

SUSTAINABILITY STATEMENT

About This Report

We are pleased to present the fifth sustainability statement of AYS Group where it has been a pillar of the Group's culture that we strive to achieve continuous growth and creating long-term values with stakeholders without compromising the needs of the future generations. We acknowledge that our long-term growth and continual values that benefit all stakeholders are associated with our responsibility to the three aspects of sustainable development i.e. Economic, Environmental and Social ("EES"). Despite the challenges brought on by the COVID-19 pandemic, AYS remains committed to embed sustainability principles - EES, in all aspects of our business operations, whenever possible.

This statement should be read in conjunction with other statements in this Annual Report (i.e. Management Discussion & Analysis, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control).

Reporting Scope and Boundary

The sustainability statement includes performance based on our key subsidiaries as listed below:

Ann Yak Siong
Hardware Sdn Bhd
("AYSH")

AYS Marketing
Sdn Bhd ("AYSM")

CH Yodoform
Sdn Bhd ("CHY")

AYS (FZ)
Sdn Bhd ("AYSFZ")

The disclosures are based on the Group performance for the reporting period from 1 April 2021 to 31 March 2022, unless stated otherwise.

The boundary of the statement is beyond financial reporting and includes non-financial performance, risks, opportunities and outcomes attributable to or associated with our key stakeholders.



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Reporting Framework and Guidelines

AYS Group's Sustainability Statement has been prepared in line with the following reporting guidelines and frameworks:

We continue to incorporate the Integrated Reporting ("IR") Six Capitals (i.e. Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural) as prescribed by the International Integrated Reporting Council framework of Integrated Reporting in this statement as adopted in prior year.



OUR COMMITMENT TO SUSTAINABILITY

Elements of sustainability have always been part of AYS's DNA. This have been reflected in our vision and mission, core values, policy statements and work practices across our operations and contribute to the development of the Group's Sustainability Framework.

Our Environmental, Social and Governance Policy states our commitment to sustainability that:

- Balancing EES risks and opportunities in the interest of stakeholders to enhance investors' perception and public trust.
- Making the Earth a better place to live in through responsible investment and weigh on an appropriate risk-return profile for these investments.
- Considering the impacts of the Group's operations on the local community.
- Ensuring potential negative impacts on environment, society, human health and safety are properly assessed, addressed and monitored.
- Focusing on compliance and policies, and uplifting the integrity of the Group's subsidiaries, its shareholders, Board of Directors and employees.








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Sustainability Target

In FY2020, we set seven targets to monitor our sustainability performance, we achieved three out of the seven in FY2021. We achieved the other two targets that were still in-progress during FY2021 in FY2022. In the meantime, we set another one target in FY2022.

Target FY2021		Performance in FY2022
	Upgrade and implement certification for ISO 45001:2018	Achieved: Certificate obtained on 18 May 2022.
	Construction of new covered warehouses with warehousing facilities	In-progress: The sales and purchase agreement has been completed with issuance of land title with the endorsement of the category of land use "Industrial" and ownership transfer has been done on 16 March 2022.
	To integrate sustainability strategy and framework into overseas subsidiary's business operation	In-progress: The Group is still in the stage of integrating the sustainability strategy and framework into our overseas subsidiary's business operation.
	Establish a CSR Task Force to develop a community development strategy	Achieved: AYS Fans Club was formed on 3 January 2022 as CSR Task Force to conduct social programmes.
Target FY2022		Performance in 2022
	Embark on renewable energy project for sustainable environment	In-progress: The Group has committed for 125kWp Solar PA system aiming to increase the usage of renewable energy.

The United Nations Sustainable Development Goals ("UNSDG")

In 2015, the United Nations (UN) outlined 17 SDGs, setting an agenda for countries across the world to work together to create a sustainable future for all by 2030.

The UNSDGs are comprehensive, covering all areas of social inequality - including gender discrimination, health and education - and calls for action to spur economic growth as well as protect the environment through climate change mitigation and the preservation of our forests and oceans.

Collectively, the UNSDGs stand as a clear blueprint to shape sustainability programmes and platforms.

At AYS Group, we support all the 17 goals and have prioritised five in which we have the potential to make a significant difference.



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We have identified five SDGs that the Group commits to support directly and/or indirectly that are SDG 3 - Good Health and Well-Being, SDG 8 - Decent Work and Economic Growth, SDG 10 - Reduced Inequalities, SDG 12 - Responsible Consumption and Production and SDG 16 - Peace, Justice and Strong Institutions. Please refer figure 1 for details.

Figure 1: United Nations Sustainable Development Goals



Goals: Ensure healthy lives and promote well-being for all at all ages



AYS's initiative

- The Group has established strict SOPs in dealing with the COVID-19 outbreak to minimise / eliminate its impact on our customers and employees.
- We promote healthy lifestyles by organising programmes that focus on employee well-being and raising awareness on individual safety and health.
- We manage our wastes responsibly and ensure proper storage as well as disposal of hazardous and non-hazardous waste.
- We maintain incident record keeping, stringent monitoring and improved initiatives.

6 Capitals	Human	Social & Relationship
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Goals: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



AYS's initiative

- Zero fatalities recorded across the Group.
- The Group supported local businesses during the lockdown, and created 21 jobs.
- The Group provided employment for a total of 204 people in FY2022.
- We provide competitive salaries and ensure fair treatment to our employees in addition to training opportunities for growth and career development.
- Uphold labour rights, and promote a safe and secure work environment.

6 Capitals	Human	Social & Relationship	Financial
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Figure 1: United Nations Sustainable Development Goals *cont'd*

Goals: Create fair opportunities and provide equal treatment to all employees regardless of ethnicity, gender or religion



AYS's initiative

- AYS is against discriminatory practices at the workplace. We ensure equal opportunity and reduce inequalities of outcome to all employees regardless of ethnicity, gender, age or religion.

6 Capitals	Human	Social & Relationship	
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Goals: Ensure sustainable consumption and maintain product quality



AYS's initiative

- We practice the 3Rs (Reduce, Reuse, and Recycle).
- We track water and energy usage at our office and warehouse besides implementing strategies to improve efficiency.
- We implement a proper waste management system that will help to improve our environmental footprint. We categorise waste into domestic waste and scheduled waste. We educate our workers and employees to carry out periodical site inspections to ensure disposal of hazardous waste in a proper manner, and ensure compliance with the Environmental Quality Act 1974. Our domestic waste is collected and disposed of by an appointed contractor while the collection and disposal of scheduled waste is by Department of Environment (DOE)-licensed appointed contractors.

6 Capitals	Human	Social & Relationship	Manufactured
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Goals: Maintain product quality certification and compliance to national and international regulations



AYS's initiative

- We have established an Anti-Bribery and Corruption Policy, Whistleblowing Policy and Code of Business Conduct.
- We maintained our track record of zero cases of bribery and corruption in the way we conduct our business.
- We maintain product quality certification to continuously meet and exceed customer expectations.
- We embed a culture of good governance and ethics within the organisation, and remain compliant to all relevant regulatory requirements.

6 Capitals	Social & Relationship	Manufactured	
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SUSTAINABILITY GOVERNANCE

Robust governance ensures successful incorporation of sustainability measures across our operations. Sustainability at AYS Group is led by our Board of Directors (“BOD”), which oversees the Group’s sustainability practices and performance, and validates all sustainability related decisions.

To further strengthen our sustainability practices, the BOD is supported by the Sustainability Steering Committee (“SSC”) comprising representatives from all levels of the Group in managing the sustainability related matters. The Sustainability Working Committee (“SWC”) makes up the remaining governance structure with roles and responsibilities to ensure our sustainability practices and initiatives are maintained and followed by our stakeholders. The SSC endeavours to review, develop and implement sustainability strategies which ultimately embedding sustainability goals into the daily business operations and strategies.

SUSTAINABILITY GOVERNANCE STRUCTURE



CREATING VALUE

The cornerstone of our strategy is a focus on long-term value creation through operational, financial, social, environmental and reputational resilience.

FINANCIAL CAPITAL

Economic sustainability continues to be one of AYS’s most prioritised matters as we strive to create long-term value for our business and our stakeholders. We are committed to generate sustainable financial and economic returns without compromising on the value to our stakeholders in order to ensure the sustainability of our business. Please refer to the Management Discussion and Analysis section of this Annual Report for more details regarding the Group’s financial performance.

Revenue RM1,116.486 Million	Profit Before Interest and Tax RM155.739 Million	Profit After Tax RM116.524 Million	Total Assets RM1,094.479 Million	Shareholders’ Funds RM395.011 Million
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HUMAN CAPITAL

CORPORATE GOVERNANCE

AYS is always committed to promote values of integrity, transparency, accountability and good corporate governance. Sustainable business practices require strong and effective corporate governance. In order to sustain long-term value creation and protect the interest of stakeholders, AYS's governance framework is guided by the Malaysia Code on Corporate Governance 2021. The detailed disclosure is presented on our Corporate Governance Overview Statement on page 63 to 74 of this Annual Report.

Ethics and Integrity

Establishing a culture of integrity and ethical in the workplace is essential in preservation of the Group's reputation and thereby increase the confidence of stakeholders. The Board continues to uphold good business conduct by ensuring there are adequate policies and procedures in place. Directors, employees and business partners of the Group are required to observe and maintain high standards of integrity and ethical behaviour in the performance of their responsibilities or conducting business. We have also made available our Code of Business Conduct to stakeholders through our corporate website.

Anti-Bribery and Corruption Policy and Whistleblowing Policy



AYS has established an Anti-Bribery and Corruption ("ABC") Policy to set out the policy and general principles, guidelines and processes to minimise and eliminate the Group's exposure to the risk of unlawful conduct relating to bribery and corruption. The ABC Policy applies to all Directors, employees and business associates to act ethically, with integrity and honestly, transparently and in a trustworthy manner, in all the dealings with other persons on behalf of or with the Group. Our ABC Policy cover gifts, hospitality and entertainment, donations and sponsorships, facilitation payments and more.

AYS adopts a zero-tolerance approach towards all forms of bribery and corruption. Refusal to engage in activities inconsistent with our fiduciary duties, or the reporting in good faith or soundly suspected violations, will not be reprimanded even if such actions may result in losing a piece of business or commercial advantage for the Group.

Hence, we have in place Group Whistleblowing Policy with mechanisms to enable all employees and members of public to disclose any suspected misconduct or illegal acts and provides assurance of protection in accordance with this Policy via the dedicated whistleblowing reporting channels.

All alleged wrongdoing will be investigated and such breaches may lead to disciplinary measures, including dismissal. For the year under reporting, the Group has received zero whistleblowing report via the whistleblowing reporting channels.

All existing employees have been briefed through the requirements of the policies and they are aware of the Group's stance and expectations as well as the procedures outlined in the policies.

The policy can be viewed at <https://ays-group.com/governance.php>

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

AYS believes that a lack of good safety and health practices may lead to incident that would affect the health and safety of our employees, operational efficiency and reputation and in the long run, impact our profitability. Health and safety is the foundation of a sustainable business thus our first priority is to keep our people safe.

We strive to comply with relevant laws and legislations to ensure that health and safety in the workplace is not being compromised amid the COVID-19 pandemic and the general well-being of our employees is protected.

The Group's commitment to operate responsibly in a safe and healthy workplace for employees is reflected in the establishment of Safety, Health and Environmental Committee ("SHEC"), which comprised the management as well as the workers are varying ratios across each of our subsidiaries.

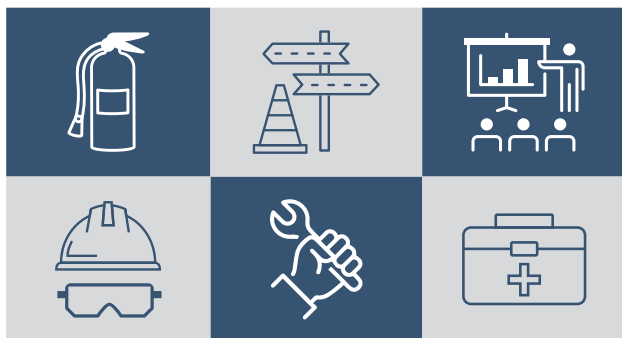
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We have also formed an Emergency Response Team (“ERT”) comprising of first aiders, fire fighters and chemical spillage team. This Committee provides a platform for employees and employer to discuss and address health and safety issues. It is responsible for the formulation of mitigation measures to minimise accidents and occupational health issues, ensuring the Group adheres to regulatory requirements and creating awareness of OSH risks and hazards within the Group.

It is the policy of AYS to give the highest priority to have zero workplace fatalities and to drive down overall lost-time injuries. AYS Group communicates with all employees through safety meetings, trainings, and awareness sessions to ensure employees are informed and kept up to date of the latest OSH matters and best practices.

Examples of health and safety initiatives that were conducted in FY2022 are:-



- Safety signage: We place all required signage in designated areas.
- Fire drill: We conduct a fire drill once every two years for all employees.
- Health and Safety briefing: We conduct weekly and monthly briefing session on health and safety at operating sites to all employees.
- Health and safety induction: We provide a briefing to all new employees on Health and Safety SOPs.
- Health and safety awareness programme: We carry out health and safety awareness programme periodically on health and safety knowledge and best practices.
- Provision of basic First Aid, Automated External Defibrillator (AED) and Cardiopulmonary Resuscitation (CPR) training.
- Provision of ERT and chemical spillage training.
- Regular maintenance of fire-fighting equipment.

Due to our efforts to foster a safe work environment, we recorded zero major injury and a total of 408 hours of loss time injury (“LTI”). Our Lost Time Injury Frequency Rate (“LTIFR”) for this year recorded at 719.25. Investigations and corrective actions were immediately undertaken following the incidents.

In FY2022, we maintained our target for zero fatality case. Nonetheless, we will strive harder to ensure that “zero” fatality is maintained and also to reduce further on both the LTI and LTIFR as an effort of our continued improvement on safety initiatives and engagement programmes and to protect our employees and public from any safety and health risks related to our operations.

	FY2022	FY2021	FY2020
LTI	408	104	976
LTIFR	719	181	1,329

ZERO fatality case



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Procedure to Operate Amid COVID-19 Outbreak

The threat of COVID-19 still lingers and affect our daily lives and operation, especially with the arise of different COVID-19 variants that come with higher infectivity and mortality rates. It is our responsibility to ensure the safety of our employees, customers, suppliers and the communities in which we operate.

Therefore, since the beginning of the pandemic outbreak, we have implemented various preventive measures and Standard Operating Procedures based on the guidelines and instructions of the Ministry of Health, Ministry of International Trade and Industry which are the following:

Ensure all employees & visitors wearing face mask	Social distancing enforced in workplace	Workplace cleaning, sanitising and disinfecting	Providing face mask to all employees
Temperature screening and Mysejahtera check-in	Provision of hand sanitiser	Providing antigen test kit to all employees for weekly testing	Work-From-Home arrangement for employees

TALENT MANAGEMENT



One of AYS's most important resources is the collective skills, capabilities, and experiences of its workforce. High calibre, professional talent is essential in driving higher productivity and ensuring operational excellence across the Group.

In many ways, the Group's ability to sustain financial and non-financial values is dependent on the recruitment, retention, and development of a competent, capable and experienced workforce. Hence, the Board and Senior Management seek to bring on board the best talents and to retain them by offering an attractive work environment, one that values the opinions of everyone and that positively divergent perspectives.

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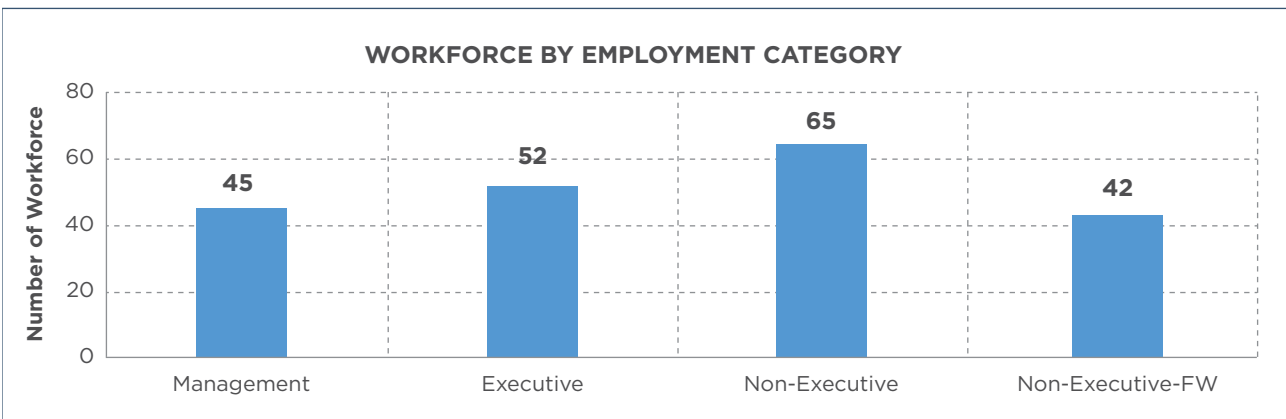
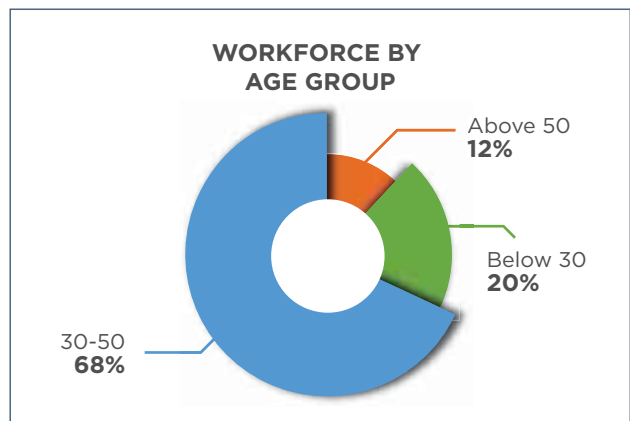
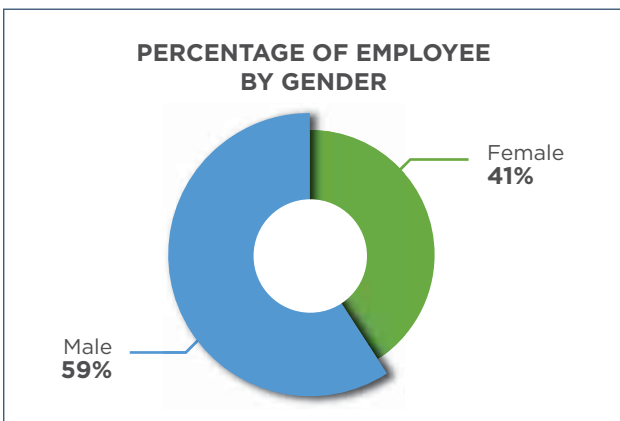
Employee Distribution

At AYS, we promote diversity and inclusion and will not tolerate any form of discrimination. We believe that diversity in professional background and experiences as well as gender, ethnicity and culture promote a richness of ideas and perspectives which supports innovative thinking and creativity.

As of end FY2022, AYS employed a total of 204 staffs, comprising 59% men and 41% women. The gender distribution is skewed by male dominance in operational functions which involves heavy manual task. Nevertheless, we do not restrict our female employees from undertaking any professional positions and tasks, provided that they are fully qualified for the job.

Embracing an equal opportunity culture, we stand strongly against any form of gender, racial or age discrimination. Therefore, in hiring, we look at candidate's qualification, knowledge, skills, training and experience rather than gender, age or cultural background.

The Group's total employee distribution by gender, age and employment category for FY2022 is presented in the graph below. The employee's age distribution within the Group mainly ranges in the 30 to 50 years old age group (68%). This group is made up of experienced and skilled employees and we are committed to further build their knowledge and skills in the future.

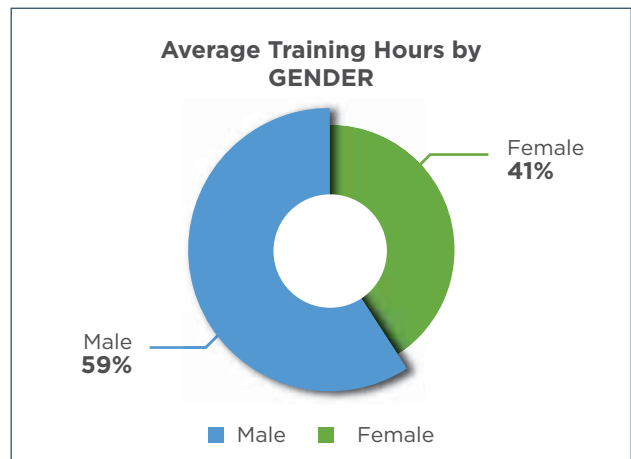
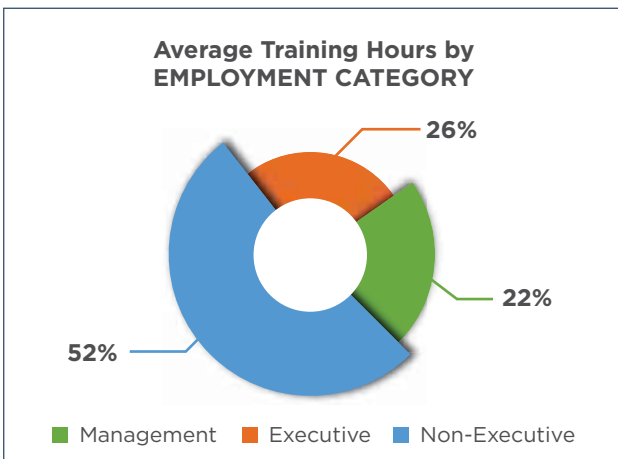


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Training and Development

The continued upskilling of employees through training and development is a fundamental aspect of the Group’s approach to talent management. As such, we place great importance on developing our workforce through training programmes aimed at improving product knowledge, providing updates on current industry trends and enhancing competency, in preparing for current and future industry climate.



Due to enforcement of movement restrictions to control the spread of the contagion, we capitalised on online learning platforms to carry out training.

Remuneration and Employee Benefits

We ensure our most valuable assets - employees are compensated fairly and competitively by benchmarking periodically against market salary levels and employment benefits to show our recognition and appreciation towards their contributions to the Group.

To foster a culture of engagement, we continually invest in building our engagement capabilities and monitor the progress we are making, to identify any development areas. By creating a respectful and trusting relationship among employees, the turnover rate could be maintained at a relatively low level.

Turnover Rate	FY2022	FY2021	FY2020
	3.92%	2.67%	1.15%

Employee benefits are given to our full-time employees aimed at supporting the workforce to feel secure, stable and cared for through fair leave allocation and insurance coverage, among others. A list of employee benefits is given below.



Leave Entitlement:

- Annual
- Medical
- Hospitalisation
- Marriage
- Maternity & Paternity
- Bereavement, calamity
- Examination and study
- Prolonged illness
- Vaccination leave



Incentives:

- Monthly Full Attendance Allowance
- Shift and Meal Allowance
- Annual Bonus

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Insurance:

- Medical
- Group Personal Accident
- Hospital & Surgical



Others:

- Company Mobile Phone and Handphone subsidy
- Travel Allowance
- Company Vehicles for Directors
- Membership Subscriptions to Professional Associations
- Monthly Sports & Recreational Activities
- Festival Gifts
- AYS Fans Club

Performance Management and Employee Engagement

We recognise that engaged employees are more invested in a company, feel a greater sense of belonging and are more inspired to perform their best.

AYS seeks to cultivate team work and strong employer-employee relationship by engaging with the following activities:



Festival Celebrations



Birthday Celebrations



Sport Activities

Besides, AYS encourages employees to have more communication with their superiors which includes but not limited to regular performance discussion, where on-going mentoring programmes are provided with subsequent follow-up to ensure that employees meet their objectives and career goals. AYS has in place a structured performance evaluation system incorporating target setting and performance assessment on annual basis with involvement of both the employee and his/her superiors, with processes in place for face-to-face interaction, feedback, performance review and career development review.

Employees are also able to provide feedback to the Group on areas of concern at the workplace through participation in survey to identify needs of staff, grievances, if any, and areas where improvement is required.

MANUFACTURED CAPITAL

Trading & Services

AYS is one of the leading steel and construction materials distributors in the region with approximately 20 acres of warehousing land and a capacity of 128,000 metric tonnes of storage capacity. With its spacious and well-equipped warehouses, AYS trades in large variety of flat and long steel products of various grades and dimensions.

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Manufacturing

AYS operates with its state-of-the-art industrial 4.0 ready factory with 20,000 metric tonnes of annual capacity, covering over 10,000 meter square of workshop area to provide pre-fabricate steel structure components by an automated CNC cut & drill process including shot blast & shop prime. It manages project by integrating BIM model, process precisely, tracking all components information till assembly.

Our cold roll forming manufacturing facility with 8,400 metric tonnes of annual capacity, provide technical advices and services to meet production orders for both local and overseas markets. All YODOFORM sections are precisely cold-formed from imported high tensile zinc coated steel and conforms to all international standards.

INTELLECTUAL CAPITAL

Intellectual capital is an intangible asset that contributes to the Group’s bottom line. These assets include the expertise of employees, organisational processes, and the sum of knowledge contained within the Group.



AYS has strong presence in the regional markets, with more than 39 years of history, and has identified itself as one of the market leaders in the distribution business of steel related products and building materials. The YODOFORM ‘Z’ and ‘C’ sections are precisely cold-formed from imported high tensile zinc coated steel which conform to all international standards.

Our human capital, core values, vision and mission statement, company policies and procedures, work culture, and its organisational structure also create values and contribute to an improved competitive position for the Group.

NATURAL CAPITAL

AYS embeds sustainability practices to protect the environment and further translate to cost effective measure to improve the efficiency of our operations and processes. SHEC with the support of Safety Officer have identified every significant environmental aspect of our operations with detailed work instructions and standard operating procedure to manage specific activity.

Our environmental efforts:

Air Quality Control	Control and monitor closely air emission at manufacturing site
Noise Control	Monitoring of boundary noise to ensure noise level not exceed permissible sound limit
Energy Control	Implement energy conservation initiatives
Water Control	Implement water conservation initiatives
Waste Control	Continuous monitoring on scheduled waste generation and disposal method
3R	Advocate 3R (reduce, reuse, recycle) as part of waste management protocol

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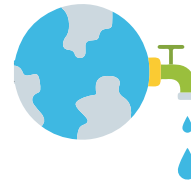
Energy and Water

Electricity is the main source of energy consumed at our workplace and it is important due to the energy-intensive nature of steel manufacturing processes. Although natural capital is not a material input in our workplace, the Group is aware that despite this, we have a role to play in addressing the energy and water conservation. We continuously monitor the way we manage our energy and water consumption. We have formulated a list of energy and water conservation initiatives and communicated to all employee to adhere to these initiatives.



Energy Conservation Initiative:

- Replace conventional lightbulbs with LED bulbs to reduce long term cost of electricity
- Switch off computers and electrical appliances when not in use
- Switch off lights and air-conditioning system during lunch time
- Switch off air-conditioning system in the meeting rooms when the rooms are not occupied
- Install factory roof with a design that facilitates natural lighting to minimise the use of light features
- Install LED street light surrounding the warehouses/factory



Water Conservation Initiative:

- Place signages at strategic location such as toilet, pantry and etc. to conserve water
- Taps in the toilets and pantry should not be left running when not in use
- Inspect toilets and pantry regularly to ensure no leakage pipes
- Detect and repair immediately any water leakages

Electricity Consumption (kWh)			
Location	FY2022	FY2021	FY2020
Lot 6488	304,967	386,076	446,230
Bukit Raja	48,882	76,894	73,855
Lot 3846	220,610	425,860	531,304
Lot 3845	39,700	56,440	96,751
PKFZ	N/A *	64,343	97,616
Total	614,159	1,009,613	1,245,756

The overall energy reduction was mainly attributed to our employees working from home during the MCO period.

Various energy conservation initiatives that were undertaken during the year may also be contributed to the reduction in energy consumption.

Water Consumption (M3)			
Location	FY2022	FY2021	FY2020
Lot 6488	29,584	19,776	14,524
Bukit Raja	1,301	817	2,075
Lot 3846	7,564	7,103	8,609
Lot 3845	3,255	3,688	4,572
PKFZ	N/A *	825	1,379
Total	41,704	32,209	31,159

The overall increase in water consumption was mainly due to an increase in the frequency of cleaning and housekeeping activities during the pandemic period.

* PKFZ - Warehouse has been rented to a non-related party during the financial year.

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Environmental Monitoring

Protecting the environment is on our list of priorities. To ensure we continue to operate within permissible regulatory limits, we continue to carry out environmental monitoring assessment periodically by independent qualified consultants. The findings are submitted to the government agencies to provide independent verification of our environmental results.



Waste Management

Our policy is to reduce as far as possible all waste generated by our operations, and to maximise our recycling rate. We practice the 3R (Reduce, Reuse and Recycle) approach in which we segregate recyclables including reusable waste. With this, we managed to reduce considerable amount of waste being disposed to domestic waste collection by the local council. To facilitate waste segregation, we provide several bin types for different recyclable waste comprising paper & cardboard, plastics, cans and glass at several locations. We collaborate with a local non-governmental organisation (“NGO”) and contribute our reusable waste to them on a periodic basis.

In addition to the above, the scheduled waste from our manufacturing processes is managed in accordance with the Environmental Quality (Scheduled Waste) Regulations, 2005. Scheduled waste generated is properly stored and labelled and disposed in every six months, or as and when it reaches a certain quantity. We only appoint contractors who are licensed by the DOE to collect and transport the scheduled waste for treatment prior to disposal.

	Scheduled Waste (KG)		
	FY 2022	FY 2021	FY 2020
SW 409	927	2,183	1,198
SW 410	32	10	158
SW 417	2,248	1,338	1,114
SW 306	910	310	-

Waste Code	Name of Waste
SW 409	Contaminated paint containers
SW 410	Contaminated gloves & rags
SW 417	Waste of paints
SW 306	Spent of hydraulic oil

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SOCIAL AND RELATIONSHIP CAPITAL

Customer Engagement

Our customers are our top priority. We recognise that happy customers are repeat customers who also serve as the best ambassador. Measuring customer’s satisfaction enables us to better meet their needs, build their loyalty and boost our brand reputation. Over the years, our customer engagement methods have become stronger and more efficient.

Our customer engagement methods inclusive of the following:




Customer Satisfaction Survey
We conduct customer satisfaction survey once a year which forms a key engagement channel with this important stakeholder group to ensure our products and services achieved above-average scores that meet the needs and specifications of customers.



Events and Activities
The Group attend trade fairs and exhibition to communicate with customers. However, due to COVID-19 pandemic, marketing events, conferences and face-to-face meetings have been largely restricted or cancelled.



Meeting
Our sales & marketing team frequently interacts with customers to ensure that we keep abreast of the latest developments and market trends. It is our intention to reduce physical interaction during the COVID-19 pandemic, however, if physical interaction is unavoidable, our sale & marketing team shall strictly comply to our internal COVID policies and procedures, and also to comply with customer’s COVID-19 related procedures.



After Sale Services
Good after sales service helps improve long term brand image and loyalty. Our teams are always ready and have efficient support services to provide and share technical knowledge on the products when required.

Compliance

At AYS, we promote a culture of compliance by ensuring strict adherence to laws and regulations to maintain our license to operate. In meeting the legalities outlined by national laws, the Group complies with the following general regulatory requirements related to the trading and manufacturing industry listed in the table below. Legislations we adhere to include but are not limited to:

Economic	<ul style="list-style-type: none"> ✓ Employment Act 1955 ✓ Companies Act 2016 Minimum Wage Order 2016
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Environmental	<ul style="list-style-type: none"> ✓ Environmental Quality Act 1974 ✓ Environmental Quality (Scheduled Wastes) Regulations 2005 ✓ Environmental Quality (Clean Air) Regulations 2014
Social	<ul style="list-style-type: none"> ✓ Fire Services Act 1988 ✓ Occupational Safety and Health Act 1994 ✓ Factories and Machinery Act 1967

In FY2022, we recorded zero non-compliance with environmental laws and regulations.

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Quality Management

High quality products and services are an integrated part of AYS's management system.

We uphold stringent standards and certifications across all our business processes to improve our products' reliability, durability and performance of our products. We maintain strict compliance with the quality and operations system certifications as part of an annual assurance to our stakeholders on our commitment towards meeting our customer requirements.

As part of our ongoing initiatives to achieve our customers' continued trust and confidence in the quality of our products and services and customer satisfaction in all elements of our business, we maintain our certification to the following standards for the Group and our three subsidiaries. These certifications are accredited by Standards Malaysia and the United Kingdom Accreditation Service (UKAS) and certified Bureau Veritas Certification (Malaysia) Sdn Bhd.

Our entities are ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified.

Supply Chain Management

Building an effective sustainable supply chain management helps to increase the efficiency of productivity, at a significant cost savings and minimises the Group's operational and financial risk, while always remaining in compliance with our Code of Ethical Conduct.

AYS relies on hundreds of suppliers to ensure smooth business activities across its operation. Thus, we have incorporated sustainability policies and create a cascade of sustainable practices into our procurement strategy to build a robust, reliable and sustainable supply chain. We promote fair business practices and compete in an ethical manner as well as ensure all suppliers and vendors are given fair and equal opportunities to conduct business with us.

Prior to appointment, all suppliers and vendors undergo a screening process against a set of criteria to ensure parties will be able to deliver quality products. Once appointed, all suppliers and vendors are subject to regular performance evaluations to ensure we continuously engage with high-performing partners who are able to assist us in meeting customer expectations.

As a customer-centric organisation, the Group strives to constantly explore the global procurement opportunity as well as making purchases from local suppliers in response to the requirements and needs from our customers as they support our services in trading and manufacturing of steel and construction materials.

While we may not have an official policy to enforce preferential selection of local suppliers, we are aware of our responsibility wherever possible as an effort to create domestic employment, support local businesses and reduce the carbon footprint from overseas shipment.

The quality and cost of the products that we procure play an important part in our business's sustainability and profitability. While trying to achieve profitability, we also promote sustainability of the local businesses by using local procurement sources whenever possible. AYSFZ and AYSM sources majority of the products from local suppliers. As for AYSH and CHY, we mainly source our supplies from international suppliers, mainly due to product availability that the local suppliers are unable to supply and cost efficiency.

	FY 2022		FY 2021		FY 2020	
	L	NL	L	NL	L	NL
	%	%	%	%	%	%
AYSFZ	100	-	100	-	100	-
AYSM	100	-	100	-	100	-
CHY	44	56	55	45	34	66
AYSH	4	96	12	88	12	88

*L= Local Suppliers, NL = Non-Local Suppliers

Community Development

Engaging with the local communities in which we operate enables us to meet their needs and create long-term positive impacts. We strive to build sustainable communities through CSR activities, allowing us to give back to society.

Our CSR programmes also serve as an avenue for employee volunteerism and strengthening the relationships and morale among our employees in the workplace.

SUSTAINABILITY STATEMENT

CONT'D

During the financial year under review, most of our planned programmes were put on hold due to COVID-19 pandemic. Nevertheless, we still made various contributions, both monetary and non-monetary during these difficult times.

Our compassion to social responsibility also included local relief efforts by providing pragmatic financial support to the victims inundated by flash floods which hit Klang Valley during end-December 2021. With many of our employees residing in Klang, one of the worst flood-affected areas, we had also organised an emergency relief contribution to the affected employees to rebuild their properties and lives.



We have also conducted a blood donation campaign at our HQ office. The purpose of this campaign is to raise awareness and understand the importance of blood donation among our employees.

We have engaged with Hospital Tengku Ampuan Rahimah Klang for this campaign and managed to donate 32 bags of blood in this event where potentially these 32 bags of blood could help to save up to 96 human lives.

CONCLUSION

Throughout FY2022, we continued to make progress, measure and report on our economic, environmental and social journey. Through our talent development programme, we emphasise our commitment to developing, engaging and empowering our employees. We have demonstrated our commitment to our employees with emphasis on employees' health and safety, employees' satisfaction via surveys, diversity and inclusion. We have also been taking the appropriate measures to reduce the usage of energy and water and reduce the waste generated from our operations. In addition, we continue to invest in product development which contributing to better solutions for our customers and enhance our foundation for organic growth. As we step into FY2023, sustainability remains at the forefront of our business agenda. We will ensure that we maintain high standards of compliance and ethics in all our business practices, while striking a balance between EES factors in charting our business strategies as well as building the Group's resilience against current and future challenges, and contributing to the well-being of the community.

