



Versalink Holdings Limited

(201411394N)

SUSTAINABILITY REPORT 2023



“Shaping Together
A Sustainable Future”

WHAT'S INSIDE



This sustainability report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made, or reports contained in this sustainability report.

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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ABOUT THIS REPORT

Reporting Framework

We have selected the Global Reporting Initiative (“GRI”) Standards as our reporting framework as we believe that it provides robust guidance and is widely accepted as a global standard for sustainability reporting. This report has been prepared in accordance with the GRI Universal Standards 2021. This report complies with Rules 711A and 711B of the Catalist Rules, as well as Practice Note 7F of the Catalist Rules on Sustainability Reporting Guide.

Reporting Process

The material environmental, social and governance (“ESG”) factors are identified through a materiality assessment process using the GRI Standards.

Report Content & Quality

This report highlights Versalink Holdings Limited (the “Company” or “Versalink”, and together with its subsidiaries, the “Group”) ESG performance for the financial year ended 28 February 2023 (“FY2023”), covering the material ESG factors across the operations of the following key subsidiaries in the Group:

Key Subsidiaries	Country of Operation
Jemaramas Jaya Sdn Bhd	Malaysia
Versalink Marketing Sdn Bhd	Malaysia

We have determined the content of this report by applying GRI’s principles of stakeholder inclusiveness, sustainability context, materiality and completeness.

The content of this report has been prepared using GRI’s principle of accuracy, balance, clarity, comparability, reliability and timeliness to help stakeholders assess our sustainability performance.

The ESG data provided in this report covers our offices and manufacturing facilities in Malaysia. The majority of data is collected from primary sources.

Financial figures are in Ringgit Malaysia unless specified otherwise.

“We have relied on internal verification to ensure the accuracy of data”

Exclusions

The ESG performances of other subsidiaries of the Group have not been included in this report as they were considered immaterial due to insignificance of scale and operations.

Performances of our suppliers and customers in our value chains are also excluded from this report as we do not have any operational control or access to their ESG data.

Restatements

There was no restatement of information in the reporting period.

Assurance

The accuracy and reliability of the data contained in this report have been conveyed in good faith and to the best of our knowledge, and the information provided has been ensured by internal monitoring and verification. Internal review on sustainability reporting process has been conducted by the Company’s Internal Auditor in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

We have not obtained external assurance for this sustainability report.

Availability

This report, published independently from our Annual Report FY2023, is available for download in PDF form on SGX’s website and our corporate website at www.versalink.com.

Feedback

We welcome stakeholders’ input on this report at sustainability@versalink.com.

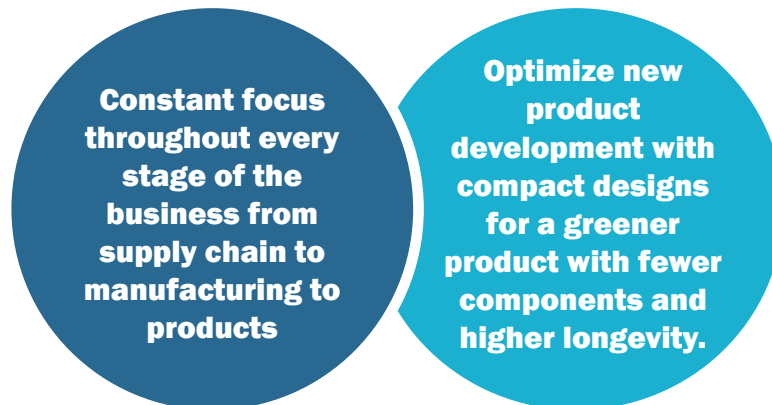
OUR APPROACH TO SUSTAINABILITY

Over the years, Versalink is committed to fostering a corporate culture that includes ethical, fairness and eco-logical responsibility that makes a winning pioneer in terms of sustainability as these characteristics are increasing crucial for tomorrow's world while conducting our day-to-day business activities.

Our sustainability approach is international. Environmental responsibility starts from product development stage during which we place emphasis in our design and choosing the right materials efficiency that not only enables high-quality products but with high usage value. We make our products repair friendly with durable spare parts and they are easy to disassemble, constituting an effective process and usage of the resources.

We also monitor our supply chain regularly to ensure that we are committed to practice the correct principles that impact our environmental performances. We take into consideration the expectations of our key stakeholders and actively work with our trade customers to understand and respond to their sustainability priorities globally. Our business goal is to improve the products' life sustainability thus obtaining customers' satisfaction.

At Versalink, we recognize that climate change poses a significant threat to our ecosystems, economies, and societies worldwide. We will highlight new objectives to support the fight against climate change in our next sustainability report 2024 as we implement measures to combat climate change, reduce our environmental impact and contribute to a more sustainable future for the next generation.



Board Statement

Versalink is committed to upholding the highest standards of ethics and integrity while conducting its business activities. The Group takes its ESG responsibility seriously and ensure compliance with the applicable laws and regulations.

The Board of Directors of the Company (the **"Board"**) considers sustainability issues as part of strategic formulation. The Board endorses the material ESG factors presented in this report, while the management of the Company is responsible for ensuring that these material ESG factors are monitored on an ongoing basis and properly managed. The Board also provides oversight of the management and monitoring of these material ESG factors, through periodic review of the key performance indicators.

Sustainability Strategy

Our sustainability strategy is in line with our core focus of our operations. It is to deliver safe and cost effective products to our customers, whilst protecting the environment. We strive to keep up with various relevant developments and innovations in the office furniture industry whilst creating value across our material ESG factors.

We perform as such by understanding our stakeholders' expectations and being committed to upholding good corporate governance, reducing our negative environmental impacts and enhancing our positive impacts on the economy and our stakeholders.

Sustainability Governance

The Board considers sustainability issues as part of strategic formulation. The Board is supported by the Group's Sustainability Working Group (includes the Chief Financial Officer and the Operation Manager of the Company) that is led by our Executive Director and Group Chief Executive Officer, Mr Matthew Law.

The Board endorses the material ESG factors presented in the report, whilst the Group's Sustainability Working Group is responsible for ensuring that these material ESG factors are monitored on an ongoing basis and properly managed.

Board Diversity Policy

Board diversity characteristics in terms of gender, age, and board composition are key influences towards the Company's sustainability practice. The board composition of Versalink is shown below:

Board Independence Diversity	Number of Headcount	Percentage (%)
Independent Director	2	40%
Non-independent Director	3	60%
Total	5	100%

Board Gender Diversity	Number of Headcount	Percentage (%)
Male	4	80%
Female	1	20%
Total	5	100%



Sustainability Risks and Opportunities

The following table summaries the risks and opportunities of the material ESG factors:

Materiality ESG Factors	Risks	Opportunities
Energy Consumption	High consumption will lead to increase in electricity cost and greenhouse gas emissions	Reduce electricity cost and GHG emissions while creating jobs and improving public health
Greenhouse Gas (GHG) Emissions	Non-compliance with regulatory will lead to regulatory fines and reputation damage	Reduce GHG emissions while creating jobs and improving public health
Waste	Non-compliance with regulatory will lead to regulatory fines and reputation damage	Reduce, recycle and reuse waste while creating jobs and improving public health
Environmental Compliance	Non-compliance with regulatory will lead to regulatory fines and reputation damage	Reputation as a safe and reputable company attracts investors and employees
Attract, Develop and Retain Talent	Challenges in recruiting the right talent and also in retaining the right talent	Gaining a competitive advantage in having a diverse pool of employees with various skills and experiences
Occupational Health and Safety	Accidents and injuries lead to regulatory penalties and reputational damages	Reputable company attracts investors and employees
Human Rights	Non-compliance with regulatory will lead to regulatory fines and reputation damage	Reputation as a safe and reputable company attracts investors and employees
Local Communities	Estranged relationship with local communities may lead to unawareness of the Group's sustainable actions	Social responsibility programmes increased visibility and safeguard reputation
Economic Performance	Closure or winding up of the Company and loss of employment for the employees	Dividends distributed to the stakeholders and bonus given to the employees
Anti-Corruption	Corruption leads to regulatory fines, reputation damages, prison sentences, and incurring substantial legal fees	Anti-corruption programmes mitigate legal, commercial and reputational risk
Socio-Economic Compliance	Non-compliance with regulatory will lead to regulatory fines and reputation damage	Reputable company attracts investors and employees

	Material Factors	Time Horizon	Impact Boundary	Our Involvement	Management Approach & Action Plan
Environment	Energy Consumption	Mid Term	Use of electricity in offices, factories and retail stores Diesel and petrol consumption of on-site equipment and company vehicles	Direct	Minimize our energy consumption <ul style="list-style-type: none"> • Use of LED lightings in production areas • Replace older devices with new energy efficient ones
	Greenhouse Gas (GHG) Emissions	Long Term	Our carbon dioxide emissions are attributable to electricity and fuel consumption	Direct	Minimize our carbon emissions footprint <ul style="list-style-type: none"> • Optimizing delivery trips, the loading volume of each lorry will be increased • Better packing sizes that allow safe and volume-optimized dispatch
	Waste	Long Term	Waste is generated mainly in our manufacturing facilities	Direct	Reduce, recycle and reuse waste safe disposal of hazardous waste <ul style="list-style-type: none"> • Continue to practice Reduce, Recycle and Reuse waste
	Environmental Compliance	Short Term	Applicable across the Group	Direct	Ensure compliance with applicable environmental regulations <ul style="list-style-type: none"> • No incident of non-compliance with applicable environmental laws
Social	Attract, Develop and Retain Talent	Mid Term	Applicable across the Group	Direct	Hire the best talent <ul style="list-style-type: none"> • Provide a good working environment to employees • Provide competitive remuneration package • Provide ongoing training and career advancement opportunities to employees
	Occupational Health and Safety	Short Term	Mainly applicable to our manufacturing operations	Direct and Indirect	Ensure health and safety of all employees at work <ul style="list-style-type: none"> • Zero-accident workplace

	Material Factors	Time Horizon	Impact Boundary	Our Involvement	Management Approach & Action Plan
Social	Human Rights (non-discrimination, forced labour, child labour, freedom of association and collective bargaining)	Long Term	Mainly relevant to our manufacturing operations and supply chain	Direct and Indirect	<p>Committed to protect human rights in accordance with applicable national laws and international conventions</p> <ul style="list-style-type: none"> • No incident of non-compliance with our human rights policies
Communities	Local Communities	Short Term	Applicable across the Group	Indirect	<p>Be a responsible corporate citizen</p> <ul style="list-style-type: none"> • Contribute to the development of local communities through Corporate Social Responsibility Activities
Economic	Economic Performance	Long Term	Applicable across the Group	Direct	<p>Long-term sustainable growth of business with consistent value creation</p> <ul style="list-style-type: none"> • Improve financial performance to achieve profit
	Anti-Corruption	Mid Term	Applicable across the Group	Direct	<p>Maintain zero-tolerance to corruption</p> <ul style="list-style-type: none"> • No incidents on non-compliance with anti-corruption regulations
	Socio-Economic Compliance	Short Term	Applicable across the Group	Direct	<p>Ensure compliance with applicable laws and regulations</p> <ul style="list-style-type: none"> • No incidents on non-compliance with applicable socio-economic regulations

STAKEHOLDERS ENGAGEMENT

We engage with our key stakeholders throughout the year in the course of our business. We consider our trade and retail customers, suppliers, employees, government and regulators, local communities and shareholders as our significant stakeholders as their opinion may have a material impact on our business.

We maintain ongoing engagement with our key stakeholders. Feedback from stakeholders helps us respond to their expectations and concerns more effectively. We have summarized our stakeholder engagement in the table below.

Stakeholders	Their Expectations	How We Engage	How We Respond
<ul style="list-style-type: none"> Trade Customers and their end customers Retail Customers 	<ul style="list-style-type: none"> Value for money Stylish and aesthetic design High-quality material Green material Good craftsmanship Timely delivery 	<ul style="list-style-type: none"> Regular meetings and communication Regular visits to trade customers Factory audits Visits to our stores (retail customers) Marketing communications, website, and digital media 	<ul style="list-style-type: none"> Investment in research and development Well-equipped design studio and talented designers Stringent quality assurance process
<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Personal and professional development Workplace safety 	<ul style="list-style-type: none"> Performance appraisal Training Team meetings Company events 	<ul style="list-style-type: none"> HR policies to promote a conducive work environment, fair employment practices and people development Occupational health and safety system
<ul style="list-style-type: none"> Suppliers 	<ul style="list-style-type: none"> Regular business Long-term relationship Clarity of specifications Timely payment 	<ul style="list-style-type: none"> Meetings and electronic communications Purchase orders and agreements 	<ul style="list-style-type: none"> Establish fair selection process Pay as per agreement
<ul style="list-style-type: none"> Government and Regulators 	<ul style="list-style-type: none"> Regulatory compliance Taxes 	<ul style="list-style-type: none"> Inspections and meetings Circulars and notices Regulatory filings 	<ul style="list-style-type: none"> Adhere to the applicable laws and regulations Maintain the necessary records
<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Support for local communities Responsible business operations 	<ul style="list-style-type: none"> Community development initiatives 	<ul style="list-style-type: none"> Commitment to corporate social responsibility
<ul style="list-style-type: none"> Shareholders 	<ul style="list-style-type: none"> Regular on investment Sustainable business growth Good governance 	<ul style="list-style-type: none"> Board meetings Annual General Meeting Investor Relations briefings 	<ul style="list-style-type: none"> Ensuring good corporate governance Prudent business and financial planning Risk management

Membership of Associations

We engage with the following relevant trade associations through membership and attending their events. We play an active role in the Kuala Lumpur and Selangor Furniture Association, the official representative body of Malaysia's furniture and furnishings industry.

- Malaysian Furniture Council
- Malaysian Timber Industry Board
- Federation of Malaysian Manufacturers
- Kuala Lumpur and Selangor Furniture Association

Our Executive Director and Group Chief Executive Officer, Mr. Matthew Law, is currently on the Board of Trustee of the Malaysian Timber Council and he is also the Secretary General of the Malaysian Furniture Council and the President of the Kuala Lumpur and Selangor Furniture Association.

VISION, MISSION AND CORE VALUES

Vision

Our Ultimate Vision is to become a conscious-centred ethical global company, where we incorporate social goals in all our business goals, so as to maximize improvements in financial, social and environment well being for all our stakeholders and the Mother Earth.

Mission

Our Mission is to create good impact in all that we do, through conscious business ethics where we develop best business practices and policies that lead use to operate based on Higher Consciousness decision-making and actions, and to experience higher levels of success, a more satisfied workforce, growth and longevity. We practice mindful awareness and do what is best for the whole by considering the impact on our employee, customers, suppliers, shareholders, the environment, and our community for each choice we made, so as to ensure a strong foundation of integrity, support, good-will and ethical behaviour in businesses.



Core Values

Act with Integrity

We believe that everything starts with integrity. We act with integrity and being honest, doing the right thing even no one is watching.

Respect Ourselves and Others

We treat ourselves and others with dignity and respect, while being tolerant and accepting of differences. We are mindful of our own thoughts, words and action at all times.

Keep Our Commitments

We keep our commitments by leading ourselves to do our best. We persevere and never give up.

Being Responsible

We believe that we ourselves are responsible for everything that we do and every outcome of our own thoughts, words and actions. We do not blame others. We work together to achieve our goals as a team towards our common vision and goals.

Positive Attitude

We believe that with the right mental attitude while staying positive at all times, everything is possible. With this, we would then be able to achieve prosperity in our lives, not only financially, but also love, health and happiness for ourselves and the people around us.

Sharing and Caring

It is our nature and joy to share and care. We believe that we have the abundance of wealth, knowledge, skills and experiences to share with everyone.

Strive to Be More

We always strive to be more through action, learning, experiencing and growing.

ESG PERFORMANCE AND TARGETS

Material ESG Factors	FY2023 Target	FY2023 Performance	FY2024 Target
Energy Consumption	<ul style="list-style-type: none"> • Use of LED lightings in production areas • Replace older devices with new energy efficient ones 	✓ Target Met	To keep energy consumption intensity within 0.04 Mwh Turnover
Greenhouse Gas (GHG) Emissions	<ul style="list-style-type: none"> • Optimizing delivery trips, the loading volume of each lorry will be increased • Better packing sizes that allow safe and volume-optimized dispatch 	✓ Target Met	To keep GHG emissions intensity within 0.03 tCO ₂ e / Turnover
Waste	<ul style="list-style-type: none"> • Continue to practice Reduce, Recycle and Reuse waste 	✓ Target Met	To keep total disposal waste intensity within 4kg / Turnover
Environmental Compliance	<ul style="list-style-type: none"> • No incident of non-compliance with applicable environmental laws 	No Reported Incident ✓ Target Met	To maintain zero incident on non-compliance with applicable environmental laws
Attract, Develop and Retain Talent	<ul style="list-style-type: none"> • Provide a good working environment to employees • Provide competitive remuneration package • Ongoing training and career advancement opportunities to employees 	✓ Target Met	To achieve less than 10% turnover rate
Occupational Health and Safety	<ul style="list-style-type: none"> • Zero-accident workplace 	No Reported Incident ✓ Target Met	To maintain zero fatalities
Human Rights (non-discrimination, forced labour, child labour, freedom of association and collective bargaining)	<ul style="list-style-type: none"> • No incident of non-compliance with our human rights policies 	No Reported Incident ✓ Target Met	To maintain zero incident of non-compliance with our human rights policies

Material ESG Factors	FY2023 Target	FY2023 Performance	FY2024 Target
Local Communities	<ul style="list-style-type: none"> Contribute to the development of local communities through Corporate Social Responsibility Activities 	<p>✓ Target Met</p>	To complete / execute at least one CSR activity
Economic Performance	<ul style="list-style-type: none"> Improve financial performance to achieve profit 	<p>✓ Target Met</p>	To achieve budgeted net profits
Anti-Corruption	<ul style="list-style-type: none"> No incidents on non-compliance with anti-corruption regulations 	<p>No Reported Incident ✓ Target Met</p>	To maintain zero incidents on non-compliance with anti-corruption regulation
Socio-Economic Compliance	<ul style="list-style-type: none"> No incidents on non-compliance with applicable socio-economic regulations 	<p>No Reported Incident ✓ Target Met</p>	To maintain zero incidents on non-compliance with applicable socio-economic laws or regulations



ENVIRONMENT

Climate change has profound implications for both society and business. We have not yet included climate-related disclosures that are aligned with the recommendations of Task Force on Climate-related Financial Disclosure (“TCFD”) in this report, as we are still in the midst of conducting a thorough assessment of the climate-related risks that are relevant to our operations. We are committed to adopt a phased approach to climate risk assessment and related financial disclosures, as well as to commence climate reporting.

We are committed to the responsible use and protection of the natural environment through conservation and sustainable practices. We strive to reduce the environmental impact of our manufacturing operations by substituting raw materials with environmentally friendly alternatives. Besides adopting environmentally friendly internal guidelines on electricity, water, power and paper conservation, we also issue periodic internal newsletters that feature articles on environmental preservation.

We have implemented a comprehensive environmental management system in our facilities to protect the environment and make continuous improvement. Assessing environmental risks, taking preventive measures, employee training, setting goals and targets are integral parts of our environmental management efforts. We strive to adopt environmental best practices aimed at pollution control, process improvement and efficient utilization of materials and to reduce and recycle waste in all our activities and products. We have programmes in place to increase employee awareness about environmental issues through training.

Sustainable Materials

Versalink aims for forest sustainability. To minimize the impact on the environment, we use raw material ethically sourced from sustainably-managed forests. We also use recycled materials where possible. We have also removed banned chemicals, identified by the industry as harmful to human health or the environment, from our production processes. We use high-grade lacquers, paints, coatings and solvents with low lead content. We use high-quality resins and glue in our production processes to minimize formaldehyde emissions.

The Group has obtained PEFC requirement and is committed to:

- Assure the integrity and validity of the PEFC COC system and its certified products
- Avoid purchase and sales of the timber products from controversial sources
- Sustain the forest resources through the implementation and maintenance of PEFC system practices
- Provide employment opportunities and give the job to local people living within the vicinity of the manufacturing plant
- Provide equal opportunities to all and avoid discrimination of gender, job treatment, forced labour and child labour
- Maintain and reserve the right of the workers according to the Convention 87 & 98 of the ILO
- Create awareness among the employees who perform activities related to PEFC and provide adequate training to ensure compliance with the PEFC COC requirement
- Utilize the PEFC logo according to the requirement of MTCS / PEFC as specified in the document of MTCC / PEFC logo

Versalink has also obtained the following certificates:

CERTIFICATIONS

Versalink is the certificate holder of ISO9001 and ISO14001. We use raw material ethically sourced from sustainably managed forest for certified chipboards from reputable certification bodies such as the **Forest Stewardship Council (FSC)** and **Programme for the Endorsement of Forest Certification (PEFC)** to show our commitment to environment preservation and sustainability.



ISO 9001
Quality Management System



ISO 14001
Environmental Management



FSC
Chain of Custody



PEFC
Chain of Custody



MFC
Membership

Greenhouse Gas (GHG) Emissions

Our GHG emissions result from the use of electricity, petrol and diesel. We strive to minimize our GHG footprint by improving energy efficiency. We have started measuring and monitoring the carbon dioxide (CO₂) emissions from our energy consumption.

Our GHG emissions profile for current and last reporting year is as follows:

GHG Emission	Unit	FY2023	FY2022
Total GHG Emission	tCO ₂ e	1,172	1,017
GHG Scope-wise Emission			
GHG Scope 1	tCO ₂ e	—	—
GHG Scope 2 ⁽¹⁾	tCO ₂ e	1,172	1,017
Percentage (%)			
GHG Scope 1	Proportion	0%	0%
GHG Scope 2	Proportion	100%	100%
Intensity			
Total GHG Emission	tCO ₂ e / Turnover (RM'000)	0.026	0.027
GHG Scope-wise Intensity			
GHG Scope 1	tCO ₂ e / Turnover (RM'000)	—	—
GHG Scope 2	tCO ₂ e / Turnover (RM'000)	0.026	0.027

1 The GHG emission factors are from Malaysia Energy Information Hub - Grid Emission Factor (GEF) in Malaysia, 2017 - 2019.

Energy

Our approach is to continuously improve our energy efficiency to reduce our environmental footprint and to lower costs. Our energy consumption includes electricity, petrol and diesel. We use electricity in our offices, warehouses and stores for lighting, air-conditioning and to run equipment and all employees are taught to conserve energy by turning off the lighting and airconditioning during breaks and after working hours. Petrol is used in company vehicles, and diesel is used in company vehicles and equipment such as backup power generators.

Energy Consumption	Unit	FY2023	FY2022
Total Energy Consumption	Mwh	1,503	1,439
Intensity			
Total Energy Consumption	Mwh / Turnover (RM'000)	0.034	0.038

Water

Our operations do not require significant amount of water. However, we understand the importance of conserving water. We monitor our water use and strive to use it more efficiently.

Water Consumption	Unit	FY2023	FY2022
Total Water Consumption	Cubic Meter (m ³)	4,060	1,297
Intensity			
Total Water Consumption	Cubic Meter / Turnover (RM'000)	0.091	0.034

Waste

In line with our eco-design philosophy, all our products are designed to minimize waste. Waste is generated primarily in our manufacturing facilities.

Our hazardous waste includes chemical waste consisting of solvents, paints, inks, lacquer, contaminated cotton rags and chemical drums. We have procedures in place for the segregation, storage and disposal of wastes as required by local regulations. The Company practices Reduce, Reuse, and Recycle in the Company.

Waste Disposed	Unit	FY2023	FY2022
Total Disposed Waste	KG	125,303	139,491
Hazardous Type			
Non Hazardous Waste	KG	125,160	139,291
Hazardous Waste	KG	143	200
Percentage (%)			
Non Hazardous Waste	Proportion	99.89%	99.86%
Hazardous Waste	Proportion	0.11%	0.14%
Recyclable Type			
Recyclable	KG	17,160	31,291
Non-Recyclable	KG	108,143	108,200
Percentage (%)			
Recyclable Type			
Recyclable	Proportion	13.69%	22.43%
Non-Recyclable	Proportion	86.31%	77.57%
Intensity			
Total Disposed Waste	KG / Turnover (RM'000)	2.795	3.693
Hazardous Type			
Non Hazardous Waste	KG / Turnover (RM'000)	2.792	3.688
Hazardous Waste	KG / Turnover (RM'000)	0.003	0.005
Recyclable Type			
Recyclable	KG / Turnover (RM'000)	0.383	0.829
Non-Recyclable	KG / Turnover (RM'000)	2.412	2.864

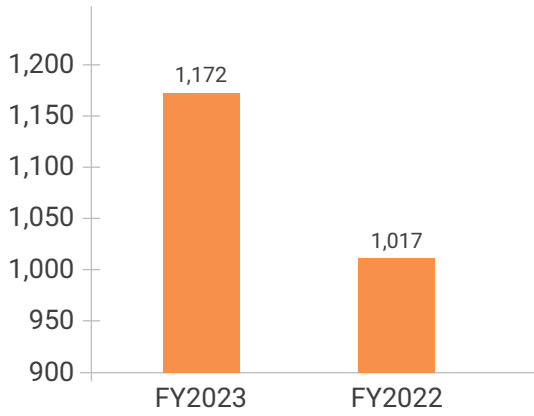
Environmental Compliance

We are committed to complying with applicable environmental laws and regulations in countries where we have operations. There were no known or reported breached or violations of environmental rules in the reported period.

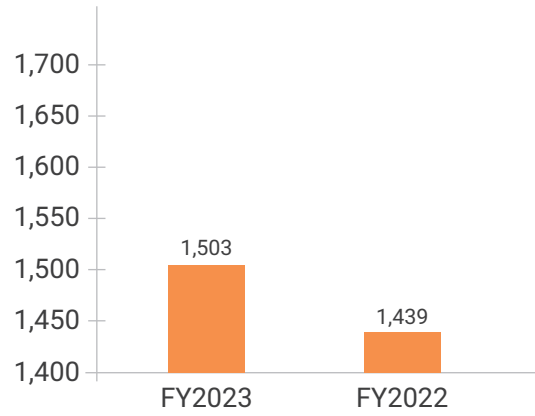
Versalink is committed to sustainable growth of its business by leaving a positive footprint in the communities where we operate our business. The welfare of the local communities is an integral part of our approach to sustainability. We believe in nurturing trusted partnership with the local communities where we operate our business.

“We take action to mitigate the impact of our activities on climate change”

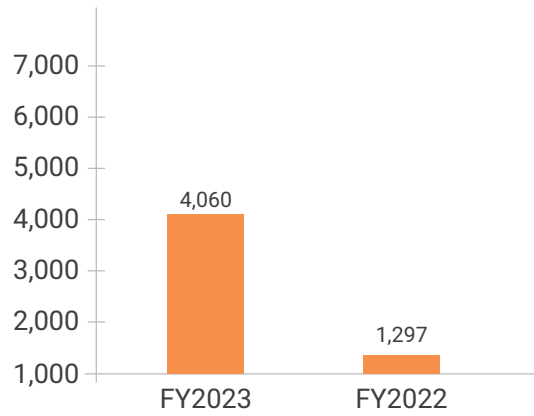
Total GHG Emission (tCO2e)



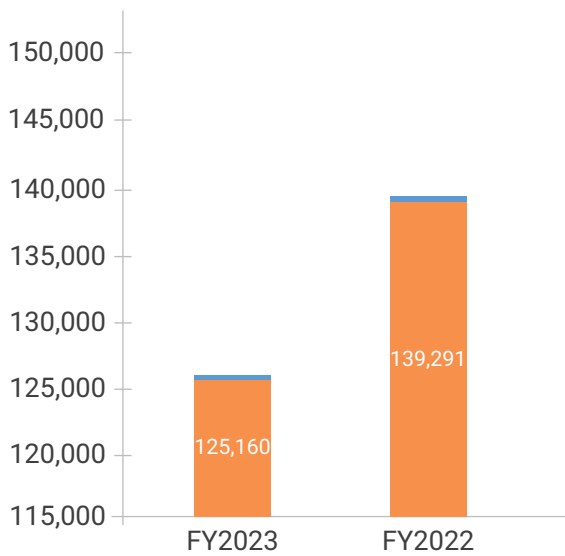
Total Energy Consumption (Mwh)



Total Water Consumption (m3)

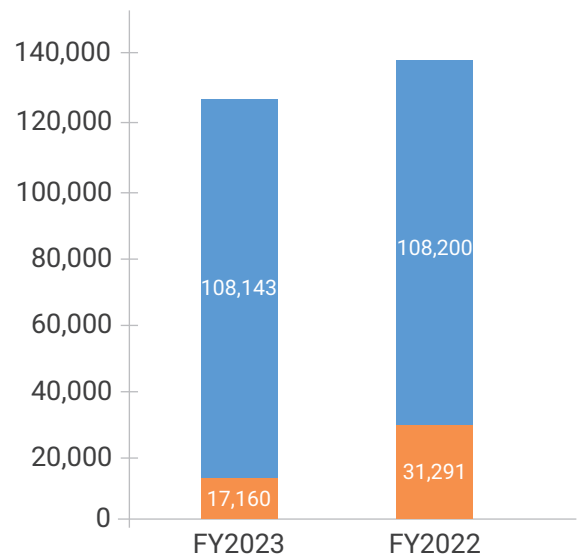


Waste Disposed (KG)



● Hazardous Waste ● Non Hazardous Waste

Waste Disposed (KG)



● Non-Recyclable ● Recyclable

PEOPLE

Employees

As at the end of FY2023, we employed 266 people across our operations in Malaysia. There were no contract employees and temporary or part-time employees in the reported year.

Training

It is crucial that our employees have the right skills and opportunities to continuously upgrade their skills and knowledge to be productive and efficient. We have implemented a comprehensive training policy to ensure ongoing learning and development of our employees at all levels. Continual on-job training is practiced in the whole Company throughout the year.

The HR department prepares an annual training plan for all employees in consultation with the respective head of departments. The training program includes topics based on a need assessment.

Benefits and Welfare

We comply with the local minimum wage regulations where we operate our factories. Versalink's full-time employees are eligible for a host of benefits in accordance with local laws. The employee benefits include annual leave, marriage leave, maternity leave, paternity leave, medical leave and insurance.

The Company also launches multiple recreational activities that include corporate social responsibility activities, annual dinner and team building. We also host events to celebrate various festivals and year-end party.

Human Rights

We respect and uphold human rights in accordance with national laws and international conventions including the International Labor Organization's (ILO) standards. Our policies prohibit child labor, forced labor and discrimination in our operations.

There were no known or confirmed incidents of child labor, forced labor, discrimination or violation of workers' right to freedom of association in the reported period.

Grievance Resolution

We have implemented a grievance resolution mechanism in our facilities to ensure fair and transparent resolution of grievances filed by workers. We also encourage open communication between the managers and workers to promote harmonious working relations and to minimize complaints.

Employee Turnover

Our approach is to attract and retain the most suitable talent to support our business growth and to ensure quality and productivity to meet our customers' expectations.

Performance Management

We recognize and objectively reward performance of our employees. We have implemented a comprehensive appraisal system to assess the performance which covers all employees.

Diversity

We are committed to building a diverse, inclusive and collaborative culture. We recognize and embrace the benefits of diversity on the Board, and view diversity at the Board level as an essential element in supporting the attainment of our strategic objectives and our sustainable development. The current Board comprises Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as age and gender so as to avoid group thinking and foster constructive debate.

For our workforce, we employ qualified candidates without any discrimination against age, gender, race, marital status, nationality or religion. We are committed to maintaining a talented, dedicated and diverse workforce and to providing equal opportunities in employment.

Local Communities

We support various services and activities within our community. We have made donations and provided sponsorships to schools. We are proud to announce our recent donation of 297 storage cabinets to Sekolah Jenis Kebangsaan (C) Sungai Buloh, an educational institution, situated in Sungai Buloh, Selangor. This contribution is part of our ongoing commitment to support educational institutions and enhance the learning environment for students. We recognize that the quality of education is influenced by various factors, including access to suitable infrastructure and resources. By donating these storage cabinets, we aim to alleviate some of the challenges faced by Sekolah Jenis Kebangsaan (C) Sungai Buloh, providing them with a valuable asset that will enhance their educational facilities.

"Supporting good cause by donating and also we are helping the environment."

Current employment by position:

Employment Position		FY2023	FY2022
Operation, Support, Workers	Number of persons	219	221
Executive	Number of persons	26	29
Middle Management	Number of persons	17	18
Top Management	Number of persons	4	4
Total		266	272
Percentage (%)			
Operation, Support, Workers	Proportion	82%	81%
Executive	Proportion	10%	11%
Middle Management	Proportion	6%	7%
Top Management	Proportion	2%	1%

Current employment by gender:

Employment by Gender		FY2023	FY2022
Male	Number of persons	228	234
Female	Number of persons	38	38
Total		266	272
Percentage (%)			
Male	Proportion	86%	86%
Female	Proportion	14%	14%

Current employment by age:

Employment by Aged Group		FY2023	FY2022
<30 years old	Number of persons	95	68
30 - 49 years old	Number of persons	155	181
>50 years old	Number of persons	16	23
Total		266	272
Percentage (%)			
<30 years old	Proportion	36%	25%
30 - 49 years old	Proportion	58%	67%
>50 years old	Proportion	6%	8%

New hires by gender:

New Hires by Gender		FY2023	FY2022
Male	Number of persons	108	139
Female	Number of persons	12	18
Total		120	157
Percentage (%)			
Male	Proportion	90%	89%
Female	Proportion	10%	11%

New hires by age:

New Hires by Aged Group		FY2023	FY2022
<30 years old	Number of persons	68	42
30 - 49 years old	Number of persons	50	109
>50 years old	Number of persons	2	6
Total		120	157
Percentage (%)			
<30 years old	Proportion	56%	27%
30 - 49 years old	Proportion	42%	69%
>50 years old	Proportion	2%	4%

Employee turnover by gender:

Employee Turnover by Gender		FY2023	FY2022
Male	Number of persons	68	161
Female	Number of persons	9	25
Total		77	186
Percentage (%)			
Male	Proportion	88%	87%
Female	Proportion	12%	13%

Employee turnover by aged group:

Employee Turnover by Aged Group		FY2023	FY2022
<30 years old	Number of persons	13	60
30 - 49 years old	Number of persons	54	117
>50 years old	Number of persons	10	9
Total		77	186
Percentage (%)			
<30 years old	Proportion	17%	32%
30 - 49 years old	Proportion	70%	63%
>50 years old	Proportion	13%	5%

Employee training:

Training		FY2023	FY2022
Total Training Hours	Hours	301	56
Total Number of Employee	Number of persons	266	272
Average Training Hours per Employee	Hours / Person	1.13	0.21
Training by Employment Position			
Operation, Support, Workers	Hours / Person	97	16
Executive	Hours / Person	121	26
Middle Management & Top Management	Hours / Person	83	14
Training by Gender			
Male	Hours / Person	190	35
Female	Hours / Person	111	21

Health and Safety

Versalink's approach to managing safety and health at work place is driven by a core belief in being a responsible business. Our senior management and managers are responsible for continuing to reduce risk and improving our performance in these areas. The health and safety committee has been set up to monitor the compliance of the safety and health standards with regular structured interactions between the management team and workers' representatives. Maintaining a strong focus on safety, health and hazards that could result in serious injuries or fatalities continues to be key for us. We continue to provide a conducive and safe work environment for our people and have undertaken various initiatives in compliance with the Occupational Safety and Health Act 1994 and other applicable laws and regulations. Even as we transition to an endemic phase of COVID-19, our workers are highly encouraged to mask on in the workplace to prevent any spread of the Omicron variant.

The Group is committed:

- To provide a safe and healthy working environment for all the workers
- To enhance the safety and health awareness among the workers and contractors towards safety practices within the Group
- To avoid unintended incidents / accidents and meeting the applicable safety and health regulations
- To comply with the local safety and health regulations

We have implemented a health and safety management system aimed at prevention of risks by taking appropriate measures and adopting safe work practices. In our furniture manufacturing facilities, the potential health and safety issues arise from use of machinery and tools, movement of bulky items, wood dust and chemical fume from spraying operations.

We provide the necessary personal protective equipment such as face masks, respiratory masks, safety glasses and safety gloves to employees engaged in manufacturing operations. Our facility employees receive regular training in operational safety.

To minimize the health effects of wood dust, our facilities are fitted with dust collector system and local exhaust ventilation mechanisms. Spraying operations are conducted in a secure booth to minimize the health hazards. We ensure all machinery, tools and equipment remain in good working order through regular maintenance and periodic inspections.

We have implemented procedures to collect and monitor health and safety data including the injury rate, accident frequency rate, occupational disease rate and fatality rate.

Chemical Safety

We carefully choose chemicals such as paints, resins, lacquers and solvents with lower led-content for our production processes to minimize the harmful effects on the health of our workers. We maintain Material Safety Data Sheets (MSDS) for all chemicals that are used in our production processes to ensure safety procedures are followed while handling these chemicals.

The Group reported health and safety injuries for FY2023 and FY2022 as follows:

Number of Health & Safety Injuries - Cases		FY2023	FY2022
Workplace Injuries	Number of case	10	13
Recordable Work - Related III Health Cases	Number of case	0	0
High Consequence Injuries	Number of case	0	0
Fatalities	Number of case	0	0
Percentage (%)			
Workplace Injuries	Proportion	100%	100%
Recordable Work - Related III Health Cases	Proportion	0	0
High Consequence Injuries	Proportion	0	0
Fatalities	Proportion	0	0

GOVERNANCE

At Versalink, we believe that good corporate governance and transparency form a foundation of the Company's long-term sustainability. We uphold the highest standard of professional conduct and accountability. Please refer to our Corporate Governance Report sets out in Annual Report FY2023 for more details.

Anti-Corruption

We are committed to conducting our business with integrity and honest. In line with our commitment to anti-corruption, we have established the following corporate policies and procedures:

- Anti-Bribery Policies and Procedures;
- Code of Ethics; and
- Whistle Blowing Policies and Procedures.

We are pleased to confirm the following for FY2023:

- there were no known or reported incidents and public legal cases related to corruption;
- no employees in Versalink have been dismissed or disciplined for corruption;
- no contracts with business partners were terminated or not renewed due to violations related to corruptions; and
- no whistle blowing reports were received.



ECONOMIC PERFORMANCE

Our commitment is to generate long-term economic value for our shareholders and stakeholders including our customers, employees, suppliers and the local communities.

Direct Economic Performance

A summarized version of our economic performance, obtained from our audited financial statements for FY2023, is provided in the table below.

For more information on our financial performance, please refer to the Company's Annual Report for FY2023 announced on SGXNet and the Company's corporate website.

ECONOMIC PERFORMANCE (RM'000)		
ECONOMIC PERFORMANCE INDICATORS	FY2023	FY2022
Revenue	44,837	37,775
Profit / (Loss), net of tax attributable to owners of the Company	15,797	(2,354)
Employee wages	11,596	10,040
Income tax expense	(286)	(36)

Indirect Economic Contribution

Our business activities generate significant direct and indirect jobs especially in Malaysia where we have established manufacturing facilities. Employee wages and taxes contribute to the local economies.

Suppliers

Our supply chain includes suppliers of raw material, mainly board, metal, components and paint products. We actively engage with our suppliers to ensure they adhere to our social, environmental and quality standards. Our standard procedure for evaluating suppliers includes assessment of their compliance with our social and environmental criteria. The social and environmental indicators included in the supplier assessment include health and safety, and environmental protection.



GRI CONTENT INDEX

GRI Reference	Disclosure	Reference	
General Disclosures			
Organisation Profile	102-1	Name of the organisation	Versalink Holdings Limited
	102-2	Activities, brands, products, and services	AR2023: 4, 14
	102-3	Location of headquarters	Malaysia
	102-4	Location of operations	AR2023: 5
	102-5	Ownership and legal form	AR2023: 110, 111
	102-6	Markets served	AR2023: 4
	102-7	Scale of the organisation	AR2023: 14
	102-8	Information on employees and other works	9-19
	102-9	Supply chain	22
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary principle or approach	3, 13-16
	102-12	External initiatives	2, AR2023: 20
	102-13	Membership of associations	9
Strategy	102-14	Statement from senior decision-maker	3, AR2023: 17-21
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	10, AR2023: 13
Governance	102-18	Governance structure	AR2023: 23-47
Stakeholder Engagement	102-40	List of stakeholder group	9
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	9
	102-43	Approach to stakeholder engagement	9
	102-44	Key topics and concerns raised	9
Reporting Practice	102-45	Entities included in the consolidated financial statements	AR2023: 14, 85
	102-46	Defining report content and topic boundaries	2, 3, 7-8
	102-47	List of material topics	7-8
	102-48	Restatements of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	2
	102-51	Date of most recent report	28 July 2022
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	2
	102-54	Claims of reporting in accordance with the GRI standards	2
Management Approach	102-55	GRI content index	23-24
	102-56	External assurance	2
	103-1	Explanation of the material topic and its Boundary	7-8, 21-22
	103-2	The management approach and its components	7-8, 21-22
	103-3	Evaluation of the management approach	7-8, 21-22

GRI CONTENT INDEX

GRI Standard	Disclosure	Reference	
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	22
	201-2	Financial implications and other risks and opportunities to climate change	5
Anti-Corruption	205-1	Operations assessed for risks related to corruption	5
	205-2	Communication and training about anti-corruption policies and procedures	21
	205-3	Confirmed incidents of corruption and actions taken	21
Environment			
Energy	302-1	Energy consumption within the organisation	14, 16
	302-3	Energy intensity	14, 16
	302-4	Reduction of energy consumption	11
Water	303-5	Water consumption	14, 16
Emissions	305-1	Direct (Scope 1) GHG emissions	14, 16
	305-2	Energy indirect (Scope 2) GHG emissions	14, 16
	305-3	Other indirect (Scope 3) GHG emissions	None
	305-4	GHG emissions intensity	14
	305-5	Reduction of GHG emissions	11
Waste	306-1	Waste generation and significant waste related impacts	15-16
	306-2	Management of significant waste related impacts	15-16
	306-3	Waste generated	15-16
	306-4	Waste diverted from disposal	15-16
	306-5	Waste directed to disposal	15-16
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	15
Social			
Employment	401-1	New employee hires and employee turnover	18-19
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	17
Occupational Health and Safety	403-1	Workers representation in formal joint management worker health and safety committees	20
Training and Education	404-1	Average hours for training per year per employee	19
	404-2	Programs for upgrading employee skills and transition assistance programs	17
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	17
Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	17
Socio-Economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	8, 12



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