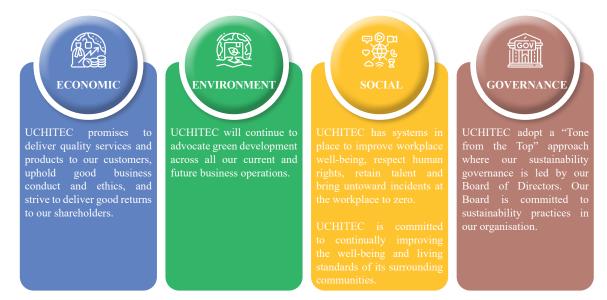|	
REPORTING PERIOD	This Statement provides information on our Group's annual sustainability performance and key achievements for FY2023, unless stated otherwise. Where relevant, we will also include data from previous years to track year-on-year progress and provide comparative data.
AVALABILITY	This Statement is available on our Company's website at www.uchi.net.
ASSURANCE	This Statement has not been externally assured. Nevertheless, the performance data published in this Statement have been validated and reviewed by the internal Operations and Management team. In addition, regular reviews are in place in relation to the policies and procedures quoted in this Statement.
FEEDBACK	We welcome and encourage our stakeholders to provide feedback pertaining to this Statement at info@uo.uchi.net.

OUR SUSTAINABILITY FRAMEWORK AND COMMITMENTS

At UCHITEC, we are strongly committed to sustainability and are dedicated to leading the charge in developing innovative solutions for sustainable development. Our strategic framework prioritises purposeful growth with sustainability as a key factor, reflecting our steadfast determination to do our part in building a more sustainable future.

To promote responsible business practices and drive economic success, we are committed to addressing on-going challenges. Our efforts are centred on delivering greater value to our customers, employees, shareholders, and the communities in which we operate.

SUSTAINABILITY STATEMENT (cont'd)

OUR SUSTAINABILITY FRAMEWORK AND COMMITMENTS (cont'd)

The Group's sustainability strategies are founded upon our commitments on four (4) main pillars, namely Economic, Environment, Social and Governance sustainability. In FY2023, we also mapped our sustainability pillars and material sustainability matters with United Nations Sustainable Development Goals.

ECONOMIC

UCHITEC promises to deliver quality services and products to our customers, uphold good business conduct and ethics, and strive to deliver good returns to our shareholders.

ENVIRONMENT

UCHITEC will continue to advocate green development across all our current and future business operations.

SOCIAL

UCHITEC has systems in place to improve workplace well-being, respect human rights, retain talent and bring untoward incidents at the workplace to zero.

UCHITEC is committed to continually improving the well-being and living standards of its surrounding communities.

GOVERNANCE

UCHITEC adopt a "Tone from the Top" approach where our sustainability governance is led by our Board of Directors. Our Board is committed to sustainability practices in our organisation.

OUR SUSTAINABILITY GOVERNANCE

To embed sustainability throughout our organisation, we adopt a tone from the top approach where our Group's sustainability governance is led by our Board of Directors. Our Board is supported by the Executive Committee ("EXCOM") and Management Committee ("MANCOM") in addressing and managing the sustainability matters within our Group.

The details of reporting structure, roles and responsibilities of the Board, EXCOM and MANCOM are illustrated in the diagram below:

Board of Directors

The Group's sustainability governance is led by our Board of Directors, who ensure that a culture of sustainability is distributed, integrated, and embedded across all our diverse business functions. The Board also ensures that the means are in place for each department and site to deploy all related sustainability programmes. In terms of sustainability, good governance enables the Board to consider and manage business strategy, taking into account all material risks faced by the organisation and capitalising on any opportunity available to the organisation.

Executive Committee ("EXCOM")

EXCOM directly assists and reports to the Board on matters concerning the effective implementation of sustainability-related strategies which complement or are integrated with business strategies. The EXCOM's primary role is to oversee the day-to-day sustainability management of all UCHITEC's subsidiary companies.

Management Committee ("MANCOM")

Reporting to the EXCOM is the MANCOM whose function is to implement the Company's sustainability initiatives and oversee the daily management of sustainability matters in business operations.

In addition, the MANCOM is also responsible for the discussion and alignment of the sustainability strategies within the organisation. This includes setting targets and performance indicators; overseeing the sustainable performance of the respective subsidiaries; as well as serving as a forum to gather input from each department or function. It is also the responsibility of MANCOM to oversee the conduct of materiality assessment processes, such as stakeholder engagement processes and the identification of material sustainability matters to ensure that robust measures are in place. The MANCOM then reports to a higher governance level on the overall operational management of sustainability matters.

SUSTAINABILITY STATEMENT (cont'd)

MANAGING OUR BUSINESS WITH STAKEHOLDERS IN MIND

A stakeholder, whether an individual or a group, holds a significant role in shaping and being impacted by our Group and its undertakings. The influence of our stakeholders extends to the core of our business operations and the development of our strategies. As we navigate our path, we remain steadfast in aligning with our stakeholders' expectations, driven by our commitment to fostering business sustainability and creating lasting value for them. Our overarching goal is to consistently meet and exceed the expectations of our stakeholders, thereby contributing to their enduring success and the sustainable creation of value.

The table below lists the needs of our different stakeholder groups and how we have engaged with and addressed their needs.

No.	Stakeholder	Engagement Objective	Engagement Methods	Frequency
1	Investors/ Financiers	• Shareholders' value creation • Corporate governance	• Corporate website • Investor relationship channel • Quarterly financial results • Annual report • Annual General Meeting • Whistle Blowing Policy • Corporate Disclosure Policy	• As and when needed • On-going • Quarterly • Annually
2	Employees	• Job satisfaction • Working environment • Career advancement • Occupational safety and health • Corporate governance	• Employee handbook • Training and development • Appraisal and performance review • Anti-Bribery and Corruption briefing • Sports and recreation programme • Occupational safety and health programme • Whistle Blowing Policy	• As and when needed • On-going • Annually
3	Regulatory authorities	• License to operate • Regulatory compliance	• Updates on rules and regulations • Consultation with authorities • Attendance at relevant seminars and conferences • Site visit and meeting • Member of the Federation of Malaysian Manufacturers	• As and when needed • On-going
4	Media	• Meaningful communication	• Press release	• As and when needed
5	Local community/ Society	• Environmental impact • Social impact	• Participation in local community activities • Donation • Pay attention to polluting emissions and effluents	• As and when needed • On-going
6	Customers	• Customer satisfaction • Product quality • Sustaining a long-term relationship • Technical advancement • Corporate governance	• Customer satisfaction survey • Customer periodic visit and audit • Real-time production status updates • Whistle Blowing Policy	• As and when needed • On-going • Annually
7	Suppliers	• Continuous supply • Forge strategic partnerships • Supplier performance review • Corporate governance	• Supplier code of conduct • Regular supplier performance evaluation • Supplier selection via pre-qualification and registration • Whistle Blowing Policy	• As and when needed • On-going • Annually

MATERIAL SUSTAINABILITY MATTERS

The Materiality Assessment Process ("MAP") at UCHITEC involves the application of various tools to identify, categorise and prioritise sustainability issues according to its materiality to reflect significant Economic, Environmental, Social and Governance ("EESG") impacts on our business, and to substantively influence the assessments and decisions of our stakeholders.

SUSTAINABILITY STATEMENT (cont'd)

MATERIAL SUSTAINABILITY MATTERS (cont'd)

Through an analysis of internal and external sources, the Group identifies possible sustainability issues that may affect the organisation's value. A comprehensive yet objective purview enables us to be responsive to our stakeholders' expectations and safeguard our business from adverse impacts.
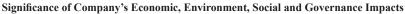
Internal sources include our Board or Board Committee reports and meeting minutes; our business strategies (short and medium-term goals, objectives and policies); internal analyses of megatrends that are relevant to the Group, such as talent management and cyber security; the business model of our organisation; and risk management assessments and our risk register that involves identifying significant risks via the organisation's enterprise risk management system.

The Group also uses external sources such as sustainability issues or concerns that are raised by stakeholders; stakeholder feedback, complaints, interests and expectations; topics and emerging trends such as climate change reported by industry and peers; relevant regulations and laws as well as international agreements or commitments which could impact business strategy or raise stakeholder concerns; standards and sustainability-related ratings or rankings such as the FTSE4Good Bursa Malaysia Index; Bursa Malaysia's Sustainability Reporting Guide; media reviews (including social media); and external peer reviews.

In FY2023, we undertook a comprehensive Materiality Assessment that engaged both internal stakeholders (i.e. Board of Directors and employees) and external stakeholders (i.e. investors, customers, suppliers and governments/ authorities). This involved soliciting their perspectives through surveys designed to capture valuable insight, allowing stakeholders to rate the significance of various sustainability matters. These considerations are crucial for identifying the sustainability matters our Group should prioritise in relation to our operations. Through this collaborative process, we aimed to identify and prioritise key sustainability matters that should take precedence in our Group's operations.

The outcome of the survey is plotted into a materiality matrix to illustrate the relative importance of each material matter based on the importance to our Group and the importance to our stakeholders, as shown below:

Materiality Matrix

Sustainability Pillars	Material Sustainability Matters	
Economic	• Customer satisfaction	• Supply chain management
	• Innovation	
Environment	• Product stewardship	• Water management
	• Energy management	• Waste management
	• GHG Emissions management	
Social	• Labour practices and human rights	• Employee diversity
	• Employee welfare	• Occupational safety and health
	• Employee development and talent retention	• Local communities
Governance	• Corporate governance and ethics	• Data privacy and security

SUSTAINABILITY STATEMENT (cont'd)

MATERIAL SUSTAINABILITY MATTERS (cont'd)

Following the outcomes of the materiality assessment, we have implemented strategic revisions to address existing material sustainability matters. This involved refining the names of seven (7) material sustainability concerns to improve clarity and splitting one (1) existing matter into two (2) to facilitate better management. Additionally, we introduced two (2) new material sustainability matters to better align with current global sustainability concerns. In conclusion, we have identified and prioritised a total of sixteen (16) relevant material sustainability matters accordingly. The summary of revision and addition were summarised as follows:

Categories	Previous	Current
Refinement of material sustainability matter names	Technical and tactical proficiency	Innovation
	Corporate governance and ethical behaviour	Corporate governance and ethics
	Data protection and privacy	Data privacy and security
	Human and labour rights	Labour practices and human rights
	Employee learning and development	Employee development and talent retention
	Workforce diversity	Employee diversity
	Environment compliance	Product stewardship
Split in material sustainability matters	Employee well-being, health and safety	Employee welfare
		Occupational health and safety
Introduction of new material sustainability matters	GHG emissions management	
	Water management	

OUR SUSTAINABILITY GOALS AND PERFORMANCE

At UCHITEC, we constantly monitor our performance across our sustainability pillars. The table below presents an overview of our sustainability goals and targets, and our performance for FY2023.

Sustainability Pillars	Material Sustainability Matters	Sustainability Goals	FY2023 Performance
Economic 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS	• Customer satisfaction • Innovation • Supply chain management	• Achieve a minimum of 8 for customer rating (out of 10) • Develop and launch 6 or more new products into the 1st mass production each year • Achieve a spending percentage of 20% or more with local suppliers	• Achieved a customer rating of 8.63 with no major customer complaints • 7 new products developed and launched into 1st mass production • 25% spending with local suppliers
Environment 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	• Product stewardship • Energy management • GHG emissions management • Water management • Waste management	• Compliance with local regulatory requirements for scheduled waste disposal • Efficiency in energy management, GHG emissions management, water management and waste management	• 0 cases reported for non-compliance and breach of environmental regulations • Recorded 5.67kWh/RM'000 for electricity intensity • Recorded 1,002.55 tco2e for both Scope 1 and 2 emissions • Recorded 0.0624 m³/RM'000 for water intensity • Generated 8.00 tonne of wastes

OUR SUSTAINABILITY GOALS AND PERFORMANCE (cont'd)

Sustainability Pillars	Material Sustainability Matters	Sustainability Goals	FY2023 Performance
Social	• Labour practices and human rights	• Zero tolerance to human rights violations (forced or child labour, discrimination, harassment and others breach of human and labour rights)	• 0 substantiated complaints concerning human rights violations (forced or child labour, discrimination, harassment and other breach of human and labour rights)
	• Employee diversity • Employee welfare	• Provide equal employment and career growth opportunities for all, irrespective of gender, race, religion or disability	• 41% of managerial role (managers and above) are represented by women
	• Employee development and talent retention	• Provide employment with talent development and retention	• 2,218 hours of training • 18 employees in total employee turnover
	• Occupational safety and health	• Trained 35 or more employees annually on health and safety standards	• 79 employees trained on health and safety standards
		• Zero work-related fatalities	• 0 work injury, work-related fatalities and lost time incident rate
	• Local communities	• Support local communities through corporate social responsibility programmes	• Contributed donations totalling RM136,000 to several establishments, positively impacting 390 beneficiaries
			• Offered an internship programme and one student was hired in the current financial year
Governance	• Corporate governance and ethics	• Uphold the high standard of corporate governance and ethics	• 0 confirmed incidents of corruptions, non-compliance and breach of ethical issues
	• Data privacy and security	• Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	• 0 substantiated complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY STATEMENT (cont'd)

ECONOMIC

We have formulated sustainability practices which aim to generate long-term benefits to all stakeholders in terms of business continuity and value creation.

CUSTOMER SATISFACTION

UCHITEC is committed to helping its customers solve complex challenges and supporting our customers in creating tomorrow's breakthrough innovations. At UCHITEC, Total Customer Satisfaction is our business priority, and we will continue to strive to "Exceed Customers' Expectations through Continuous Improvement".

We are committed to building enduring relationships with our customers worldwide by enhancing the value of their products and offering services that support their sustainability goals. In accordance with UCHITEC's ISO9001 Quality Policy, we pledge to:
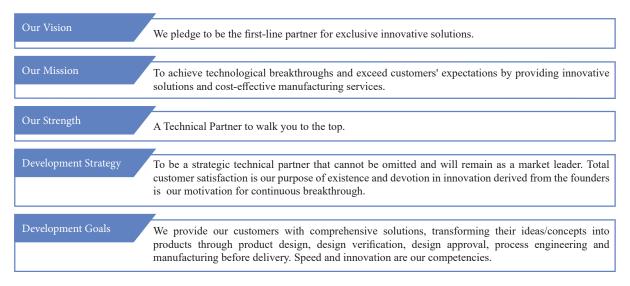
- ✓ provide products and services that fully meet the expectations of interested parties via a balanced approach and with on-time and defect-free delivery;
- ✓ improve our products and services through employee training and development, and implement a Plan-Do-Check-Action ("PDCA") cycle; and
- ✓ commit to the continuous implementation of ISO9001 Quality Management System and adhere to applicable requirements.

On average, UCHITEC scored 8.63/10.00 in 2023 (2022: 8.16/10.00) on the customer satisfaction index. The assessment criteria encompass predominantly, where relevant, product design, development, pricing, lead time, delivery, quality, customer complaint handling and packaging.

INNOVATION

In an era of rapid change and technological advancement, we must innovate and harness new developments-not only to ensure that we stay ahead of the curve, but to enable us to add value for our customers. As trusted collaborators in our customers journey in innovation, our technical and tactical proficiency has a considerable impact on their business. We provide innovative solutions to our customers, help them to be the first to launch a new product feature and ultimately, capture market share.

Our aim to provide swift, innovative and financially rewarding solutions to our customers is deeply ingrained in our corporate culture. This is demonstrated in our Vision, Mission, Strength, Development Strategy and Development Goals.

Our Vision	We pledge to be the first-line partner for exclusive innovative solutions.
Our Mission	To achieve technological breakthroughs and exceed customers' expectations by providing innovative solutions and cost-effective manufacturing services.
Our Strength	A Technical Partner to walk you to the top.
Development Strategy	To be a strategic technical partner that cannot be omitted and will remain as a market leader. Total customer satisfaction is our purpose of existence and devotion in innovation derived from the founders is our motivation for continuous breakthrough.
Development Goals	We provide our customers with comprehensive solutions, transforming their ideas/concepts into products through product design, design verification, design approval, process engineering and manufacturing before delivery. Speed and innovation are our competencies.

INNOVATION (cont'd)

UCHITEC aims to breakthrough in technology and innovation that meet and exceed the expectations of our customers. To succeed in this, we integrate sustainability in our strategy and in everything we do. By developing a sustainable consumer experience and increasing efficiency through consistent research and innovation, we aim to continue developing high grade, market-oriented and cost-efficient products that support our sustainability goals and profitable growth.

The research and development team has been headed by Mr. Kao, De-Tsan since it was established in 1990. The team is involved in synergistic collaborations with our customers from diverse industries that range from consumer to industrial products. This broad exposure to different industries enables our research and development team to utilise the competencies and technological concepts derived from their research efforts in creating more innovative and efficient solutions.

In our niche market, we maintain our competitive edge by innovating beyond what our customers currently expect or achieve on their own. This approach has enabled us to provide turnkey solutions and services.

Technical proficiency and tactical proficiency are emphasised with equal importance at UCHITEC. When we have the expert knowledge to operate our equipment and use it efficiently, it means that we have the technical proficiency to tackle our customers' technical issues and provide prompt troubleshooting advice. On the other hand, tactical proficiency allows us to put together our experience and skills in order to use our judgement, initiative, decisiveness and enthusiasm to achieve the desired results. A combination of technical proficiency and tactical proficiency takes us from simply knowing what something is to understanding why it is important and how to employ it for the best possible results in a given situation or environment.

Driven by our technical and tactical savvy, our customers continue to rate us favourably in relation to technical competency. Our customers assess our technical competency using these criteria: product design lead time, quality of product design, and ability to fulfil customers' design requirements and exceed customers' expectations with innovative ideas or designs.

In 2023, we sustained a 100% on-time project launch rate for our customers, matching our perfect record from 2022. We successfully developed and launched 7 new products into mass production. This achievement highlights our unwavering commitment to continuous growth and our agility in responding to market demands.

New product design and development is crucial in growing our core business. As we continue to invest in the future, we will formulate better ways to deliver our innovative solutions to maintain the technical and tactical proficiency of the Group. Our focus will remain on increasing our capability to continually revise our designs and range of products.

SUPPLY CHAIN MANAGEMENT

We are engaged in responsible procurement practices whereby proper procedures are laid down to ensure that any procurement made is properly evaluated and approved by the relevant authority after considering the production needs and existing stock balance position. We only source our materials from approved vendors which meet certain acceptable business practices and deliver high quality materials based on our specifications.
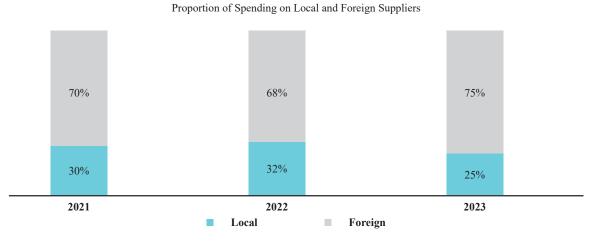
On top of this, we also mandate that our suppliers' raw materials sourcing are RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) compliant at all times. RoHS directive restricts the use of certain hazardous substances in electrical and electronic equipment whereas REACH is a regulation adopted to safeguard human health and the environment from the risks that can be caused by chemicals.

Subject to certain threshold and their importance, the supplier's performance is assessed on a half yearly basis.

We promote Early Supplier Involvement by engaging and collaborating with our suppliers at our design development stage. This helps to foster collaboration and enables us to obtain inputs from suppliers which in turn are crucial in achieving a shorter design to market time and a smoother production run.

SUSTAINABILITY STATEMENT (cont'd)

SUPPLY CHAIN MANAGEMENT (cont'd)

We proactively align our operational requisites for goods and services with local procurement, emphasizing the establishment of a secure, reliable, and cost-effective supply chain that upholds the highest standards of quality and timely delivery. Notwithstanding this commitment, exceptions are made for goods unavailable locally, particularly certain raw materials and specialised technical equipment, along with their related spares and accessories. It is these specific requirements that contribute significantly to the notable proportion of spending on non-local purchases within the Group.

Proportion of Spending on Local and Foreign Suppliers

	Unit	FY2021	FY2022	FY2023
Local supplier	%	30	32	25
Foreign supplier	%	70	68	75

Supplier code of conduct

We aim to establish mutually beneficial relationships with our suppliers. To achieve this, we developed a Supplier Code of Conduct which outlines the standard terms and conditions as shown below, to ensure our requirements are communicated and made clear to our suppliers. In cases where a breach of any principles or terms in the code is identified, we reserve the right to revoke the contract award or terminate agreements with the suppliers involved. This commitment underscores our dedication to upholding ethical standards and fostering a collaborative and accountable supplier network.

Principles	Description
Legal compliance	Suppliers shall comply with all other applicable laws in the provision of products and services to UCHITEC, anti-bribery, fraud and corruption. UCHITEC expects suppliers to implement systems and controls to promote compliance with applicable laws and the principles set forth in the Supplier Code of Conduct. Suppliers should also apply these or similar principles to the subcontractors and suppliers work with in providing goods and services to UCHITEC.
Bribery and corruption	A 'zero tolerance' policy towards any form of bribery, corruption, extortion and embezzlement. In particular, suppliers shall not pay bribes or make any other inducement, including kickbacks, facilitation payments, excessive gifts and hospitality, grants or donations in relation to their business dealing with customers and public officials. Suppliers are expected to perform all business dealings transparently and these dealings shall be recorded accurately. Suppliers shall ensure the subsidiaries, affiliates and all other parties appointed by the supplier to conduct work for UCHITEC also comply with the anti-corruption principles.

SUSTAINABILITY STATEMENT (cont'd)

SUPPLY CHAIN MANAGEMENT (cont'd)

Supplier code of conduct (cont'd)

Principles	Description
Human rights	Suppliers will conduct business in a way that respects the human rights of all people and treat them fairly, in accordance with all applicable laws. UCHITEC do not tolerate the occurrence of involuntary labour, child labour, prison labour, bonded labour or human trafficking in our operations or supply chain. Suppliers must conduct the activities with reasonable steps to identify, prevent and manage human rights impacts in the operations, controlled entities and any incidents must be reported.
No discrimination	Suppliers are committed to equal employment opportunity and not to discriminate on the ground of race, colour, gender, national origin, sex orientation, religion, age, disability status or any other personal characteristic unrelated to job performance and will comply with all applicable employment discrimination laws. This also applies to the treatment of other counterparties.
Harassment	Suppliers are prohibited any form of harassment, including sexual harassment and bullying of any employee on the basis of any status protected by law. It can be in the form of physical, verbal, visual or any conduct toward a person that is unwelcomed by that person and has the purpose or effect of creating an intimidating, hostile or offensive work environment. This includes the conduct of anyone in the workplace, such as employees of UCHITEC and non-employees.
Security	Suppliers shall ensure that all necessary security arrangements are in place to protect their employees. Suppliers are expected to have a management policy in place to be able to respond to emergencies timely and efficiently.
Conflict of Interest	Suppliers are required to avoid any activity or association that creates or appears to create conflicts that may arise in the performance of work and in any related business decisions. It can be involved both financial and non-financial interests.
Environment	Suppliers shall comply with sustainability and all applicable environmental laws includes efficient use of resources and respect for the environment.
Health and Safety	Suppliers must be free from the influence of alcohol or any other substance in order to perform the jobs safely and effectively. Suppliers must ensure workers do not act or threats of violence in the workplace. Weapons are not permitted in Company premises or while conducting business on behalf of the Company. Suppliers shall comply with all applicable workplace health and safety laws including appropriate controls, training, work procedures and personal protective equipment.

In addition to the Supplier Code of Conduct, we expect continuous improvement from our suppliers in terms of economic, environmental, social, and corporate governance performance. To ensure commitment from our suppliers, we have prepared a Supplier Declaration Form reflecting our principles which all suppliers are requested to sign. The aim of the Supplier Declaration Form is to increase awareness and improve transparency, as well as to ensure the integrity of UCHITEC's supply chain through economic, environmental and social, and corporate governance adherence.

ENVIRONMENT

At UCHITEC, we strive to reduce the environmental impact of our operations and products, and helping our customers do the same while delivering sustainable value to society. The Group adheres to all environmental laws and regulations, ensuring that our production processes are constantly upgraded and our products improved to comply with evolving environmental standards.

We are committed to protect the environment for future generations through:

Utmost effort in implementing and continuously improving our corporate Environmental Management System.

Commitment towards preventing pollution, minimising waste and consumption of natural resources through effective management of our activities, products and services.

Highly honor compliance of Malaysian Environmental Laws and other applicable regulations to meet interested parties' expectations.

Incessantly educating employee on environmental awareness and responsibility.

PRODUCT STEWARDSHIP

We prioritise quality and safety in our manufacturing through rigorous product stewardship. Our aim is to provide customers and stakeholders with valuable skills and top-notch product quality. To address environmental, safety, and health risks, we conduct thorough evaluations and work closely with customers and suppliers in research and development. This effort ensures we monitor impacts and guarantee product safety and sustainability.

UCHITEC Group's product complied with the European's eco design requirements and the stringent EU energy regulations by incorporating features like a standby and off mode with an electrical power consumption of less than 0.5 watts, and the capability to shut off completely within 15 minutes after operation is ceased. Most of the products in this category are also equipped with a zero-watt power consumption feature when in standby mode.

Uchi Optoelectronic (M) Sdn. Bhd. ("UOM") and Uchi Technologies (Dongguan) Co., Ltd. ("Uchi Dongguan") are both ISO 14001 certified companies since 2001 and 2010 respectively, in recognition of the Group's commitment to preserving the environment.

The Group engages a certified independent testing laboratory to routinely measure air pollutant levels and comply with the Environmental Quality (Clean Air) Regulation 2014.

ENERGY MANAGEMENT AND GHG EMISSIONS MANAGEMENT

The impacts of climate change are increasingly apparent with each passing day, with carbon emissions emerging as a pivotal factor in this global challenge. As such, we are dedicated to implementing ongoing initiatives aimed at minimising our carbon footprint and reducing electricity consumption, thereby contributing to effective climate change management. Among these initiatives are:

✓ UCHItecture, our facility enriched with eco-friendly and green features, has been meticulously designed to thrive in the tropical climate while harmonizing with the local environmental and socio-cultural landscapes. Our innovative wavy sunroof design and strategically placed atrium invite natural sunlight into our spaces, significantly reducing our dependence on artificial lighting. These design elements not only help in reducing our electricity consumption over the years but also underscore our commitment to climate change management.

SUSTAINABILITY STATEMENT (cont'd)

ENERGY MANAGEMENT AND GHG EMISSIONS MANAGEMENT (cont'd)

✓ We installed a Grid-Connected Photovoltaic Power System in December 2016, which has helped generate renewable energy and reduce our carbon emissions by more than 500 tons each year. We also successfully completed the installation of solar panels at our Uchi Dongguan factory building in August 2022.

Solar panel at UOM

Solar panel at Uchi Dongguan

✓ Achieving absolute zero emissions is an impossibility. In acknowledgment of this, one of our measures in climate change management is planting trees at our premises, as we understand that the act of planting and maintaining trees around can help in offsetting and balancing the emissions that we have produced.

Tree planting at UOM

Tree planting at Uchi Dongguan

UCHI Technologies Berhad (199801001764) (457890-A)

ENERGY MANAGEMENT AND GHG EMISSIONS MANAGEMENT (cont'd)

✓ We have implemented fruits and vegetables farming initiative within our China Plant compound to combat climate change. This eco-friendly endeavor not only promotes sustainability but also contributes to reducing our carbon footprint. By cultivating fresh produce on-site, we not only foster a healthier workplace but also actively participate in greening urban spaces, which is crucial for biodiversity and mitigating the urban heat island effect. This initiative aligns with our commitment to environmental stewardship and reflects a proactive approach to address climate change within our local context.

Fruits and vegetables farming at Uchi Dongguan by employees and their families

To further reduce our carbon footprint, we foster a responsible business environment within our premises by educating and encouraging our employees to be energy-conscious and adopting energy saving practices as described below:

Switch off lights when not in use	Shut down and unplug equipment or appliances when not in use	Use in-house developed Power Monitoring software to monitor high electricity power consumption machines by optimising the equipment's performance
Replace existing sodium vapour street lamps (150W) to solar street lights	Encourage employees to use staircase instead of lift to reduce energy consumption	Go Green Campaign encourages employees to plant vegetables and fruits within the premises of the Group

As a testament to our efforts in preserving and conserving the environment, Uchi Dongguan was honored with the "2012 Dongguan City Green Award". This prestigious recognition highlights our commitment to climate change management and signifies the positive impact of our environment preservation endeavors.

SUSTAINABILITY STATEMENT (cont'd)

ENERGY MANAGEMENT AND GHG EMISSIONS MANAGEMENT (cont'd)

	Unit	FY2021	FY2022	FY2023
Petrol	Liter	3,906	5,953	6,905
Diesel	Liter	270	282	304
Total	**Liter**	**4,176**	**6,235**	**7,209**

Note:
(i)   Petrol and diesel consumption is compiled based on the actual usage by the company vehicles.

	Unit	FY2021	FY2022	FY2023
Electricity	kWh	1,702,417	1,419,566	1,375,939
Revenue	RM'000	168,509	214,320	242,516
Electricity intensity	kWh/ RM'000	10.10	6.62	5.67

Note:
(i)   Electricity consumption data is compiled based on the monthly utility bills.
(ii) Electricity intensity represents the electricity used (kWh) per revenue (RM'000).

	Unit	FY2021	FY2022	FY2023
Scope 1	tco2e	10.14	15.10	17.46
Scope 2	tco2e	1,277.36	1,029.17	985.09
Total	**tco2e**	**1,287.50**	**1,044.27**	**1,002.55**

Note:
(i)   The GHG emission for Scope 1 is calculated using the emission factor obtained from IPCC Fifth Assessment Report, while the default emissions factors were based on IPCC Guidelines for National Greenhouse Gas Inventories (2006).
(ii) The GHG emission for Scope 2 is calculated using the emission factor obtained from 2017 Clean Development Mechanism ("CDM") Electricity Baseline for Malaysia and China's regional power grids for emission reduction projects in 2019 for China.

Our management team is actively engaged in the data collection process for Scope 3 emissions, with a specific focus on employee commuting and business travel. The information will present in the upcoming Statement once it is ready.

WATER MANAGEMENT

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, inadequate water management, and contamination. Although we do not operate in water-stressed region, we are committed to implementing water conservation initiatives and fostering awareness among our employees regarding proper water management practices across all our premises. Some of our initiatives include:

Periodic inspection and maintenance of toilets, water tanks and other facilities to minimise water wastage	Install water-efficient taps with reduced flow rates for toilet faucets to promote sustainable water usage
Add water bottle into toilet flush tanks to reduce the amount of water used with each flush	Promote water-saving habits among employees by consistently raising awareness through reminders at our office premises

Across all our operation sites, we source water from established water supply companies with well-developed water distribution infrastructure. We do not withdraw water from oceans, rivers, lakes, natural ponds and wells. In adherence to our commitment to environmental responsibility, we do not discharge our wastewater into oceans, rivers, lakes, natural ponds and wells. Instead, all wastewater is directed to the sewage system for comprehensive treatment, ensuring responsible and sustainable water use throughout our operations.

SUSTAINABILITY STATEMENT (cont'd)

WATER MANAGEMENT (cont'd)

Our water consumption primarily arises from manufacturing activities as well as sanitary and amenity purposes.

	Unit	FY2021	FY2022	FY2023
Water	m³	16,469	14,577	15,142
Revenue	RM'000	168,509	214,320	242,516
Water intensity	m³/RM'000	0.0977	0.0680	0.0624

Note:
(i)   Water consumption data is compiled based on the monthly utility bills.
(ii) Water intensity represents the water consumed (m³) per revenue (RM'000).

In anticipation of the recent water interruption in January 2024 (resulting from the replacement of valves at Sungai Dua Water Treatment Plant by the Penang Water Supply Corporation), which impacted the water supply to our sites in Malaysia, we took proactive steps, including the stockpiling of water reserves and the implementation of stringent water conservation practices across our facilities. Additionally, our employees were reminded to use water wisely during the water interruption period.

The successful execution of these preparedness measures enabled our Malaysia sites to navigate the water shortage with minimal impact on productivity and operational continuity.

WASTE MANAGEMENT

Waste management is crucial to preserving the environment. At UCHITEC, we take into consideration the use of chemicals in our manufacturing processes and ensure that proper protocols are adhered to. We have implemented protocols such as Work Procedure and Waste Handling, Emergency Preparedness and Response, and Scheduled Waste and Chemical Handling Work Instruction to ensure the practice of responsible waste disposal.

We uphold a strict zero-tolerance policy for non-compliance, consistently ensuring adherence to the Department of Environment's ("DOE") requirements for scheduled waste management, encompassing punctual and proper waste disposal. To reinforce our commitment, we have meticulously designated a specific area dedicated to the storage of scheduled waste, demonstrating our proactive measures to maintain regulatory compliance and environmental responsibility.

Industrial scraps and salvageable material are either sold to licensed scrap vendors or recycled or reused in the production line to minimise waste to the environment.

Other initiatives in waste management include the following:

Promote a paperless environment in the workplace by encouraging employees to utilise electronic means for sharing and storing documents	Reduce the use of printing or photocopying	Optimise paper usage by printing on both sides of paper whenever feasible
Implement a comprehensive waste management system by furnishing separate bins for efficient waste segregation, specifically designated for plastic, paper, and other materials.	Provide recycling guidelines to encourage employees' active participation in the workplace's recycling efforts	Promote reusable options and discourage the use of single-use plastics (e.g. plastic utensils)

SUSTAINABILITY STATEMENT (cont'd)

WASTE MANAGEMENT (cont'd)

We categorise our waste into two categories: hazardous waste and non-hazardous waste. Below are examples of each category along with the total quantity of waste generated. Currently, we are in the midst of classifying the waste data into two segments: total waste diverted from disposal and total waste directed to disposal. We will share this detailed breakdown in our upcoming Statement as soon as the information becomes available.

Hazardous waste

- Lead solder dross (waste/ powder)
- Component lead with solder lead only (after wave soldering machine)
- Scrap PCBA/ Components
- Scrap cable wire
- Scrap tools, soldering tips, iron
- IC
- PCBA w/o gold plated
- Chemical contaminated used glove, rags, cloth
- Empty/ Damage used chemical containers
- Thinner and flux
- Used fertile chloride
- Sodium silicate/ developer
- Waste maintenance oil/ Compressor oil

Non-hazardous waste

- Used carton, layer pad, nesting
- Scrap plastic parts
- IC tube and IC tray
- Scrap metal parts, mild steel parts, stainless steel parts, aluminium parts
- Scrap bare PCBS
- Copper pin
- Component cut lead
- Scrap PE bag
- SMT plastic reel
- Reject parts (not able to rework)

	Unit	FY2021	FY2022	FY2023
Hazardous waste	Tonne	1.22	1.41	1.70
Non-hazardous waste	Tonne	5.64	7.51	6.30
Total	**Tonne**	**6.86**	**8.92**	**8.00**

SUSTAINABILITY STATEMENT (cont'd)

SOCIAL

At UCHITEC, our people are integral to our business and our success. We strive to create a safe, diverse and inclusive environment where we treat our employees fairly and with respect, and where they are encouraged to succeed and grow.

LABOUR PRACTICES AND HUMAN RIGHTS

Basic human rights shall be universally protected by any responsible business. Our human rights practices are clearly stated in our Code of Conduct and Employee Handbook. All employees are expected to adhere to these high standards that enshrines the following:

Freely chosen employment	We do not use forced, bonded (including debt bondage), indentured or involuntary prison labour. Neither do we exploit persons working for us by means of slavery or trafficking by means of threat, coercion or fraud. At UCHITEC, our terms of employment are voluntary and workers are free to leave at any time or terminate their employment upon reasonable notice under the terms of their labour contracts. We only hire foreign workers with legal work permits; they have free access to their passports at all times with accommodation provided.
Young workers	Child labour is not to be used in any stage of the business process. We strictly adhere to the various restrictions on the employment of child labour imposed by both the local and international regulations.
Working hours	Workweeks are not to exceed the maximum set by local law. We encourage reasonable working hours including overtime, except in emergency or unusual situations. However, overtime is voluntary and employees are paid according to statutory requirements.
Wages and benefits	Compensation and benefits paid to employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. We do not impose wage deduction as a disciplinary measure.
Humane treatment	Across our organisation, we have embedded a culture of no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. We have put in place clearly defined disciplinary policy in support of these requirements with multiple communication channels broadcast to all level of employees to ensure effective implementation throughout the Group.
Freedom of association	We respect the rights of workers to associate freely, seek representation, and join workers' councils in accordance with local laws. We adopt open communication and direct engagement between workers and Management as we believe they are the most effective ways to resolve workplace and compensation issues. Our doors are always open for employees to communicate and share grievances with the Management regarding working conditions and management practices without fear of reprisal, intimidation, or harassment.
Non-discrimination	UCHITEC embraces a workforce free of harassment and unlawful discrimination such as race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. Hiring and remuneration are determined with reference to job related factors such as performance, qualifications and experience. In addition, employees are not subjected to medical tests that could be used in a discriminatory way. We accommodate our workers' religious practices as we understand and respect each individual's faith. The Company takes extra steps to provide the space, time, and flexibility to allow employees to meet their religious obligations.

LABOUR PRACTICES AND HUMAN RIGHTS (cont'd)

Grievance mechanism	The grievance procedure is designed to address complaints and disputes of employees related to working relationships, working conditions, employment practices and differences in interpretation of policies. Employees need to have an avenue to effectively communicate, including on any dissatisfaction or grievances, to ensure that concerns or issues are addressed early, safeguarding the mutual interests of the Group and employees and maintaining a healthy workplace morale. The Group's grievance mechanism is formalised in our Employee Handbook which is provided to all employees and is accessible by all employees via the Group's intranet. The grievance reporting process has several levels, including first discussing the issue with the employee's immediate supervisor to raising the issue to the Administration Department in the event that the employee is not comfortable discussing the issue with their immediate supervisors, depending on the nature of the issue or the employee's preference. The Administration Department oversees the Group's grievance mechanism and processes based on established policies and procedures.

During the year, there have been no substantiated complaints concerning human rights violations (forced or child labour, discrimination, harassment or other breach of human and labour rights).

	Unit	FY2021	FY2022	FY2023
Number of substantiated complaints concerning human rights violations	No.	0	0	0

Our commitment to protecting human rights extends to our suppliers. As outlined in our Supplier Code of Conduct, we expect our suppliers to conduct their business in a manner that upholds the human rights of all individuals, treating them fairly and in accordance with all applicable laws. UCHITEC do not tolerate the occurrence of involuntary labour, child labour, prison labour, bonded labour or human trafficking in our operations or supply chain. We require our suppliers to take proactive and reasonable steps to identify, prevent and manage human rights impacts, reporting any incidents promptly.

In addition, we emphasis the promotion of equal employment opportunities by our suppliers, prohibiting discrimination based on race, colour, gender, national origin, sex orientation, religion, age, disability status or any other personal characteristic unrelated to job performance and will comply with all applicable employment discrimination laws. This also applies to the treatment of other counterparties.

We strictly prohibit suppliers from engaging in any form of harassment, including sexual harassment and bullying of any employee on the basis of any status protected by law. It can be in the form of physical, verbal, visual or any conduct toward a person that is unwelcomed by that person and has the purpose or effect of creating an intimidating, hostile or offensive work environment. This includes the conduct of anyone in the workplace, such as employees of UCHITEC and non-employees.

EMPLOYEE WELFARE

The welfare of our employees is closely monitored to ensure compliance with labour laws and to protect their human rights.

We adhere to the Employment Act 1955, which is the main legislation governing labour matters in Malaysia. We offer competitive remuneration packages and benefits to attract top talent, as well as the Employee Share Option Scheme ("ESOS"), a long-term incentive plan to motivate employees to work towards better performance through greater productivity and loyalty.

To foster a healthy work environment and boost productivity levels, UCHITEC implemented various welfare initiatives in the past year aimed at motivating and inspiring our employees. These include organising events such as a festival hi-tea, an annual trip, and an annual dinner, among other activities. Through these initiatives, we strive to create a positive and encouraging workplace culture that supports the well-being and growth of our team members.

EMPLOYEE WELFARE (cont'd)

2023 Company Trip to Betong Hatyai

2023 Company Trip to Langkawi

Annual Dinner

SUSTAINABILITY STATEMENT (cont'd)

EMPLOYEE WELFARE (cont'd)

Hi-tea session

Bowling tournament

Appreciation session to employees

Lunar New Year Celebration at Uchi Dongguan

SUSTAINABILITY STATEMENT (cont'd)

EMPLOYEE WELFARE (cont'd)

The benefits and privileges provided to our permanent full-time employees include:

Benefits	
Statutory Benefits	• Adhere to minimum wages • Statutory contributions such as EPF, SOCSO, EIS and HRDF • Overtime payments • Public holidays
Leave Provision	• Annual leave • Medical leave • Maternity leave • Paternity leave • Marriage leave • Compassionate leave • Exam leave
Employment Benefits	• ESOS • Overtime compensation • Subsidised meal coupons • Outpatient medical benefits • Group hospitalisation and surgical insurance • Group personal accident insurance • Group term life insurance • Transportation to/from work • Telecommuting or work from home (for applicable roles) • Flexible working hours (for applicable roles) • Annual dinner/ gathering / events • Wedding congratulatory gift • New-born baby gift • Employee birthday gift • Christmas gift • Festival hi-tea • Annual trip • Long service award • Outstanding performance award
Facilities	• Car park • Canteen • Gymnasium • Badminton court • Personal lockers • Prayer rooms • First aid room

EMPLOYEE DEVELOPMENT AND TALENT RETENTION

The Group is committed to its social responsibilities at the workplace, including compliance and respect for human rights. This involves recruiting employees under fair and equitable terms, as well as offering equal opportunities for career advancement based on performance. Throughout the year, we carried out continuous learning and development programmes to equip our employees with relevant skills, knowledge and experience to enhance their individual competencies and ultimately, add value to the Group. These programmes include:

Career mapping and succession planning to develop an employee's capabilities and facilitate their career growth	Competency assessment to identify employees' training needs
Annual performance evaluation for all employees at all levels	Annual training calendar and budget set for both in-house and external training for all departments

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SUSTAINABILITY STATEMENT (cont'd)

We also place great importance on 'On-the-Job' training ("OJT") as we believe that our workforce can gain more from first-hand technical experience. As a result, we traditionally offer more hours of OJT than classroom training.

During this reporting period, we conducted a total of 2,218 hours of training across all our operations, with an average of 8 training hours per employee (2022: 2,539 hours of training with an average of 11 training hours per employee).

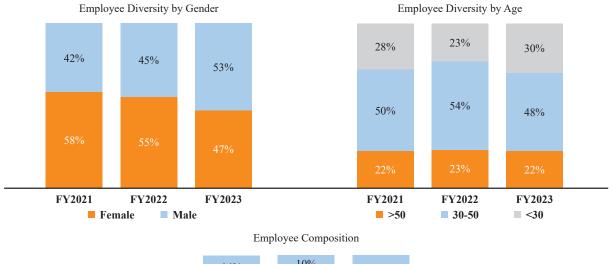|	Unit	FY2021	FY2022	FY2023
Manager and above	Hours	119	258	364
Executive	Hours	197	1,671	1,228
Non-Executive	Hours	120	610	626
Total	**Hours**	**436**	**2,539**	**2,218**

In terms of talent retention, we are seeing a reduction in the total number of employee turnover by employee category as compared with previous years.
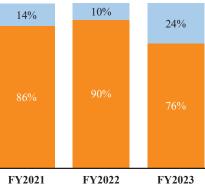
	Unit	FY2021	FY2022	FY2023
Manager and above	No.	0	1	2
Executive	No.	5	6	7
Non-Executive	No.	68	58	9
Total	**No.**	**73**	**65**	**18**

SUSTAINABILITY STATEMENT (cont'd)

EMPLOYEE DIVERSITY

To uphold our commitment as an ethical and socially responsible employer, we strive to promote diversity among our employees. This fosters a healthy culture where employees are recognised and valued for their diverse skills, experiences and background. When employees feel supported and empowered, the Group is able to innovate and grow while maintaining its competitive position in the industry. As of 31 December 2023, our workforce comprises 235 dedicated employees, with 53% being male employees and 47% female employees. To promote women in leadership, 41% of managerial role (managers and above) are represented by women.

The Group's recruitment process is based solely on the merit and qualifications of the candidates. Our remuneration policy ensures that no pay distinctions are made based on gender or ethnicity.

Employee Diversity by Gender

	FY2021	FY2022	FY2023
Male	42%	45%	53%
Female	58%	55%	47%

Employee Diversity by Age

	FY2021	FY2022	FY2023
<30	28%	23%	30%
30-50	50%	54%	48%
>50	22%	23%	22%

Employee Composition

	FY2021	FY2022	FY2023
Temporary	14%	10%	24%
Permanent	86%	90%	76%

By gender	Unit	FY2021		FY2022		FY2023	
		Female	Male	Female	Male	Female	Male
Manager and above	%	39	61	41	59	41	59
Executive	%	49	51	49	51	52	48
Non-Executive	%	68	32	62	38	45	55
Total	**%**	**58**	**42**	**55**	**45**	**47**	**53**

By age	Unit	FY2021			FY2022			FY2023		
		>50	30-50	<30	>50	30-50	<30	>50	30-50	<30
Manager and above	%	58	42	0	56	44	0	66	34	0
Executive	%	17	67	16	17	74	9	18	66	16
Non-Executive	%	16	41	43	18	43	39	15	40	45
Total	**%**	**22**	**50**	**28**	**23**	**54**	**23**	**22**	**48**	**30**

SUSTAINABILITY STATEMENT (cont'd)

EMPLOYEE DIVERSITY (cont'd)

	Unit	FY2021	FY2022	FY2023
Contractors/ temporary staffs	%	14	10	24

Board Diversity by Gender

FY2021	FY2022	FY2023
86%	86%	86%
14%	14%	14%

■ Female   ■ Male

Board Diversity by Age

FY2021	FY2022	FY2023
0%	0%	0%
14%	14%	14%
86%	86%	86%

■ >50   ■ 30-50   ■ <30

By gender	Unit	FY2021		FY2022		FY2023	
		Female	Male	Female	Male	Female	Male
Director	%	14	86	14	86	14	86

By age	Unit	FY2021			FY2022			FY2023		
		>50	30-50	<30	>50	30-50	<30	>50	30-50	<30
Director	%	86	14	0	86	14	0	86	14	0

OCCUPATIONAL HEALTH AND SAFETY

Uchi Optoelectronic (M) Sdn. Bhd. ("UOM") and Uchi Technologies (Dongguan) Co., Ltd. ("Uchi Dongguan") are both ISO 45001:2018 certified companies in line with the Group's commitment to enhancing the overall occupational health and safety management system for its employees. The Group's Occupational Safety and Health Policy promotes a work environment that is safe and healthy, eliminating hazards and minimising occupational health and safety risks. We continuously carry out first aid training, fire drills and plant evacuation exercises to safeguard employees and instill the values and knowledge essential for a safe and healthy workplace. In FY2023, 79 employees were trained on health and safety standards:

	Unit	FY2021	FY2022	FY2023
Employees trained on Health and Safety standards	No.	51	67	79

Fire drill

SUSTAINABILITY STATEMENT (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (cont'd)

In FY2023, we achieved zero work-related fatalities and lost time incident rate as shown below:

	Unit	FY2021	FY2022	FY2023
Work-related fatalities	No.	0	0	0
Lost time incident injuries	No.	0	1	0
Lost time incident rate	No.	0	2.55	0

Note: Lost time incident rate= Number of lost time injuries / total number of work hours x 1,000,000

LOCAL COMMUNITIES

The corporate social responsibility ("CSR") vision of UCHITEC is built on a culture of being caring and responsible. Our CSR philosophy integrates social responsibilities into our business strategies for the sustainable growth of the Company.

UCHITEC routinely supports local communities by engaging in charitable partnerships, team events, local fundraisers and more. During the financial year under review, we are proud to have actively contributed to various charitable causes through our philanthropic efforts. We are delighted to report that these endeavors resulted in a contribution of RM136,000 during FY2023, positively benefiting a total of 390 individuals. These contributions align with our commitment to corporate social responsibility and making a positive impact on the communities we serve.

Community	Amount (RM)	No. of Beneficiaries
MyKasih	24,000	25
Tunku Abdul Rahman University of Management and Technology ("TARUMT")	100,000	8
St. Nicholas Home Penang	1,500	45
Persatuan Untuk Kanak-kanak Terencat Akal Seberang Perai Utara Butterworth	1,500	28
Persekutuan Kebajikan Anak-Anak Yatim Islam Pulau Pinang	1,500	53
The Salvation Army	1,500	18
Pertubuhan Rumah Kebajikan Seri Cahaya Pulau Pinang	1,500	57
The Penang Buddhist Association Senior Citizens' Home	1,500	38
Little Sisters of the Poor	1,500	66
Yayasan Amal Medicare	1,500	52
Total	**136,000**	**390**

	Unit	FY2021	FY2022	FY2023
Total amount invested where the target beneficiaries are external parties	RM	49,500	9,000	136,000
Total number of beneficiaries of the investment in community	No.	1,417	619	390

The Group has also hired an intern who is undergoing an internship programme in the MIS Department.
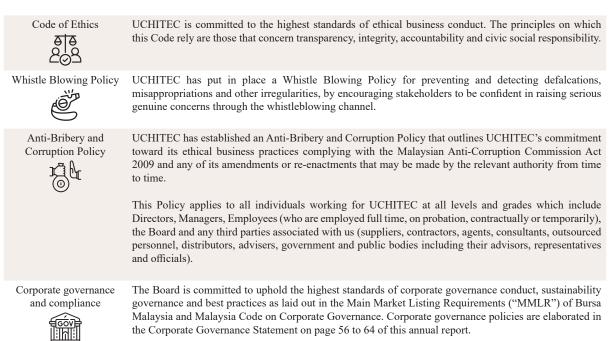
GOVERNANCE

CORPORATE GOVERNANCE AND ETHICS

At UCHITEC, we understand that upholding good corporate governance and ethics is paramount as it establishes a foundation of trust among stakeholders, fosters a positive corporate culture and enhances the Company's reputation. Hence, we seamlessly integrate responsible business practices into our corporate governance framework, ensuring that our business' ethical values remain uncompromised as we strive to achieve our corporate goals at UCHITEC.

It is our policy that we take zero-tolerance approach to corruption and bribery. We conduct all our business in an honest, ethical and transparent manner. We are committed to acting professionally, fairly and with integrity in all our relationships and business dealings in accordance with our Code of Business Conduct and Ethics Policy, and to implement and enforce effective system to counter bribery. We will uphold all laws relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad.

The Board has continuously aimed to promote sound governance through policies which comply with the latest regulatory requirements and the principles of best practices. These include our Code of Ethics, Whistle Blowing Policy, and Anti-Bribery and Corruption Policy which are made available on the Company's website at www.uchi.net. The importance of these policies was communicated to all the directors and employees to ensure that our core values are recognised and upheld by everyone in the Company.

Code of Ethics	UCHITEC is committed to the highest standards of ethical business conduct. The principles on which this Code rely are those that concern transparency, integrity, accountability and civic social responsibility.
Whistle Blowing Policy	UCHITEC has put in place a Whistle Blowing Policy for preventing and detecting defalcations, misappropriations and other irregularities, by encouraging stakeholders to be confident in raising serious genuine concerns through the whistleblowing channel.
Anti-Bribery and Corruption Policy	UCHITEC has established an Anti-Bribery and Corruption Policy that outlines UCHITEC's commitment toward its ethical business practices complying with the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments that may be made by the relevant authority from time to time. This Policy applies to all individuals working for UCHITEC at all levels and grades which include Directors, Managers, Employees (who are employed full time, on probation, contractually or temporarily), the Board and any third parties associated with us (suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisers, government and public bodies including their advisors, representatives and officials).
Corporate governance and compliance	The Board is committed to uphold the highest standards of corporate governance conduct, sustainability governance and best practices as laid out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and Malaysia Code on Corporate Governance. Corporate governance policies are elaborated in the Corporate Governance Statement on page 56 to 64 of this annual report.

All our new employees undergo an induction program where they will be briefed on our Group's Anti-Bribery and Corruption Policy and other accompanying policies and procedures. In addition, we ensure our existing employees receive ongoing refresher training on anti-corruption to uphold a steadfast commitment to ethical practices.

	Unit	FY2021	FY2022	FY2023
Manager and above	%	100	100	100
Executive	%	74	74	80
Non-Executive	%	90	87	92

SUSTAINABILITY STATEMENT (cont'd)

CORPORATE GOVERNANCE AND ETHICS (cont'd)

During the financial year under review, we have undertaken a corruption risk assessment that covers all of our operations.

	Unit	FY2021	FY2022	FY2023
Operations assessed for corruption related risks	%	100	100	100

As of December 31, 2023, we recorded zero incidents of corruption across our operations.

	Unit	FY2021	FY2022	FY2023
Confirmed incident of corruption	No.	0	0	0

In alignment with the Company's commitment in enhancing the social responsibility of our supply chain practices, we have established the Supplier Code of Conduct, which all suppliers are required to adhere to. We expect full compliance from our suppliers with all the anti-corruption principles, conducting all business dealings with utmost transparency. As indicated in the Supplier Code of Conduct, all suppliers shall:

- ✓ Committing to promote values of integrity, transparency, accountability and good corporate governance;
- ✓ Strengthening internal systems that support corruption prevention;
- ✓ Fighting any form of corrupt practice; and
- ✓ Supporting corruption prevention initiatives by the Government and the local authorities.

DATA PRIVACY AND SECURITY

At our company, we understand the crucial role that data protection and privacy play in building trust with our stakeholders and ensuring the sustained success of our business. Accordingly, we place a high priority on the implementation of an integrated data protection and information security strategy to safeguard data and privacy.

Our practices include:

- ✓ Safeguarding personal information by limiting access and usage to authorised individuals.
- ✓ Controlling system access with privileged access controls, policy-based password management, and network segmentation to restrict access to sensitive areas.
- ✓ Protecting resources with a comprehensive security strategy that includes firewalls, audit logs, anti-virus and anti-malware software, intrusion detection and prevention system, and patches and updates management to keep the systems secure and up-to-date.
- ✓ Enabling disaster recovery to quickly restore vital data and systems after unexpected outages or disasters, minimising the impact on the organisation and its customers.
- ✓ Conducting periodic backups of system and data on and off site to ensure their availability in the event of system failure or data loss.
- ✓ Providing awareness training to our employees to equip them with the necessary knowledge to identify and prevent cyber threats.
- ✓ Requiring stakeholders, where applicable, who have access to sensitive information to sign Non-Disclosure Agreements (NDAs), ensuring that any accessed or shared information is kept confidential or compliant with agreed terms.

We continuously review and enhance our security measures to ensure compliance with industry standards and best practices.

In FY2023, there were no reports of major cyber security violations and no cases related to breaches of data or complaints received from external stakeholders.

	Unit	FY2021	FY2022	FY2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

PERFORMANCE DATA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	80.00
Non-executive/Technical Staff	Percentage	92.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	136,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	390
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	34.00
Management Above 50	Percentage	66.00
Executive Under 30	Percentage	16.00
Executive Between 30-50	Percentage	66.00
Executive Above 50	Percentage	18.00
Non-executive/Technical Staff Under 30	Percentage	45.00
Non-executive/Technical Staff Between 30-50	Percentage	40.00
Non-executive/Technical Staff Above 50	Percentage	15.00
Gender Group by Employee Category		
Management Male	Percentage	59.00
Management Female	Percentage	41.00
Executive Male	Percentage	48.00
Executive Female	Percentage	52.00
Non-executive/Technical Staff Male	Percentage	55.00
Non-executive/Technical Staff Female	Percentage	45.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Under 30	Percentage	0.00
Between 30-50	Percentage	14.00
Above 50	Percentage	86.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,375.94
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	79
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	364
Executive	Hours	1,228
Non-executive/Technical Staff	Hours	626
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	24.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	7
Non-executive/Technical Staff	Number	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	25.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	15.142000

Internal assurance   External assurance   No assurance   (*)Restated

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