

# Sustainability Statement

JF Technology Berhad (“JF Tech”, or the “Group”) recognises that sustainability is the core of the Group practices as we work towards improved and uninterrupted growth pathways. Sustainability is an integral part in our company strategies and operations, firmly embedded into the organisation. All our departments collaborate and leverage on each other’s strengths and resources to embed this agenda of sustainability within and throughout the organisation.

The Group engineers high performance test contacting solutions to validate the integrity circuitry of integrated circuits (“IC”) that are produced in billions going into smartphones, wearable electronics, automotive solid state storage, military, internet of things, medical and electronic appliances. In our role as an international test contacting solution and public listed entity, the Group recognises the ever-increasing relevance of sustainability and our collective responsibility to secure our future and to create long term economic value for all our stakeholders.



## VISION

To be the leading **One Stop Centre** for high performance test contacting solutions by maximising values for our customers and shareholders by out competent employees



## MISSION

Motivated employees delivering highest value test contacting solutions through innovation, quality excellence and customer satisfaction

**Motivated Employees**  
**Fiscal Responsibility**  
**Energising Innovation**  
**Quality Excellence**  
**Customer Experience**



## CORE VALUES

JF Tech’s core values, represents the fundamental principles of JF Tech’s shared values that guide us in the pursuit of both individual and company greatness.

“**JF TECH**” is acronym for:

- J** ▶ Just be fair
- F** ▶ Fiscal responsibility
- T** ▶ Treat each other with respect
- E** ▶ Energising innovation
- C** ▶ Committed to a sense of urgency and belonging
- H** ▶ Honesty is the best policy

## Sustainability Statement

### ECONOMIC THRUST

Our products are highly customised to the exact needs for electrical, mechanical and dimensional precision. Design know-how, technology and automation are key competitive advantages to the Group's success. The Group takes into account the following seriously of its impact on the economic conditions of its stakeholders.

#### Our Suppliers

The Group business starts with design center and end in high volume manufacturing ("HVM"). In order to build a reliable supply chain in the country that supports long term strategy to grow the business in providing a wide range of high quality products with competitive cost to our customers globally, we always promote purchase from local suppliers who have been providing high quality and good service. A strong and competitive supply chain will in turn enable the Group to consistently produce high quality products. In addition, with their support, the Group will be in better position to move up the value chain in the long term.

As at 30 June 2019, the number of local vendors accounted for 81% of the total vendors of the Group.

#### Our Customers

In fulfilling the Group's vision to be the world No. 1 provider of high performance test contacting solutions by maximising value for our customers, employees and shareholders, the Group was awarded the ISO 9001 : 2015 certifications from SGS (Malaysia) Sdn Bhd for design, manufacturing and assembly of test contactors of semiconductor application.

Having the ISO 9001: 2015 certificate is a testament that we continue to uphold a consistent quality standard for our products. A comprehensive quality management system has been established to assure customers those quality assurance policies and procedures are in place to address our product quality and reliability basis, as well as improving our work efficiency.

We have stringent quality controls in our entire operations. Our quality control practices involve various stages of processes and in various departments.

All our products are subject to in-depth monitoring and quality control checks during different stages of production using the sophisticated measurement and laboratory equipment.

We inspect on our finished goods to ensure our products meet the customer's requirement specifications and are free from defects at the time of delivery. We also ensure that every delivery of our products is consistently on-time. By adopting these quality control practices, we ensure our reliable products meet customers' expectations, and build their confidence and trust on us.

#### Our Code of Conduct and Ethics

Ethics, integrity, accountability, transparency and professionalism are increasingly rising to the forefront as mainstream touchstones in the business environment. In keeping the Group's Code of Conduct and Ethics as outlined in the Employee Handbook, relevant policies and mechanisms have been established to ensure employees carry out business activities fairly, honestly, openly and in compliance with all applicable laws of the countries. As part of continuing efforts to create awareness and educate, talks and trainings are organised on a regular basis for all levels of employees.

We have established and implemented policies and procedures on whistleblowing to facilitate the stakeholders of the Company to report genuine concerns or allegations about alleged unethical behavior, actual or suspected fraud within the Group, or improper business conduct affecting the Group. By encouraging a whistleblowing culture, we hope to achieve a desirable organisation of transparent structure and effective, clear communication.

#### Innovation, Automation and Intellectual Property

Our Group is principally involved in the design, development, and manufacture, marketing and sales of test contacting solutions which are highly customised and patent protected. The Group envisions a sustainable future for all and fulfills it by continuously innovating, designing, manufacturing and marketing a portfolio of test contacting solutions.

The Group leverages existing, disparate technologies and integrating them with new ideas to create fresh solutions. To-date, the Group is a proud owner of fifteen (15) patents and thirty-nine (39) registration patents pending which makes it as one of the most aggressive intellectual property owner in the region for the semiconductor test socket industry.

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### ENVIRONMENT THRUST

We are committed to a holistic approach in incorporating sustainability practices in our daily activities. Metal scraps generated from the production of cables and wires are fully recyclable. The Group's operations do not release harmful emissions into the air or discharge hazardous effluent into the drainage system. By their nature, there are minimal industrial wastes generated from operations which go to the landfill. The following have been incorporated into our Group Environment Policy and we are determined to carry out the actions progressively and constantly to accomplish the intended goals:-



- ▶ to create an awareness of the Group Environment Policy within the Group and stakeholders;
- ▶ to comply with environmental regulatory and legal requirements;
- ▶ to reduce consumption of non-renewable and non-recycled materials; and
- ▶ to provide safe and hygiene workplace and ensure the personnel are properly trained with appropriate safety procedures and control actions.

### WORKPLACE, COMMUNITY AND SOCIAL INTERACTION

JF Tech aims to provide a supportive, pleasant a healthy workplace for our employees, and to foster a caring community in our working environment. We care for our employees and recognise that having good staff relationship and a motivated workforce are crucial to our success. They are our partners in delivering and maintaining products and services of the highest quality standards to our customers. We also place importance on the safety and well-being of our employees, and we are committed to providing and maintaining a safe and healthy environment.

#### Employee Profile

As at 30 June 2019, the total number of employees of the Group is 104. Our emphasis has and will always be to hire local talent to support the local communities we operate in.

We consider talent retention to be vital to sustain business growth and to maintain competitiveness in the marketplace. We strive to create job opportunities for the local people. As at 30 June 2019, 97% of our employees are Malaysians.

#### Employee Development and Talent Management

The Group's human capital is developed and strengthened through investment in our people. Continuous training and professional development programs have helped to boost the technical knowledge and soft skills of our employees, positioning them in good stead to elevate the performance standard quality, which is necessary for the Group to meet the ever changing needs of our customers.

Newly recruited employee will undergo an orientation program to help them familiarise and understand the culture and background of the organisation. The new employee will also go through the on-job structured training program that is tailored to their respective roles.

The Group carefully manages employee potential and talent as crucial elements in delivering value to our business operations through its Performance Management Review system ("PMR").

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### ECONOMIC THRUST

Training presents a prime opportunity to expand the knowledge base to all employees and at the same time, enable our employees to perform their job efficiently. Continuous training and development also keeps our staff in the forefront position of industry development. The training programs that were provided to our employees are as follows:

- ▶ Technical
- ▶ Productivity
- ▶ Quality
- ▶ Occupational safety and health
- ▶ Management development

The Group understands that the future lies in the hand of the younger generation of our workforce. In order to create opportunities and to nurture young talents, we continue to encourage students to intern with us and gain first-hand experience of the industry, whilst preparing them for employment upon completion of their studies. We are welcoming more interns to join the Group in the year ahead. For financial year 2019, the Group offered internships for students of universities, colleges and polytechnics from different states of Malaysia, which have benefitted a total of 8 students.

The Group encourages internal activities for the employees to ensure that our working place is a happy place and employees' drive is consistently high and well maintained. Staff activities are organised throughout the year to facilitate the bonding among the employees. These activities help improve the communication, productivity and morale at the work place.

The Group currently does not have a policy on diversity of the workplace in terms of gender, age and ethnicity. However, the Group practices equal opportunity and has a healthy multi-cultural mix of employees.

### A Safe and Healthy Work Environment

The Group places great attention on the well-being and benefits of the workplace. At JFTech, we have Occupational Safety and Health Management ("OSH") committee consisting of key staff from various departments, whose main purpose is to safeguard, manage, discuss and report areas related to safety, health and environment issue and performance. We conduct first aid training and annual fire drill to be prepared for emergency events.

We are proud of the efforts that our OSH committee has done in financial year 2019 and there were no major safety or health related incidences at the workplace.

### Contribution to Community

During the financial year, the Company participated with our neighbouring factories in the "Blood Donation" campaign to help support the National Blood Bank. The crowd was overwhelming and most of our staff happily volunteered and queued to donate blood.



The Company also contributed financial support to SEMOA Educare Centre (Semenanjung Orang Asli), a non-profit charitable and non-governmental organisation with their "Karnival Cuti Sekolah dan Krismas" event.





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### GOVERNANCE THRUST

The importance of governance sustainability in achieving the above mentioned initiatives are well recognised by the Group. As such, the Group incorporates proper controls and approvals, reserved matters, accountability and annual and long range objectives such as:-

- ▶ To establish proper governance structure, control, monitor, evaluation and reporting features into the management process
- ▶ To include sustainability thrust as an integral part of the strategic planning of the Group
- ▶ To enhance sustainability through regular updates of strategies, policies, procedures and provide relevant trainings
- ▶ To assess regularly the impacts and outcomes of sustainability principles adopted by the Group.

### MOVING FORWARD

The Group recognises the importance of being a responsible and sustainable organisation and that it goes beyond measuring our financial performance. The Group is committed to this endeavor and we look forward to improving and share further on our sustainability efforts in years to come.