



**ENVICTUS INTERNATIONAL HOLDINGS LIMITED**

**SUSTAINABILITY REPORT 2022**

# TABLE OF CONTENTS

<b>CONTENTS</b>	<b>PAGE NUMBER</b>
BOARD STATEMENT	2
ABOUT THIS REPORT	3
SUSTAINABILITY APPROACH	4
STAKEHOLDER ENGAGEMENT	6
MATERIALITY ASSESSMENT	9
SUSTAINABILITY FOCUS AREAS	10
ENVIRONMENT	
(i) ENERGY CONSERVATION	11
(ii) WATER CONSERVATION	13
(iii) WASTE MANAGEMENT	14
SOCIAL	
(i) OUR PEOPLE	18
(ii) EMPLOYEE WELLNESS ACTIVITIES	18
(iii) TRAINING AND EDUCATION	19
(iv) OCCUPATIONAL HEALTH AND SAFETY	21
(v) PRODUCT QUALITY AND RELIABILITY	23
(vi) CORPORATE SOCIAL RESPONSIBILITY	25
ECONOMIC	
(i) ECONOMIC PERFORMANCE	27
(ii) ANTI-CORRUPTION	27
GOVERNANCE	27
GRI CONTENT INDEX	28

# BOARD STATEMENT

The Board of Directors (the “Board”) is committed to build the sustainability of the Envictus International Holdings Limited and its subsidiaries (the “Group”). Sustainability considerations, including economic, environmental, social and governance (“EESG”) issues, are integral and essential matters which we take into account in our formulation of the overall strategy for the Group. We are fully supportive of all efforts by the management team to make improvements in this area.

The Group’s long-term sustainability is a key priority for the Board and as efforts in this respect depend on the management team’s implementation and operational abilities. The Board has made it clear that our evaluation of their performance takes their effectiveness in delivering on the commitments made to sustainability initiatives and targets in this report into account.

The Board is committed to being transparent, clear and open about the businesses to its stakeholders. The disclosures made in this report and in the Group’s annual report are in line with this commitment. In this report, we have discussed the Group’s efforts to continue building on and strengthening the Group’s collaboration with business partners to drive positive economic, environmental, and social impact throughout its value chain with good governance.

The Board has assigned responsibility for overseeing the Group’s sustainability initiatives and the preparation of this sustainability report to the management team and head of the department respectively. We will continue our efforts on this front to further enhance the Group’s sustainability.

Published date: 18 January 2023

# ABOUT THIS REPORT

Our sustainability report has been prepared annually in accordance with the SGX-ST Mainboard Listing Rule 711A and 711B, and in reference to the Global Reporting Initiative (“GRI”) Standards, Core option, for the financial year ended 30 September 2022.

Unless otherwise stated, the data in this report cover the period from 1 October 2020 to 30 September 2022. This highlights the Group’s commitment to undertaking business responsibility and sustainability accordingly. We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

Moreover, the structured framework promotes reporting a full and balanced picture of the Group’s material matters and the management of its impact. This report represents the industry practice for tracking performance on a range of economic, environmental, social and governance (“EESG”) indicators.

The scope of the sustainability statement covers material issues arising from the daily business operations of Food Services (Texas Chicken and San Francisco Coffee), Trading and Frozen Food (Pok Brothers), Food Processing (Gourmessa) and Dairies (Motivage) Divisions in Malaysia.

The statement offers an overview of the sustainability approach and initiatives made by the Group on how it creates economic value, protects the environment and pursues social development in the food and beverage sector.

Given that this is the Group’s sustainability statement, the data collection remains limited to selected EESG indicators that contribute to the sustainable development of the Group and are of interest to its internal and external stakeholders. The information and data disclosed in this statement were derived from internal reporting processes, systems, and records. While the report has not undergone full external assurance, due care was taken into the disclosure of the information presented here.

The electric edition of this report is available at: [www.envictus-intl.com](http://www.envictus-intl.com)

# SUSTAINABILITY APPROACH

## (A) SUSTAINABLE DEVELOPMENT STRATEGY

The Group strives to support economic growth that benefits every level of society while minimising any adverse environmental and social impacts arising from its daily business operations guided by a long-term strategy comprising four (4) main aspects:-

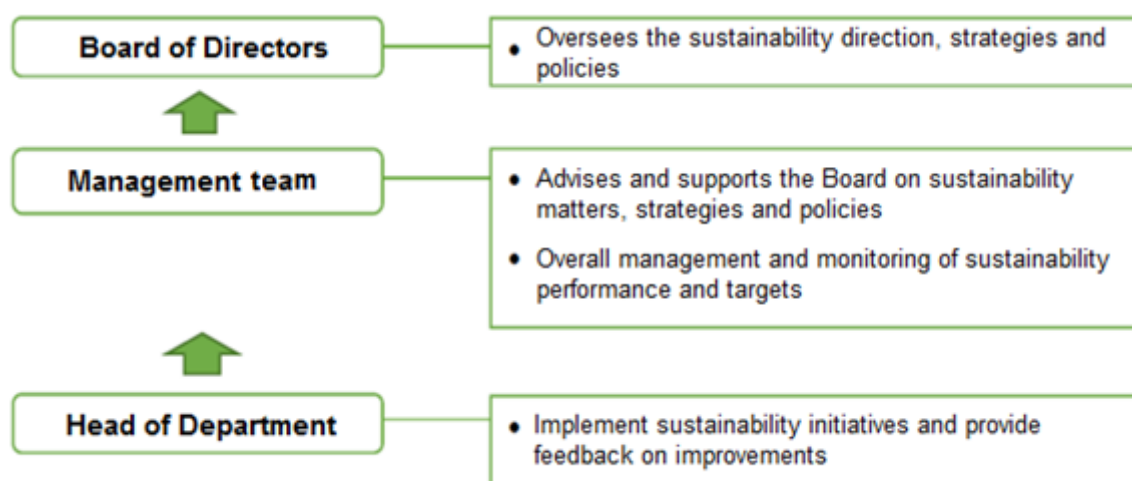
	<p><b>Economic Sustainability</b></p> <p>Creation of long-term value for shareholders and added value for all the Company's stakeholders.</p>
	<p><b>Environmental Sustainability</b></p> <p>Striving towards reducing the Company's environmental footprint by improving on the efficiency of resources and supporting conservation efforts.</p>
	<p><b>Social Sustainability</b></p> <p>Dealing with customers and the public according to good market practices and regulatory requirements, conducive workplace practices, and community engagement through a variety of initiatives involving the Company's monetary and non-monetary resources.</p>
	<p><b>Governance Sustainability</b></p> <p>Maintain a high standard of governance and firmly believes in accountability and transparency to maximise economic, environmental and social returns to Company's stakeholders.</p>

# SUSTAINABILITY APPROACH (CONTINUED)

## (B) GOVERNANCE SUSTAINABILITY

Governance sustainability is one of the core elements that govern the sustainable development of the Group's businesses. The core responsibilities of the governance structure rest on the Board comprising professionals from a wide range of business experience and expertise. Through focused committees and commitment to adopting best practices, the Board is committed to maintaining sound internal controls and effective risks management to enhance transparency, accountability, integrity, and honesty to earn the trust of its stakeholders. The Board views the commitment to promote sustainability strategies in the economic, environmental and social aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

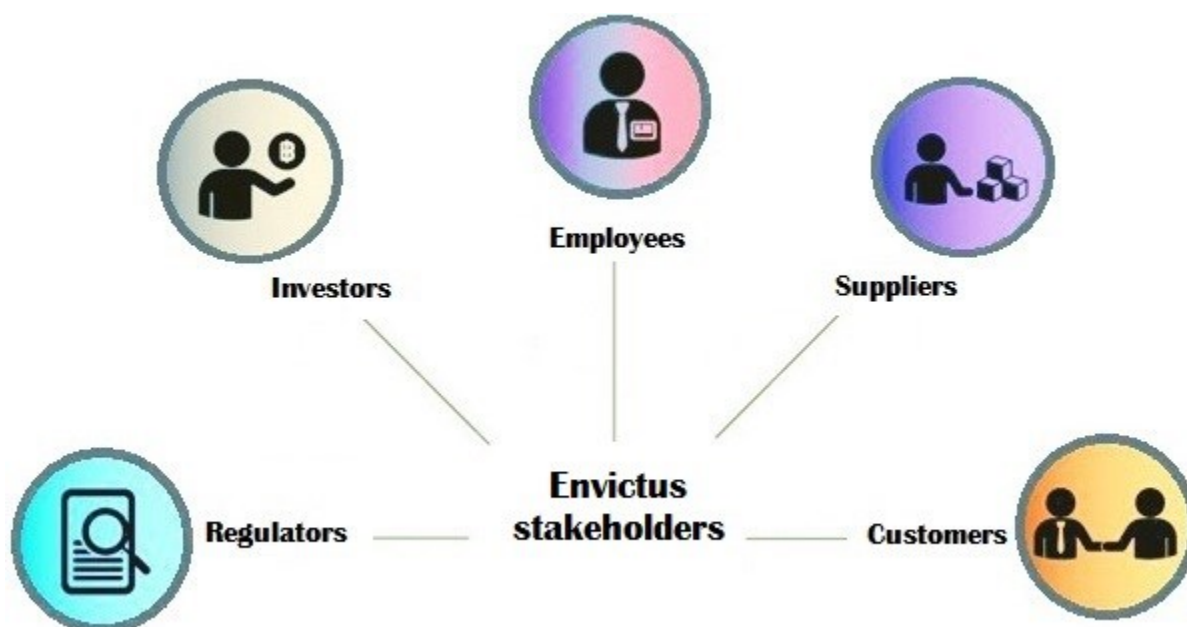
### Governance Sustainability Structure






# STAKEHOLDER ENGAGEMENT

The Group operates under the framework of sustainable development, taking into account the importance of the rights to be respected and fairness to be upheld for all stakeholders. As a code of practice for all units and for employees of all levels, the Group has established guidelines for appropriate stakeholder engagement, with an emphasis on continuously promoting creative engagement with all stakeholders through various activities and communication channels where various demands, opinions, concerns, and suggestions may be voiced.

For each group of stakeholders, the frequency of communication varies according to the Group's operation plans. Therefore, the information received is useful in helping to determine the strategy, direction, planning, and guidelines for business sustainability development.





## STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDERS GROUPS	ISSUES OF STAKEHOLDER INTEREST AND CONCERN	METHODS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Food safety and hygiene at all outlets</li> <li>Customer service and product quality</li> <li>Transparency in business operations</li> <li>Sustaining growing customer brand loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Timely response to feedback received across all channels</li> <li>Dedicated Customer Services Team to effectively manage customer relations and feedback</li> <li>In-house training for staff</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Daily</li> <li>On going</li> </ul>
 <b>Investors</b>	<ul style="list-style-type: none"> <li>Transparency in information disclosure</li> <li>Business performance</li> <li>Disclosure of relevant business information to shareholders and investors</li> <li>Product management and development</li> </ul>	<ul style="list-style-type: none"> <li>Results announcement</li> <li>Annual General Meeting ("AGM")</li> <li>Annual reports</li> <li>Website at <a href="http://www.envictus-intl.com">www.envictus-intl.com</a></li> </ul>	<ul style="list-style-type: none"> <li>Half-yearly</li> <li>Annually</li> <li>Annually</li> <li>On going</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Consistent engagement in an area such as remuneration, training, development and career advancement opportunities</li> <li>Adequate training on food hygiene and workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive training including on the job training</li> <li>Offering incentives and recognition for sustainability achievement</li> <li>Induction and orientation programs</li> <li>Yearly appraisal for increment and promotion</li> </ul>	<ul style="list-style-type: none"> <li>On going</li> <li>On going</li> <li>As required</li> <li>Yearly</li> </ul>



## STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDERS GROUPS	ISSUES OF STAKEHOLDER INTEREST AND CONCERN	METHODS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
 Suppliers	<ul style="list-style-type: none"> <li>• Receipt of timely payments</li> <li>• Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Robust procurement system</li> <li>• Correspondence through calls and emails</li> </ul>	<ul style="list-style-type: none"> <li>• On going</li> <li>• On going</li> </ul>
 Regulators	<ul style="list-style-type: none"> <li>• Comply with applicable regulations, laws and food safety standards set by the authorities</li> <li>• Compliance with the customer requirement and the export regulation especially for the export market.</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Implementation of daily inspection through checklists by admin staff</li> <li>• Mandatory training to raise awareness of requirements and to ensure compliance</li> <li>• Renew the certificate before expiry</li> <li>• Audit checks</li> </ul>	<ul style="list-style-type: none"> <li>• As required</li> <li>• On going</li> <li>• Yearly</li> <li>• Yearly</li> <li>• As required</li> </ul>

# MATERIALITY ASSESSMENT

The Group is committed to creating long-term value for the stakeholders. The sustainability strategy is to assess and manage the most material economic, environmental, social and governance impacts, risks and opportunities arising from the business operations to support the sustainable growth of the business.

Materiality assessment is essential to the sustainability strategy. We performed a peer benchmarking assessment of sustainability-related disclosures to generate a list of potential material matters. Subsequently, each business and department head deliberated and prioritised on the most material sustainability matters.

The sustainability focus areas identified as integral to our business are outlined in the table on the next page.

## The Group's Materiality Matrix

Level of Stakeholder Concern	High		<ul style="list-style-type: none"> <li>- Energy Conservation</li> <li>- Water Conservation</li> <li>- Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>- Our People</li> <li>- Employee Wellness Activities</li> <li>- Occupational Health and Safety</li> <li>- Product Quality and Reliability</li> <li>- Economic</li> </ul>
	Medium			<ul style="list-style-type: none"> <li>- Training and Education</li> <li>- Anti-corruption</li> <li>- Governance</li> </ul>
	Low			
		Low	Medium	High
		Relevant to Group		

# SUSTAINABILITY FOCUS AREAS

SUSTAINABILITY FOCUS AREA	MATERIAL FACTORS	MAPPED GRI TOPICS
<b>Environment</b>	Energy Conservation	Energy
	Water Conservation	Water and Effluents
	Waste Management	Effluents and Waste
<b>Social</b>	Our People	Employment
	Employee Wellness Activities	Employment
	Training and Education	Training and Education
	Occupational Health and Safety	Occupational Health and Safety
	Product Quality and Reliability	Customer Health and Safety
<b>Governance</b>	Governance	Governance

# ENVIRONMENT

## (i) ENERGY CONSERVATION

Energy conservation is the decision and practice of using less energy to reduce the greenhouse gasses emission to slow down the global warming and climate change.

The Group is continuously seeking for green technologies and methods in order to better manage energy consumption and implement energy efficiency initiatives.

We believe that even though we cannot do everything, but we must do something to promote awareness of energy conservation in our stakeholders and making small adjustments in our business operations in order to create big changes to the environment which is in line with ambitious of the Paris Agreement to reach net-zero emissions by 2050.

### **Pok Brothers**

Pok Brothers Sdn. Bhd. ("Pok Brothers"), a wholesaler of foodstuff, provisions and frozen meat. It currently has two warehouses which are located at Glenmarie (in operation since 1997) and Pulau Indah (in operation since 2018), Selangor, Malaysia.

In an effort to reduce electrical energy consumption, fluorescent lights have been phased out from Glenmarie warehouse and both warehouses are now using light-emitting diode ("LED") lights to light up our daily business operation.

Besides, the installation of inverters in Pulau Indah cold rooms and shutting down cold rooms when not in use also further reduce the consumption of electricity in these warehouses.

Regular preventive maintenance like checking on earthing calibration, power factors, loose wiring, or connection is also being carried out to ensure energy efficiency.

Replace, switch to energy-efficient appliances and invest in renewable energy like replacing flood lights with solar energy flood lights has been embarked in October 2021 at the surrounding warehouses. This initiative is expected to be completed in 2024.

The electrical energy consumption from FY2021 to FY2022 are as below:

	<b>Area (m<sup>2</sup>)</b>	<b>FY2022 (kWh)</b>	<b>FY2021 (kWh)</b>
<b>Glenmarie</b>	2,086.89	2,521,226	1,795,855
<b>Pulau Indah</b>	2,263.33	1,400,754	1,459,288
<b>Total</b>	4,350.22	3,921,980	3,255,143
<b>Average kWh per m<sup>2</sup></b>		901.56	748.27

The increased in energy consumption is due we have added four freezer rooms which previously not in used and also some new freezer boxes. Besides, the reefers containers from overseas also root cause of peak energy consumption as it need to be plugged-in over the weekends prior to unload.

## (i) ENERGY CONSERVATION (CONTINUED)

**Gourmessa**

Gourmessa Sdn. Bhd. (“Gourmessa”), a manufacturer and distributor of convenient value added frozen foods has a plant at Pulau Indah, Selangor, Malaysia.

Gourmessa has engaged in electricity conservation to reduce energy consumption. It has shutdown unnecessary usage of electrical appliance in the building in order to reduce electrical consumption.

Management also provide a clear definition of energy efficiency, for instances, production employees are trained to schedule operations during off-peak hours, not to operate heavy duty machines at the same time, such as ovens and cold rooms are high energy consumption machines. This is in order to reduce energy consumption by controlling on the maximum electrical charges from Tenaga Nasional Berhad (“TNB”).

In addition, Gourmessa had synchronised the operation of exhaust fan with oven smoke discharge where the exhaust fan will automatically start running when the motion sensor senses smoke released from the oven. This will reduce the operation hours of the exhaust fan and energy consumed.

	Area (m <sup>2</sup> )	FY2022 (kWh)	FY2021 (kWh)
Pulau Indah	4,174.78	2,218,057	2,137,131
Average kWh per m <sup>2</sup>		531.30	511.91

**Texas Chicken (Malaysia) and San Francisco Coffee**

Restaurants are energy-intensive and operate for long hours. Our restaurants in Malaysia are equipped with LED lighting to reduce power consumption.

Production of animal protein requires a lot of land, water and energy, thus creating methane which is also a greenhouse gas.

In conjunction with the World Environment Day on 5 June 2022, Texas Chicken (Malaysia) launched the first ever plant-based menu – ranch burger, spicy nuggets and tenders by just made a fundamental shift to the ingredient lists by using soy as plant protein and wheat without compromising the taste of the food. We wish the transition to these new ingredients could make our food much healthier and efficient with less inputs.



## (i) ENERGY CONSERVATION (CONTINUED)

**Motivage**

Motivage Sdn. Bhd. ("Motivage"), a manufacturer of dairies products. Motivage has upgraded the mixing control system from mechanical magnetic electrical control to inverter control for four units mixing transfer pump. This reduced the pump speed during cleaning in progress ("CIP"). With the speed reduction, it reduced electricity consumption and extended the shelf life of the electrical motor. The project commenced in February 2021 and is completed in January 2022.

The electrical energy consumption from FY2021 to FY2022 are as below:

	<b>Area (m<sup>2</sup>)</b>	<b>FY2022 (kWh)</b>	<b>FY2021 (kWh)</b>
<b>Pulau Indah</b>	7,841.76	1,484,640	793,146
<b>Average kWh per m<sup>2</sup></b>		189.32	101.14

The increased in electrical energy consumptions was due to increase in production volume by 447,492 cartons from 86,606 cartons in FY2021 to 534,098 cartons in FY2022.

## (ii) WATER CONSERVATION

Water conservation is an initiative cut across the Group. Hence, water efficient machines and appliances are being used in our premises. Regular check for leaks and maintenance also preventive actions in daily business operations to avoid water wastage.

**Motivage**

As water can be used more than once, Motivage has embrace green technologies to recycle water by condensate water from evaporation process at sweetened condensed milk ("SCM") plant and channeled it for boiler usage. The SCM evaporator process generates water which will be collected and stored by stainless tank with a capacity of 1,500m<sup>3</sup>. After that the condensate water will be transfer from the tank to the boiler feed water tank. Once the boiler feed water tank uses the water, this water will be discharged to waste water treatment plant in order to make sure this water is properly treated before returned to the natural. The water recycle project commenced in January 2022 and is completed in October 2022.

The water consumption from FY2021 to FY2022 are as below:

	<b>Area (m<sup>2</sup>)</b>	<b>FY2022 (m<sup>3</sup>)</b>	<b>FY2021 (m<sup>3</sup>)</b>
<b>Pulau Indah</b>	7,841.76	42,321	18,289
<b>Average m<sup>3</sup> per m<sup>2</sup></b>		5.40	2.33

The increased in water consumptions was due to increase in production volume by 447,492 cartons from 86,606 cartons in FY2021 to 534,098 cartons in FY2022.

## (iii) WASTE MANAGEMENT

We believe proper waste management is essential to develop a nationwide long-term strategy for environmental protection. We also believe it is our responsibility to contribute to this agenda and help promote Malaysia's Green Technology Master Plan. This has been actively promoted and implemented by the Ministry of Energy, Science, Technology, Environment and Climate Change ("MESTECC").

We are determined to conduct our business in a responsible manner and aim to reduce the waste generated. We engage with responsible and ethical waste management contractors to ensure proper collection and disposal of the waste generated according to the Department of Energy and a recycle management contractor for all the recyclable items.

**Pok Brothers**

In order to become more sustainable, we are continuously taking appropriate measures to make our premises eco-friendlier with the three "R" principles.

The success of 3R program could be used to convince stakeholders involved in waste management about the overall benefits of recycling and its influences on social and environment sustainability for promoting and strengthening recycling activities within the organisation.

**REDUCE**

Say no to single-use Plastic Bags

Selangor Government's initiatives to reduce the use of Single Use Plastic have created awareness among our customers.

Customers are using reusable bag and carton boxes for their purchases.

**REUSE**

Reusing packaging materials and plastic pallets in our warehouse

By reusing, we can reduce solid waste disposal and the cost of purchasing packaging materials.

**RECYCLE**

Recycle cardboards, plastics, pallets, paper, scrap metal

By recycling the abovementioned recyclable materials which are packaging materials from our suppliers, we can reduce solid waste and at the same time we collected RM7,137 (FY2021: RM12,224) via recyclable materials.

Reduction in the collection from disposal of recyclable materials is mainly due to we are giving new life to the recyclable materials. For instances, we reused the wooden pallet in our distribution process.

## (iii) WASTE MANAGEMENT (CONTINUED)

**Gourmessa**

Food Technologist Department helps to develop healthy, halal and safe food for human consumption in Gourmessa. It needs to ensure and control the cleanliness of operation area, machines, equipment and personal hygiene of operator including the visitors, contractors and service providers. Hygiene and cost savings can be carried out in tandem without neglecting any of them.

Gourmessa continues the waste management process on the solid waste to turn trash into cash. Dry waste, for instances plastics, cardboard, metal, wood and stainless steel produced from facilities production are collected and sold to recycling centre. During the financial year, the income earned from recycling of dry waste is amounting to RM560 (FY2021: RM1,252). Using metal that do not rust easily causes the reduction in income earned from recycling of recyclable materials. While, this initiative also reduces the cost to spend on acquiring metal related parts.

**Texas Chicken (Malaysia)**

The mark of  
responsible forestry  
FSC® C102895

Our boxes and paper cups are made from Forest Stewardship Council (“FSC”) certified packaging. This means that the paper has been sourced in an environmentally-friendly, socially responsible and economically viable manner. FSC-certified products go through a “chain of custody” from the forest to the manufacturer to the merchant and finally to the printer.

It also requires a “management plan” that outlines the scale and intensity of logging and renewal operations, in addition to long-term objectives for maintaining the health of the forest.

During the financial year, we have purchased 49.0 million pieces (FY2021: 22.0 million pieces) of FSC - certified packaging for our restaurants nationwide.

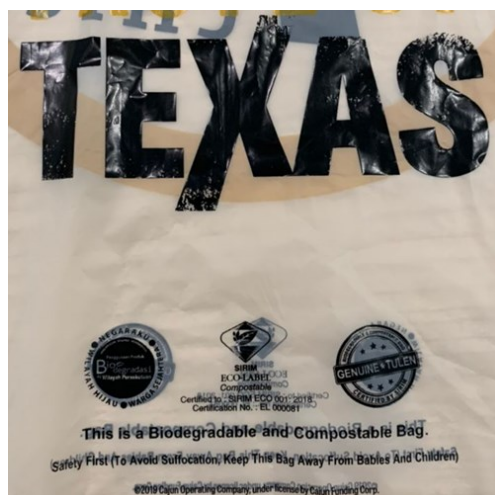


## (iii) WASTE MANAGEMENT (CONTINUED)

**Texas Chicken (Malaysia) (Continued)**

Whereas the oil we use for frying at restaurants are using Roundtable on Sustainable Palm Oil ("RSPO") certified palm oil: This means that the palm oil producer complies with good agricultural, social and environmental practice, as dictated by the RSPO. During the financial year, our restaurants nationwide used 916,524kg (FY2021: 803,000kg) of RSPO certified palm oil.

We dispose our used cooking oil responsibly by handing it to certified used-oil collectors. These vendors will recycle the used oil into household items. For FY2022, we sold 330,495kg (FY2021: 308,892kg) of used oil.



We give out biodegradable plastic bags instead of regular plastic bags at our restaurants in the Federal Territories. Biodegradable plastics are proven to be more environmentally-friendly, as they are able to breakdown more quickly when exposed to the elements. During the financial year, we have given out 1.92 million (FY2021: 1.78 million) pieces of biodegradable plastic bags at our restaurants in Federal Territories. Management aims to extend the usage of biodegradable plastic bags to our stores in other states. "Straws upon Request" at all the restaurants also further reducing the plastic waste.

Document Management System ("DMS") is a digitalisation initiative that has been adopted in Texas Chicken (Malaysia). It is a methodology of storing documents digitally which helps to reduce physical storage space, file cabinets, boxes and storage bins. This digitalisation helped to increase security and productivity. Faster and more efficient document retrieval through the use of DMS eliminated the need of physical document transfers or approval.

## (iii) WASTE MANAGEMENT (CONTINUED)

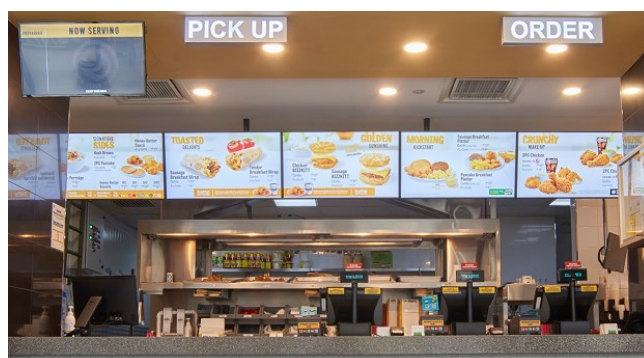
**Texas Chicken (Malaysia) (Continued)**

E-Leave and E-Claim have been deployed for Texas Chicken (Malaysia) and this has reduced the need of physical forms to be used. All forms are digitally submitted through Orisoft system. This helped to increase the efficiency of the approval process and also reduced the overall cost of physical forms and logistics to transfer the forms.

E-Vouchers provides the same benefits as physical vouchers. It provides the convenience to distribute the vouchers as it does not have delivery cost and the need of physical space to store the vouchers. E-Vouchers are easily activated and redeemed.



Digital menu boards and scan QR codes to order are always updated with the latest menu and reduce the need for printed menu as well.



These initiatives have reduced the consumption of paper, therefore helping to preserve our forests.

**San Francisco Coffee**

We have begun to reduce our usage of single use plastics and paper cups by encouraging our consumers to bring their own flask for take away coffee. However, to mitigate our impact on the environment and reduce our carbon footprint, we have begun discussions to source environmentally friendly and bio-degradable materials for our cup's straws and carrier bags. We have also made efforts to ensure that our coffee beans are sourced from farmers and producers who practice sustainable farming with minimal impact on the environment. These practices continue all along our supply chain to ensure full compliance by our targeted date: 2030.

We also actively participate in environmental protection activities such as participating in "Earth Day" and tree planting activities. San Francisco Coffee is still exploring further cooperation with both non-governmental and governmental agencies and will put environmental protection and preservation an important part of our corporate social responsibilities programmes in the near future.

# SOCIAL

## (i) OUR PEOPLE

Our people are the key driving force behind our successes and achievements. The Group's total staff count was approximately 2,300 (FY2021: 2,200) in Malaysia. To attract and retain our employees, we provide an equitable and market competitive salary with the inclusion of an attractive benefits package.

It also complies with the local statutory requirements on salary and benefits such as minimum wage order, employees' provident fund, employees' social security and leave provision. Employees are also provided personal accident insurance coverage, hospitalisation, and surgical insurance coverage and medical benefits for outpatient treatment.

Employee engagement is the emotional commitment of the employee towards an organisation and its goals. Hence we are actively engaging with employees through various channels. Regular communication sessions are held by senior management to encourage an effective flow of information and also to strike a balance with the business goals and objectives through all levels in the organisation.

During the Covid-19 pandemic, we continuously encourage our people to reduce social gathering and to promote social distancing. Even though no more temperature checks from 11<sup>th</sup> February 2022, MySejahtera QR code scans not compulsory upon entering premises from 1<sup>st</sup> May 2022, and relaxations on face masks from 7<sup>th</sup> September 2022 under the order of the Malaysia government, we continuously implementing the safety measurements as follows:

1. Undergo disinfection process regularly in common area;
2. Providing hand sanitisers in the premises for our employees, customers and visitors;
3. Encouraging wear face mask;
4. Encouraging interaction through visual communication platform, such as Microsoft Team or Zoom; and
5. Keep up-to-date with the latest development and the relevant directive of Covid-19 by the Ministry of Health of Malaysia ("MOH").

## (ii) EMPLOYEE WELLNESS ACTIVITIES

### **Texas Chicken (Malaysia)**

Over a hundred Texas Chicken (Malaysia) employees attended the Restaurant Managers' Summit from 26<sup>th</sup> to 28<sup>th</sup> July 2022 in the island of Penang, Malaysia. This is the first in-person event of such a scale organised by Texas Chicken (Malaysia) since the onset of the pandemic.

The participants included Restaurant Managers, Area Managers, the Training team and several members of Texas Chicken (Malaysia)'s leadership team.

The objectives of the summit are to raise team spirit and employee engagement through exciting team-bonding and team-building activities in a relaxing setting and to brief the team on the company's business plans and key priorities in the year ahead, in order to ensure that everyone is aware and moving together in the right direction.

## (iii) TRAINING AND EDUCATION

All employees must undergo on-the-job training in the course of their job. The Group offer various career development programs that enable our employees to enhance their skills and capabilities to meet the changing needs of the business. External and in-house trainings are provided for crew members on an ad-hoc basis, as and when it is required.

**Texas Chicken (Malaysia)**

Texas Chicken (Malaysia)'s employee development programmes "Manager-In-Training" ("MIT") provide learning opportunities which is designed to equip them with the relevant operational knowledge and management skills to run the restaurant. An estimated training hours of 49,550 were spent on this program in FY2022. 113 trainees graduated from MIT program and 5 assistant managers graduated from the 'Leading A Great Restaurant' program. For the previous financial year, 19,784 training hours were spent and 47 trainees graduated.

Training	Duration	Calculation	Head count	Hours
MIT	40 days (2 months)	40 days x 10 hours = 400 hours per head	113	45,200
Leading A great Restaurants	87 days (4.5 months)	87 days x 10 hours = 870 hours per head	5	4,350
Total:				49,550

Among the training and development courses conducted are the Shift Leader Program, Customer Service and Hospitality Class, Station Training, Food Safety Training and Halal Awareness Program. An estimated 15,809 training hours were spent on these programs in FY2022. 19 staff were promoted to Team Trainers and 42 staff were promoted to Shift Leaders in FY2022. For the previous financial year, 7,170 training hours were spent and 14 staff were promoted to Team Trainers and 39 staff were promoted to Shift Leaders.

Training	Duration	Calculation/ Way of conducting training	Head count	Hours
Shift Leaders	30 days (1 month)	30 days x 8 hours = 240 hours per head	42	10,080
Food Handlers	3 hours	Classroom/Online	1,039	3,117
Halal Awareness	2 hours	Classroom/Online	1,132	2,264
Team Trainers	2 hours	Station examinations/ Stores	19	38
Hospitality Class	2 hours	Classroom	155	310
Total:				15,809

We continuously invest in the training and development needs of our people to enable them to achieve their full potential and hone their leadership skills to grow in their careers.

## (iii) TRAINING AND EDUCATION (CONTINUED)

**Gourmessa**

At Gourmessa, we strive to be progressive with our quality assurance standards, employees receive ongoing training to encourage innovation and help to further improve our systems.

A series of in-house training for food handler are provided to equip staff with basic knowledge in food handling, preparation, storage of food and hygiene and workplace safety before commencement of work. This is important for staff to understand how their behavior and activities contribute to the safety of food and how they can decrease the risk of foodborne illness to prevent harm to consumers.

Gourmessa also practice in house training modules to refresh workers and spread issues/bulletins of Good Food Safety and Quality Knowledge. The employees were exposed with the current issue including government regulation, customer demand, complaints etc.

The trainings carried out in FY2022 are as below:

<b>Training</b>	<b>Duration</b>	<b>Head count</b>	<b>Hours</b>
Awareness Basic Fire Fighting	8 hours	64	512
Chemical Control	2 hours	60	120
MS 1480 Food Safety According to Hazard Analysis and Critical Control Point ("HACCP") Transition	8 hours	64	512
Refreshment of Good Manufacturing Practice ("GMP") Training	1 hour	60	60
Seminar Upgrading of GMP for MS1514:2022	4 hours	8	32
Pest Control Awareness	1 hour	60	60
HALAL Competency	16 hours	60	960
Total:			2,256

**San Francisco Coffee**

San Francisco Coffee will also begin an initiative in what is known as a "CV Freeze" where we will look towards underprivileged communities to hire and train a new batch of baristas and café workers to join our workforce.

## (iv) OCCUPATIONAL HEALTH AND SAFETY

Health and safety (“H&S”) of our employees are of paramount importance. We recognise that a workplace free of occupational health and safety hazards is essential in enhancing the quality of our products.

**Pok Brothers**

Management and employees are continuously practicing the awareness of the COVID-19 programs such as quarantine to those that have contacted with the virus or to their loved ones.

We had zero (FY2021: two) cases of First Aid treatment and zero (FY2021: one) cases of Medical Treatment Injury. We are pleased with this progress as there are no reports of loss time injury, disability or fatality during the current and previous financial year. We shall continue the momentum going to ensure the safety of employees, visitors and contractors are well taken care.

**Gourmessa**

Thirty-seven (FY2021: thirty-one) Covid-19 cases reported among staff. We continue to monitor the Covid-19 pandemic situation at work and comply with the standard operating procedures (“SOP”) to prevent the spread of Covid-19.

One road accident with medical treatment was reported among staff. In order to reduce the risk of road accidents, we have provided reflective safety vest for employees who cycle or walked to work as well as return home. This is to ensure employees who are cycling or walking on the dangerous and busy road can be seen at all times to prevent accidents.

**Safety and Health Policy in Gourmessa:****OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT**

- Comply with applicable National and International Safety and Environmental Laws and Regulations.
- Create and maintain a safe and secure work environment by instilling awareness and responsibility in our employees, contractors and visitors to safeguard their health and to prevent incidental injuries.
- Maintain systems and procedures to minimise the impact of operations on the environment and prevent pollution.

Encourage our business partners to adopt a food safety, occupational safety, health and environmental policy of equivalent standard.

This policy shall be kept at strategic locations and communicated to all employees and interested parties.

## (iv) OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

**Gourmessa (Continued)**

Besides, various audits such as correct SOPs for food handling, food quality, quantity product produce and time management are conducted across departments to ensure that is not only compliant with legal requirements but also match up to industry best practices to produce the best quality of products for our customer satisfaction. Safety and health standard operating procedures have been created to ensure all employees are responsible to follow the requirement of safety rules and safety policy at all times.

We have achieved good performance for FY2022 with no serious accidents that have been recorded in all departments in Gourmessa. Moving forward, we will continue to strive to maintain the high health and safety standards in our workplace.

**Motivage**

In FY2022, one of the activities has been done by all employees of Motivage was “Gotong-royong” to clean the factory area to prevent the breeding of pests and ensure the environment is safe for all workers.

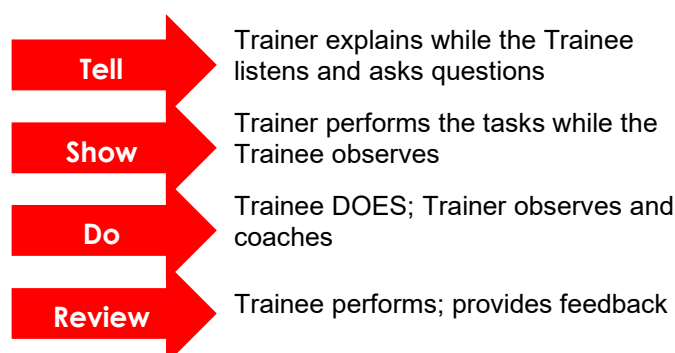
Four (FY2021: eighteen) Covid-19 cases reported among staff. Whereas, one case of accident while working has been reported involving an employee in the process department. An internal investigation was carried out in this case and it was found that it happened due to the negligence of the employee. In order to prevent similar incidents from happening again, we have given awareness training for all employees in the department to be more careful and focused while doing work.

**Texas Chicken (Malaysia)**

Under Texas Chicken (Malaysia)’s ‘Pathway To Excellence’ program, all employees are required to be fully trained in the following mandatory categories:

<b>Orientation</b>	Typhoid Jab, Uniform, Hygiene, etc
<b>Food Safety</b>	Handwashing, Temperatures, Storage, Cooking, etc
<b>Cleaning and Sanitation</b>	Cleaning equipment and detergents, correct cleaning procedures, etc
<b>Safety and Security</b>	Personal Security, Robbery Procedures, Restaurant opening and closing procedures, etc

Employees are trained by certified trainers using the Four (4) Steps Learning Process:



## (iv) OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

**San Francisco Coffee**



Ensuring a safe and healthy environment for all staff, from executives to our baristas. As such, improved salary structures and incentives will come into force in October 2022, making San Francisco Coffee one of the best places to work. As part of our continuing efforts to improve working conditions, we are also placing more emphasis than ever on mental health, our team therefore will be trained to identify and help those who are in distress. Our new policy of “counsel not reprimand” will be part of all training our modules.

## (v) PRODUCT QUALITY AND RELIABILITY

**Gourmessa**

We work to rigorous standards to ensure nothing but the best reach our clientele. Gourmessa is guided by a quality assurance manual that incorporates HALAL, HACCP and we are audited annually to ensure that we meet regulatory requirements. We also maintain a quality assurance process in which products are inspected to ensure only the highest standard of meats are produced. Detailed monitoring and documentation are carried out for goods received, process monitoring, dispatch, product traceability, and hygiene. In FY2021, we achieved our Veterinary Health Mark (“VHM”) certification from Department of Veterinary Service (“DVS”). This will enhance our export business to other countries.

**Summary of Certification/License/Approval**

CERTIFICATE/LICENCE/APPROVAL	AUTHORISED BODY
<b>MANUFACTURING LICENCE</b>	MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA ( <b>MITI</b> )
<b>HALAL</b> 	JABATAN AGAMA ISLAM SELANGOR(JAIS)/JABATAN KEMAJUAN ISLAM MALAYSIA ( <b>JAKIM</b> )
<b>VHM</b> (Veterinary Health Mark) 	DEPARTMENT OF VETERINARY SERVICES ( <b>DVS</b> )



## (v) PRODUCT QUALITY AND RELIABILITY (CONTINUED)

**Motivage**

In FY2020, Motivage has set up an Internal Halal Committee to develop Halal Assurance System. This led to Jakim awarding Halal Certificate to Motivage in FY2021. Motivage is committed to adhere to Halal requirement and guideline set by JAKIM. In addition to this, Motivage has formed an internal food safety team in FY2021 and developed food safety management system to ensure that all product manufactured by the company meet food safety and Halal requirement. Motivage is in the process of obtaining Veterinary Health Mark certificate and targeted this initiative will be achieved in FY2023.

**Summary of Certification/License/Approval**

CERTIFICATE/LICENCE/APPROVAL	AUTHORISED BODY
MANUFACTURING LICENCE	MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA (MITI)
HALAL 	JABATAN AGAMA ISLAM SELANGOR(JAIS)/JABATAN KEMAJUAN ISLAM MALAYSIA (JAKIM)

**Texas Chicken (Malaysia)**

As a testament to its commitment towards ensuring the best practices and creating a conducive work environment where its employees can thrive in, Texas Chicken (Malaysia) received the following two recognitions for its quality performance throughout all restaurants in the region during FY2022: -

## (i) Putra Brand Awards 2022

The Putra Brand Awards, organised by the Association of Accredited Advertising Agents Malaysia since 2010 is endorsed by the Malaysia External Trade Development Corporation and supported by Malaysia Advertisers Association the Media Specialists Association and the Malaysian Digital Association. Winners of the Putra Brand Awards are voted by Malaysian consumers.

In FY2022, Texas Chicken Malaysia received a Gold (FY2021: Silver) award in the Restaurants & Fast Food Category from Putra Brand Awards 2022. This is the fourth time that Texas Chicken Malaysia has been voted as a recipient of this prestigious award, which positions it as one of the leading brands in the Quick-Service Restaurant industry.



**Putra Brand Awards 2022 – Gold award on Restaurants & Fast Food Category**

## (v) PRODUCT QUALITY AND RELIABILITY (CONTINUED)

**Texas Chicken (Malaysia) (Continued)****(ii) Graduates Choice Awards 2022/2023**

Texas Chicken (Malaysia) was voted as one of “2023 Most Preferred Graduate Employers to Work For” in a survey conducted by Talentbank with over 200,000 university students across Malaysia.

In terms of ranking, Texas Chicken (Malaysia) placed number three in the “Fast Food Restaurant” category, cementing its position as one of the Top 3 Quick-Service Restaurant brands in Malaysia.

The Graduates’ Choice Award is Asia Pacific’s Most Authoritative Graduate Employer Branding Award, which is 100% voted by University students. It represents the ultimate recognition of an organization’s efforts in improving its desirability as a career destination for Malaysian graduates.



***Graduates Choice Awards 2022/2023 – Top 5 in the Fast Food Chain category***

## (vi) CORPORATE SOCIAL RESPONSIBILITY

Texas Chicken (Malaysia) has donated thousands of hot and fresh meals in FY2022 to healthcare front liners, charity homes and affected communities, in order to make a positive impact in the communities where we operate.

In December 2021, the communities in Klang Valley, Malaysia were badly hit by flash floods following by bucketing down rain for few hours.

## (vi) CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)



Texas Chicken (Malaysia) and Pok Brothers have collected RM62,920 and channelled it to help our affected employees to help them rebuild their lives in the aftermath of the floods.

Our social reach also extends towards helping and making a difference in our communities. Each year, San Francisco Coffee will hold an internal democratic vote to adopt several causes to support.

In FY2021, the “SFC Sapot Lokal” programme proved to be incredibly successful and represented one of our first impactful programme during the recovery phase of the COVID-19 pandemic.

In FY2022, San Francisco Coffee participated in helping flood victims as well as supporting an Islamic “Tahfiz School” for orphans.

In FY2023, San Francisco Coffee has plans to initiate an “adopt a park programme” in which San Francisco Coffee will adopt, rejuvenate and clean up community park in different housing areas.



# ECONOMIC

## (i) ECONOMIC PERFORMANCE

The Group believes that focus on financial sustainability is critical and we are fully committed to the highest standards of corporate governance. The Group's basic principle is that long-term profitability and shareholders' value is ensured by taking into account the interests of all stakeholders, such as shareholders, employees, suppliers and society as a whole. For detailed financial results, please refer to pages 20 and 21 for our Financial Highlights and pages 49 to 138 for our Financial Statements in our Annual Report 2022.

## (ii) ANTI-CORRUPTION

We do not tolerate corruption in any form. This has been made clear to all of the Group's directors, officers, employees and external suppliers and business partners. Dedicated whistleblowing hotline using email was set up so that anyone wanting to report any business ethics issue can do so confidentially. Any report of corruption will be escalated to the attention of the Audit Committee ("AC"). There have also been no reported incidents of corruption during the reporting period.

# GOVERNANCE

Board and the Management commit to the best practices of corporate governance to ensure the sustainability of the Group's operations. We believe that the constant drive to upkeep corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and the value to our shareholders. Throughout FY2022, we continue to adhere to the principles and guidelines set out in the Code of Corporate Governance 2018. Please refer to the Annual Report 2022 pages 31 to 47 for the details of the Group's Corporate Governance Report.



GRI CONTENT INDEX "IN ACCORDANCE" - CORE		
GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 1: Foundation 2021 (GRI 1 does not include any standards)</b>		
<b>GRI 2: General Disclosures 2021</b>	<b>The organisation and its reporting practices</b>	
	2-1 Organisational details	Annual Report ("AR"), page 2
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report ("SR"), page 3 AR, page 24
	2-3 Reporting period, frequency and contact point	SR, page 2-3 and 7-8
	2-4 Restatements of information	Stated throughout where relevant
	2-5 External assurance	No external assurance was conducted on this report SR, page 3
	<b>Activities and Workers</b>	
	2-6 Activities, value chain and other business relationships	AR, page 3-5
	2-7 Employees	SR, page 18
	2-8 Workers who are not employees	SR, page 18
	<b>Governance</b>	
	2-9 Governance structure and composition	SR, page 5
	2-10 Nomination and selection of the highest governance body	AR, page 36
	2-11 Chair of the highest governance body	AR, page 35
	2-12 Role of the highest governance body in overseeing the management of impacts	AR, page 31
	2-13 Delegation of responsibility for managing impacts	AR, page 31
	2-14 Role of the highest governance body in sustainability reporting	SR, page 2
	2-15 Conflicts of interest	AR, page 37
	2-16 Communication of critical concerns	SR, page 5
	2-17 Collective knowledge of the highest governance body	SR, page 5
	2-18 Evaluation of the performance of the highest governance body	AR, page 38
	2-19 Remuneration policies	AR, page 38-41
	2-20 Process to determine remuneration	AR, page 38-41
	2-21 Annual total compensation ratio	AR, page 38-41
	<b>Strategies, policies and practices</b>	
	2-22 Statement of sustainable development strategy	SR, page 2
	2-23 Policy commitments	SR, page 4-5
	2-24 Embedding policy commitments	SR, page 4-5
	2-25 Processes to remediate negative impacts	AR, page 41-42
	2-26 Mechanisms for seeking advice and raising concerns	AR, page 41-42

GRI CONTENT INDEX "IN ACCORDANCE" - CORE		
GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021 (Continued)</b>	<b>Strategies, policies and practices (Continued)</b>	
	2-28 Membership associations	SR, page 6-8
	<b>Stakeholder engagement</b>	
	2-29 Approach to stakeholder engagement	SR, page 6-8 AR, page 46-47
	2-30 Collective bargaining agreements	N/A, no collective bargaining agreements is in place in FY2022
<b>GRI 3: Material Topics 2021</b>	<b>Disclosure on material topics</b>	
	3-1 Process to determine material topics	SR, page 4-5 and 9-10
	3-2 List of material topics	SR, page 4-5 and 9-10
	3-3 Management of material topics	SR, page 4-5 and 9-10
<b>GRI 205: Anti-corruption 2016</b>	<b>Anti-corruption</b>	
	205-2 Communication and training about anti-corruption policies and procedures	SR, page 27
<b>GRI 302: Energy 2016</b>	<b>Energy</b>	
	302-1 Energy consumption within the organisation	SR, page 11-13
	302-4 Reduction of energy consumption	SR, page 11-13
<b>GRI 303: Water and Effluents 2018</b>	<b>Water and Effluents</b>	
	303-1 Interactions with water as a shared resources	SR, page 13
<b>GRI 306: Waste 2020</b>	<b>Waste</b>	
	306-2 Management of significant waste-related impacts	SR, page 14-17
<b>GRI 401: Employment 2016</b>	<b>Employment</b>	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR, page 18
<b>GRI 403: Occupational Health and Safety 2018</b>	<b>Occupational Health and Safety</b>	
	403-5 Worker training on occupational health and safety	SR, page 21-23
	403-9 Work-related injuries	SR, page 21-23
<b>GRI 404: Training and Education 2016</b>	<b>Training and Education</b>	
	404-2 Programs for upgrading employee skills and transition programs	SR, page 19-20
<b>GRI 416: Customer Health and Safety 2016</b>	<b>Customer Health and Safety</b>	
	416-1 Assessment of the health and safety impacts of product and service categories	SR, page 23-24
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	SR, page 23-24