ENVICTUS INTERNATIONAL HOLDINGS LIMITED

SUSTAINABILITY REPORT 2023

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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: 23 January 2024

ABOUT THIS REPORT

This Envictus International Holdings Limited Sustainability Report ("SR") has been prepared annually in accordance with the SGX-ST Mainboard Listing Rule 711A and 711B, and in reference to the latest Global Reporting Initiative ("GRI") Standards, Core option for the financial year ended 30 September 2023.

Unless otherwise stated, the data in this report cover the period from 1 October 2021 to 30 September 2023 has 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. We have also further aligned our sustainability report to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") according to the recent amendments to the Singapore Stock Exchange Listing Rules.

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) and Dairies (Envictus Dairies Marketing and 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

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: -
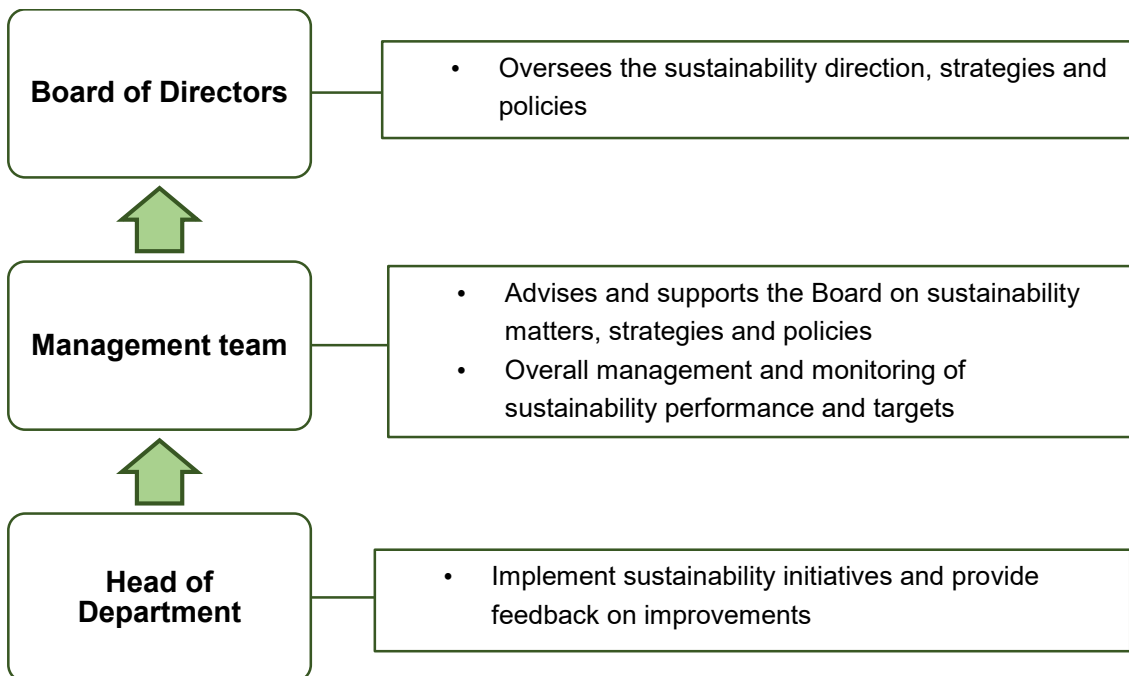
	Economic Sustainability Creation of long-term value for shareholders and added value for all the Company's stakeholders.
	Environmental Sustainability Striving towards reducing the Company's environmental footprint by improving on the efficiency of resources and supporting conservation efforts.
	Social Sustainability 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.
	Governance Sustainability Maintain a high standard of governance and firmly believes in accountability and transparency to maximise economic, environmental and social returns to Company's stakeholders.

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

Board of Directors	• Oversees the sustainability direction, strategies and policies
↑	
Management team	• Advises and supports the Board on sustainability matters, strategies and policies • Overall management and monitoring of sustainability performance and targets
↑	
Head of Department	• Implement sustainability initiatives and provide feedback on improvements

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
Customers	• Food safety and hygiene at all outlets • Customer service and product quality • Transparency in business operations • Sustaining growing customer brand loyalty	• Timely response to feedback received across all channels • Dedicated Customer Services Team to effectively manage customer relations and feedback • In-house training for staff	• Daily • Daily • On going
Investors	• Transparency in information disclosure • Business performance • Disclosure of relevant business information to shareholders and investors • Product management and development	• Results announcement • Annual General Meeting ("AGM") • Annual reports ("AR") • Website at www.envictus-intl.com	• Half-yearly • Annually • Annually • On going
Employees	• Consistent engagement in an area such as remuneration, training, development and career advancement opportunities • Adequate training on food hygiene and workplace safety	• Comprehensive training including on the job training • Offering incentives and recognition for sustainability achievement • Induction and orientation programs • Yearly appraisal for increment and promotion	• On going • On going • As required • Yearly

STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDERS GROUPS	ISSUES OF STAKEHOLDER INTEREST AND CONCERN	METHODS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
Suppliers	• Receipt of timely payments • Social and environmental responsibility	• Robust procurement system • Correspondence through calls and emails	• On going • On going
Regulators	• Comply with applicable regulations, laws and food safety standards set by the authorities • Compliance with the customer requirement and the export regulation especially for the export market.	• Site visits • Implementation of daily inspection through checklists by admin staff • Mandatory training to raise awareness of requirements and to ensure compliance • Renew the certificate before expiry • Audit checks	• As required • On going • Yearly • Yearly • As required

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

		Low (Relevant to Group)	**Medium** (Relevant to Group)	**High** (Relevant to Group)
Level of Stakeholder Concern	**High**		- Energy Conservation - Water Conservation - Waste Management	- Our People - Employee Wellness Activities - Occupational Health and Safety - Product Quality and Reliability - Economic
	Medium		- Gender Diversity and Age-Based Diversity	- Training and Education - Anti-corruption - Governance
	Low			

Relevant to Group

SUSTAINABILITY FOCUS AREAS

SUSTAINABILITY FOCUS AREA	MATERIAL FACTORS	MAPPED GRI TOPICS
Environment	Energy Conservation	Energy
	Water Conservation	Water and Effluents
	Waste Management	Effluents and Waste
Social	Our People	Employment
	Gender Diversity and Age-Based Diversity	Gender Diversity Age-Based Diversity 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
Governance	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 and disposed in October 2023), 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. As cold storage facilities have higher energy consumption, inverters were installed in Pulau Indah cold rooms, and closure of cold room doors to avoid air leaks, shutting down and unplugging electrical appliances when not in use also further reduce and prevent a hike in 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. For instance, replacing halogen flood lights with solar energy flood lights was embarked in October 2021 at the surrounding warehouses. After implementation of this initiative in certain areas for some time, management have changed the solar energy floodlights to LED floodlights for the sake of reduce costs and easy maintenance.

The electrical energy consumption and intensity from FY2022 to FY2023 are as below:

	FY2023	**FY2022**
Total electricity energy consumed (kWh)	4,119,711	3,921,980
Revenue (RM '000)	163,963	167,816
Average kWh per RM '000 of revenue earned	25.13	23.37

The increased in energy consumption is mainly due to usage of one additional cold room in Pulau Indah, higher usage of packaging machine and butchery machine in Glenmarie warehouse.

(i)   ENERGY CONSERVATION (CONTINUED)

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.

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 regulation, it optimised the electricity consumption and extended the shelf life of the electrical motor.

The electrical and gas energy consumption and intensity from FY2022 to FY2023 are as below:

	FY2023 (kWh)	FY2022 (kWh)
Electricity consumption	1,495,340	1,484,640
Units of production (Carton)	666,194	534,098
Average kWh per carton	2.24	2.78

	FY2023 (GJ)	FY2022 (GJ)
Gas consumption	27,379	25,199
Units of production (Carton)	666,194	534,098
Average GJ per carton	0.04	0.05

The slight increase in electrical consumption and gas consumption were due to increase in production volume by 132,096 cartons or 25% from 534,098 cartons in FY2022 to 666,194 cartons in FY2023. The electrical and gas consumption rates were lower compared to 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 are also preventive actions in daily business operations to avoid water wastage.

Pok Brothers

Other than water resources used in drinking, cleaning, and personal hygiene, the water is also used in the cooling tower's ammonia cooling system that is part of the cold room. This system is required to operate twenty-four hours, seven days a week so that the frozen foods are stored at an optimal temperature.

(ii)   WATER CONSERVATION (CONTINUED)

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 1,500m³. 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 consumption from FY2022 to FY2023 are as below:

	FY2023 **(m^3)**	**FY2022** **(m^3)**
Total water consumed (m^3)	42,295	42,321
Units of production (Carton)	666,194	534,098
Average m^3 per carton	0.06	0.08

The Plant is able to utilise the water more efficiently as the water consumption intensity was reduced to $0.06m^3$ per carton compared to $0.08m^3$ per carton 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.

(iii)   WASTE MANAGEMENT (CONTINUED)

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 3Rs program could be used to increase the awareness and inculcate the recycling habits within our stakeholders to involve in waste management.

REDUCE	REUSE	RECYCLE
Say no to single-use Plastic Bags	Reusing packaging materials and plastic pallets in our warehouse	Recycle cardboards, plastics, pallets, paper, scrap metal
Selangor Government's initiatives to reduce the use of Single Use Plastic have created awareness among our customers.	By reusing, we can reduce solid waste disposal and the cost of purchasing packaging materials.	By recycling the above-mentioned recyclable materials that are packaging materials from our suppliers, we can reduce solid waste and at the same time, we collected RM10,544 (FY2022: RM7,137) via recyclable materials.
Customers are using reusable bag and carton boxes for their purchases.		The increase in recycling rate by comparison to last financial year is due the increase in wooden pallets that reached their end of life.

Texas Chicken (Malaysia)

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.
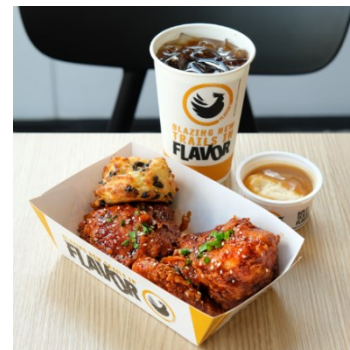
(iii)   WASTE MANAGEMENT (CONTINUED)

Texas Chicken (Malaysia) (Continued)

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.

Even though our sales climbed 14.4% to RM270.4 million from RM236.4 million and there are additional four stores during the financial year, the 49.4 million pieces (FY2022: 49.0 million pieces) of FSC-certified packaging for our restaurants nationwide are more or less the same compared to the previous financial year. This is because the increase in sales is due to price adjustments in line with inflation. Apart from that, the removal of fries from combo meals between January 2023 to August 2023 also led to a reduction in paper packaging usage.

At Texas Chicken restaurants, the 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 1,014,408kg (FY2022: 916,524kg) 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 miscellaneous items. For FY2023, we sold 364,302kg (FY2022: 330,495kg) of used oil.

We give out biodegradable plastic bags instead of regular plastic bags at our restaurants in the Federal Territories and are progressively expanding to other areas. Biodegradable plastics are proven to be more environmentally friendly, as they can break down more quickly when exposed to the elements. During the financial year, we have given out 1.74 million pieces (FY2022: 1.92 million pieces) of biodegradable plastic bags at our restaurants. In April 2023, we fully eliminated the regular plastic straws and replaced them with paper straws even though the cost of paper straws is seven times higher than the plastic straws. This proves our commitment in making a positive impact for the environment, in line with Malaysia's roadmap towards zero single-use plastics 2018-2030.

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.

Apart from that, the digital menu boards and the QR-code ordering system in our restaurants are always updated with the latest menu, which reduces the need for printed menu.
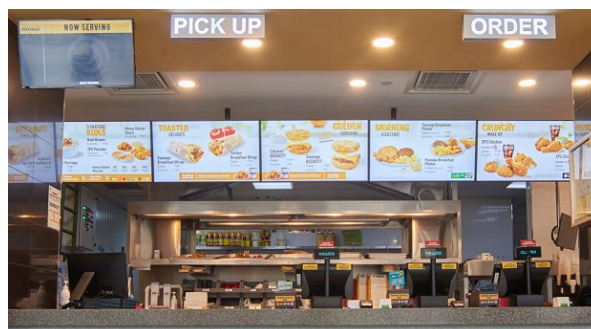
These initiatives have reduced the consumption of paper, therefore helping to preserve our forests.

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 2,700 (FY2022: 2,300) 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.

(ii)   GENDER DIVERSITY AND AGE-BASED DIVERSITY

Pok Brothers

Employees of Pok Brothers consists of permanent and full time employees.

The breakdown of existing, new hires and turnover employees headcount by gender and age group as at 30 September 2023 are as follows:
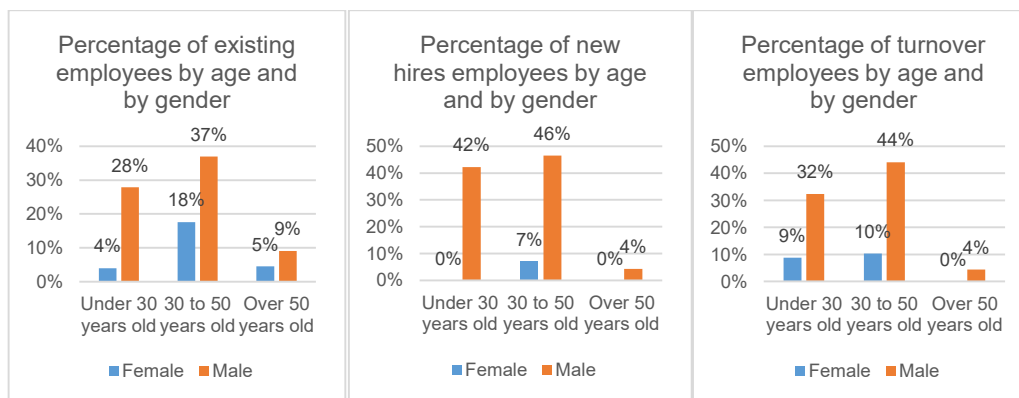
Existing	Female	Male	Total
Under 30 years old	7	49	56
30 to 50 years old	31	65	96
Over 50 years old	8	16	24
Total	**46**	**130**	**176**

(ii)   GENDER DIVERSITY, AGE-BASED DIVERSITY AND EMPLOYMENT (CONTINUED)

Pok Brothers (Continued)

New hires	Female	Male	Total
Under 30 years old	-	30	30
30 to 50 years old	5	33	38
Over 50 years old	-	3	3
Total	**5**	**66**	**71**

Turnover	Female	Male	Total
Under 30 years old	6	22	28
30 to 50 years old	7	30	37
Over 50 years old	-	3	3
Total	**13**	**55**	**68**

Recruitment and selection processes are conducting in a manner that is fair, objective, consistent, equitable, non-discriminatory, and legally defensible. All employees involved in recruitment possess the necessary knowledge and skills to conduct recruitment and selection activities effectively.

The relaxation of procedures of hiring foreign workers in post-pandemic, we manage to bring in foreign workers to cover the shortage of hard manual labour.

The majority of the staff is male. Whereas, the number of new hires and turnover are male staff, which are 66 staff and 55 staff respectively. The turnover is mainly from the operation department.

We admit that hiring cost of new staff to replace turnover staff requires higher costs in terms of money, efficiency, and experience.

However, after the turnover staff working for the company for a few years, they felt limited growth, company's benefits no longer fit their current or even future expectations. Hence, when there are better opportunities, they choose to switch jobs to accept the challenge and leave their comfort zone to enter a growth zone.

While foreign workers who are choosing to leave because they have worked for the company for a few years and wish to return to their homeland.

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
Current gender mix ratio of female to male is at 1 to 3 as the majority of the workforce comes from the operation department and these employees are more physical activities to perform these daily tasks.	Not applicable as no set target in the last financial year.	To maintain or improve the gender mix ratio of female to male at 1 to 1.
New hire rate at 0.40		To maintain or improve new hire rate
Turnover rate at 0.39		To reduce employee turnover rate

(ii)   GENDER DIVERSITY, AGE-BASED DIVERSITY AND EMPLOYMENT (CONTINUED)

Texas Chicken (Malaysia)

Employees of Texas Chicken (Malaysia) consists of permanent, full time and part time employees.

The breakdown of existing, new hires and turnover employees headcount by gender and age group as at 30 September 2023 are as follows:
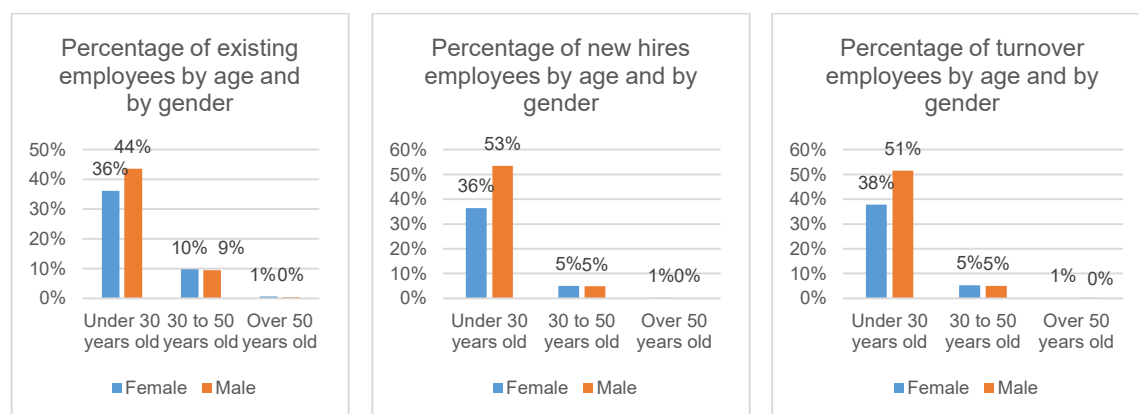
Existing	Female	Male	Total
Under 30 years old	662	799	1,461
30 to 50 years old	179	174	353
Over 50 years old	11	8	19
Total	**852**	**981**	**1,833**

New hires	Female	Male	Total
Under 30 years old	991	1,455	2,446
30 to 50 years old	137	132	269
Over 50 years old	5	3	8
Total	**1,133**	**1,590**	**2,723**

Turnover	Female	Male	Total
Under 30 years old	897	1,219	2,116
30 to 50 years old	125	120	245
Over 50 years old	3	4	7
Total	**1,025**	**1,343**	**2,368**

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
Current gender mix ratio of female to male is at 1 to 1.	Not applicable as no set target in the last financial year.	To maintain the gender mix ratio of female to male at 1 to 1.
New hire rate at 1.49		To maintain or improve new hire rate
Turnover rate at 1.29		To reduce employee turnover rate

(ii)   GENDER DIVERSITY, AGE-BASED DIVERSITY AND EMPLOYMENT (CONTINUED)

San Francisco Coffee

Employees of San Francisco Coffee consists of permanent, full time and part time employees.

The breakdown of existing, new hires and turnover employees headcount by gender and age group as at 30 September 2023 are as follows:

Existing	Female	Male	Total
Under 30 years old	244	208	452
30 to 50 years old	79	63	142
Over 50 years old	1	4	5
Total	**324**	**275**	**599**

New hires	Female	Male	Total
Under 30 years old	132	133	265
30 to 50 years old	13	12	25
Over 50 years old	1	1	2
Total	**146**	**146**	**292**

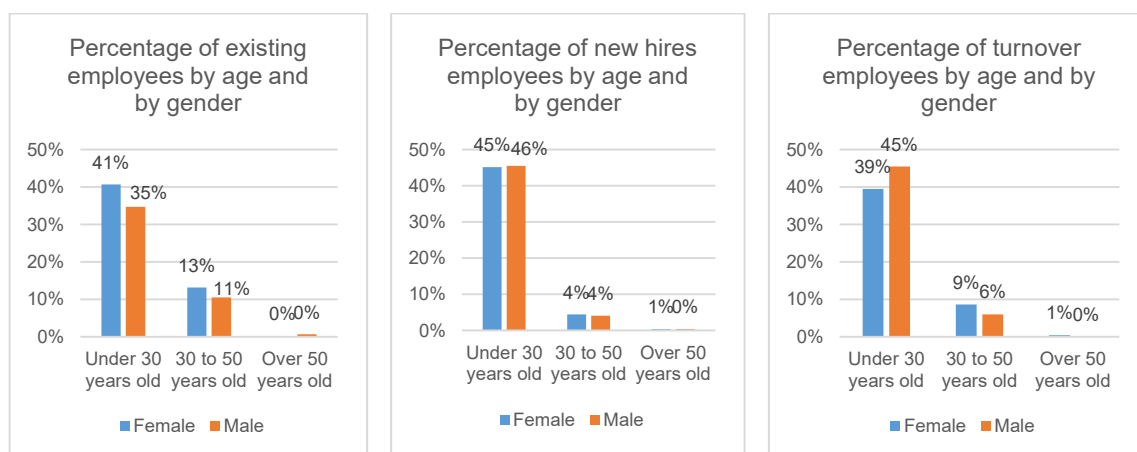| Turnover	Female	Male	Total
Under 30 years old	92	106	198
30 to 50 years old	20	14	34
Over 50 years old	1	-	1
Total	**113**	**120**	**233**

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
Current gender mix ratio of female to male is at 1 to 1.	Not applicable as no set target in the last financial year.	To maintain the gender mix ratio of female to male at 1 to 1.
New hire rate at 0.49		To maintain or improve new hire rate
Turnover rate at 0.39		To reduce employee turnover rate

(ii)   GENDER DIVERSITY, AGE-BASED DIVERSITY AND EMPLOYMENT (CONTINUED)

Envictus Dairies Marketing and Motivage

Employees of Envictus Dairies Marketing and Motivage are consists of permanent and full time employees.

The breakdown of existing, new hires and turnover employees headcount by gender and age group as at 30 September 2023 are as follows:
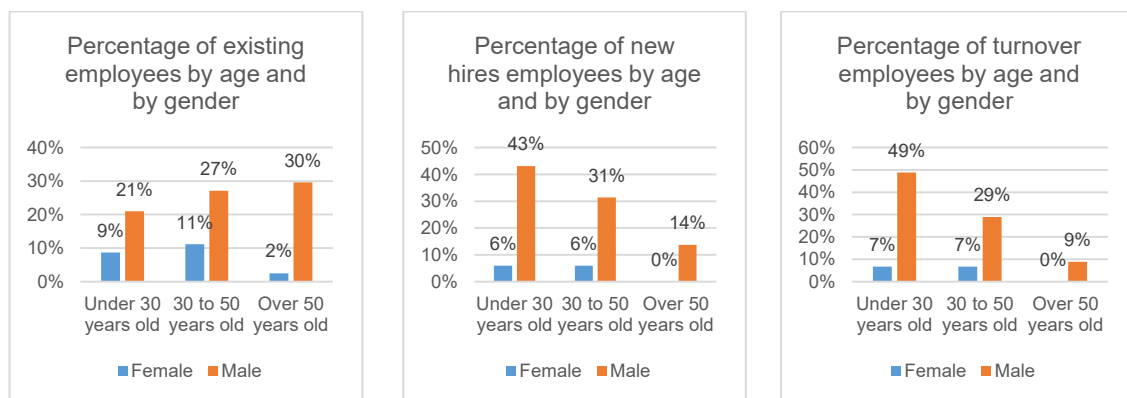
Existing	Female	Male	Total
Under 30 years old	7	17	24
30 to 50 years old	9	22	31
Over 50 years old	2	24	26
Total	**18**	**63**	**81**

New hires	Female	Male	Total
Under 30 years old	3	22	25
30 to 50 years old	3	16	19
Over 50 years old	-	7	7
Total	**6**	**45**	**51**

Turnover	Female	Male	Total
Under 30 years old	3	22	25
30 to 50 years old	3	13	16
Over 50 years old	-	4	4
Total	**6**	**39**	**45**

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
Current gender mix ratio of female to male is at 1 to 3 as the majority of the workforce comes from the operation department and these employees are more physical activities to perform these daily tasks.	Not applicable as no set target in the last financial year.	To maintain the gender mix ratio of female to male at 1 to 3.
New hire rate at 0.63		To maintain or improve new hire rate
Turnover rate at 0.56		To reduce employee turnover rate

(ii)   GENDER DIVERSITY, AGE-BASED DIVERSITY AND EMPLOYMENT (CONTINUED)

Envictus Dairies Marketing and Motivage (continued)

The recruitment of individuals over 50 years old is driven by the recognition of their specific skills and valuable experience that can significantly contribute to the development of company. These individuals bring a wealth of knowledge, expertise and a proven track record in their respective fields, enhancing the overall capabilities of our team. By tapping into the unique skill set of candidates over 50, we aim to foster a diverse and dynamic work environment that leverages a wide range of perspectives, ultimately contributing to the growth and success of our company.

Turnover can be attributed to several factors, including the high density of manufacturing companies in this area. The proximity of these rival companies to our organisation further intensifies the competition for talent, making it challenging for us to retain employees. The appeal of better packages from nearby competitors often lures our staff away, contributing significantly to our elevated turnover rates.

(iii)   EMPLOYEE WELLNESS ACTIVITIES

Texas Chicken (Malaysia)

Nine Texas Chicken Malaysia employees received the '10 years' Service Award', and were presented with an all-expenses-paid stay at Park Hyatt Saigon, Vietnam, worth RM10,000 each.

The following awards were also presented to Texas Chicken (Malaysia) employees in 2023, and each winner received RM1,000 in cash:

-   Restaurant Manager of the Year (1 winner)
-   Top 3 Sales Performance Stores vs Budget (3 winners)
-   Top 3 Profitable Stores vs Budget (3 winners)
-   USD1 million Sales Stores (3 winners)

(iv)   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.

The training mentioned here are external trainings and does not include on-site coaching by supervisors.

Pok Brothers

Average training hours	Female	Male	Total
Total no. of training hours (a)	20	88	108
No. of existing employee (b)	46	130	176
Average training hours (c) = (a)÷(b)	0.4 hours	0.7 hours	0.6 hours

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
The average training hours per female, male and total employee are at average 0.4 hours per employee, 0.7 hours per employee and 0.6 hours per employee respectively.	Not applicable as no set target in the last financial year.	To increase the average training hours per employee.

Texas Chicken (Malaysia)

Average training hours	Female	Male	Total
Total no. of training hours (a)	541	574	1,115
No. of existing employee (b)	852	981	1,833
Average training hours (c) = (a)÷(b)	0.6 hours	0.6 hours	0.6 hours

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
The average training hours per female, male and total employee are at average 0.6 hours per employee respectively.	Not applicable as no set target in the last financial year.	To increase the average training hours per employee.

(iv)   TRAINING AND EDUCATION (CONTINUED)

San Francisco Coffee

Average training hours	Female	Male	Total
Total no. of training hours (a)	398	460	858
No. of existing employee (b)	324	275	599
Average training hours (c) = (a)÷(b)	1.2 hours	1.7 hours	1.4 hours

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
The average training hours per female, male and total employee are at average 1.2 hours per employee, 1.7 hours per employee and 1.4 hours per employee respectively.	Not applicable as no set target in the last financial year.	To increase the average training hours per employee.

Envictus Daries Marketing and Motivage

Average training hours	Female	Male	Total
Total no. of training hours (a)	71	330	401
No. of existing employee (b)	18	63	81
Average training hours (c) = (a)÷(b)	3.9 hours	5.2 hours	5.0 hours

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
The average training hours per female, male and total employee are at average 3.9 hours per employee, 5.2 hours per employee and 5.0 hours per employee respectively.	Not applicable as no set target in the last financial year.	To increase the average training hours per employee.

(v)   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

We are pleased with the performance below. To achieve this, we had committed to providing a healthy and safe work environment for its employees and preventing occupational illness and injury.

To express this commitment, we issue the policy on occupational health and safety as below.

> We will, where possible, eliminate hazards or minimise the hazard. Thus the need for personal protective equipment where there is a requirement, worker will be required to use safety equipment, clothing, devices and material for personal protection.

We will continue the momentum to ensure the safety of employees, visitors, and contractors is well taken care of.
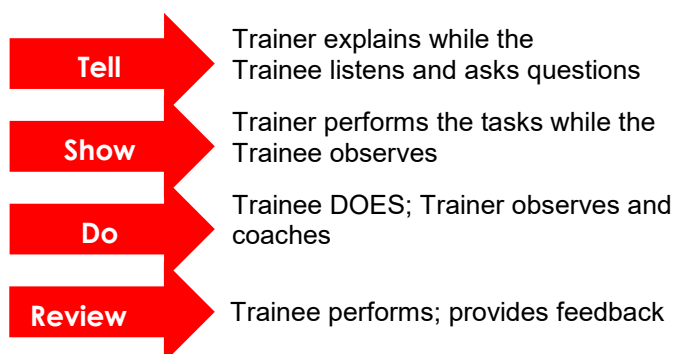
Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
We had zero fatalities, high-consequences injuries, recordable injuries and recordable work-related ill health cases noted during the financial year.	Yes	To maintain minimal level of workplace fatalities or high-consequence injuries or recordable injuries or recordable work-related injuries among employees

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:

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

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

Tell — Trainer explains while the Trainee listens and asks questions

Show — Trainer performs the tasks while the Trainee observes

Do — Trainee DOES; Trainer observes and coaches

Review — Trainee performs; provides feedback

(v)   OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

Texas Chicken (Malaysia) (Continued)

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
We had two fatalities, high-consequences injuries which happened during commuting home after work, fourteen recordable injuries in relation to travel to or back from work, ten recordable injuries in relation to staff self-negligence and zero recordable work-related ill health cases noted during the financial year.	No	To maintain minimal level of workplace fatalities or high-consequence injuries or recordable injuries or recordable work-related injuries among employees

San Francisco Coffee

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
We had zero fatalities, high-consequences injuries, recordable injuries and recordable work-related ill health cases noted during the financial year.	Yes	To maintain minimal level of workplace fatalities or high-consequence injuries or recordable injuries or recordable work-related injuries among employees

Motivage

Performance for FY2023	Targets achieved for FY2023	Targets for FY2024
We had zero fatalities, high-consequences injuries and recordable work-related ill health cases noted during the financial year. One case of recordable injury has been reported due to negligence of an employee while handling equipment in the process department.	No	To maintain minimal level of workplace fatalities or high-consequence injuries or recordable injuries or recordable work-related injuries among employees

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.

(vi)   PRODUCT QUALITY AND RELIABILITY

Pok Brothers

Pok Brothers is guided by a quality assurance manual that incorporates the summary below to ensure we meet regulatory requirements. Detailed monitoring and documentation are carried out for goods received, process monitoring, dispatch, product traceability, and hygiene. Safe and quality food helps our business to sustain in the market and is vital to the health of our customers.

Summary of Certification/License/Approval

CERTIFICATE/LICENCE/ APPROVAL	AUTHORISED BODY
MANUFACTURING LICENCE	MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA (MITI)
ISO 9001 : 2015 Quality Management System	LRQA Malaysia Sdn Bhd
ISO 22000 : 2018 Food Safety Management System	LRQA Malaysia Sdn Bhd
Hazard Analysis Critical Control Point ("HACCP")	LRQA Malaysia Sdn Bhd
Good Hygiene Practices	LRQA Malaysia Sdn Bhd

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 HACCP and Good Manufacturing Practices ("GMP") certificate and targeted this initiative will be achieved in FY2024.

(vi)   PRODUCT QUALITY AND RELIABILITY (CONTINUED)

Motivage (Continued)

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)**
Veterinary Health Mark ("VHM")	DEPARTMENT OF VETERINARY SERVICES **(DVS)**

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 three recognitions for its quality performance throughout all restaurants in the region during FY2023: -

(i)   **International Franchise Association ("IFA") Names Franchisee of the Year Award**

On 1 March 2023, Dato' Jaya J B Tan was named as one of the "Franchisee of the Year" award recipients by the IFA, honoured at the 63rd IFA Annual Convention in Las Vegas, Nevada.

Every year, the IFA recognises outstanding franchisees who exemplify IFA's core pillars consisting of community, workforce, diversity and inclusion, and veterans.

(vi)   PRODUCT QUALITY AND RELIABILITY (CONTINUED)

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

(ii)   Putra Brand Awards 2023

The Putra Brand Awards, organised by the Association of Accredited Advertising Agents Malaysia ("4As") since 2010, is endorsed by the Malaysia External Trade Development Corporation and supported by the Malaysia Advertisers Association, the Media Specialists Association and the Malaysian Digital Association. Winners of the Putra Brand Awards are voted by Malaysian consumers through an online survey.

In FY2023, Texas Chicken Malaysia received a Silver award in the Restaurants & Fast Food Category from Putra Brand Awards 2023. This is the fifth 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 2023 – Silver award on Restaurants & Fast Food Category

(iii)   **Graduates' Choice Awards 2023/2024**

Texas Chicken (Malaysia) was voted as one of "2024 Most Preferred Graduate Employers to Work For" in a survey conducted by Talentbank with over 400,000 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 organisation's efforts in improving its desirability as a career destination for Malaysian graduates.

Graduates' Choice Awards 2023/2024 – Top 5 in the Fast Food Chain category

(vi)   CORPORATE SOCIAL RESPONSIBILITY

Texas Chicken (Malaysia) has donated over two thousand hot and fresh meals in FY2023 to charity homes and relevant stakeholders, in efforts to make a positive impact in the communities where we operate.

Texas Chicken (Malaysia) also contributed RM9,000 cash in April 2023 to assist Texas Chicken (Malaysia) employees who were affected by the floods in Johor and the East Coast of Malaysia

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 21 and 22 for our Financial Highlights and pages 55 to 150 for our Financial Statements in our Annual Report 2023.

(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 FY2023, we continue to adhere to the principles and guidelines set out in the Code of Corporate Governance 2018. Please refer to the Annual Report 2023 pages 34 to 53 for the details of the Group's Corporate Governance Report.

GRI CONTENT INDEX "IN ACCORDANCE" - CORE		
GRI STANDARD	**DISCLOSURE**	**LOCATION**
GRI 1: Foundation 2021 (GRI 1 does not include any standards)		
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**	
	2-1 Organisational details	AR, pages 2 to 5
	2-2 Entities included in the organisation's sustainability reporting	SR, page 3 AR, page 25
	2-3 Reporting period, frequency and contact point	SR, pages 3 and 7
	2-4 Restatements of information	Stated throughout where relevant
	2-5 External assurance	No external assurance was conducted on this report SR, page 3
	Activities and Workers	
	2-6 Activities, value chain and other business relationships	AR, pages 3-5
	2-7 Employees	SR, pages 17-21
	2-8 Workers who are not employees	SR, page 17-21
	Governance	
	2-9 Governance structure and composition	SR, page 5
	2-10 Nomination and selection of the highest governance body	AR, page 40
	2-11 Chair of the highest governance body	AR, page 39
	2-12 Role of the highest governance body in overseeing the management of impacts	AR, page 34
	2-13 Delegation of responsibility for managing impacts	AR, page 34
	2-14 Role of the highest governance body in sustainability reporting	SR, page 2
	2-15 Conflicts of interest	AR, page 41
	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 42
	2-19 Remuneration policies	AR, pages 43-44
	2-20 Process to determine remuneration	AR, pages 43-44
	2-21 Annual total compensation ratio	AR, pages 43-44
	Strategies, policies and practices	
	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, pages 47-48
	2-26 Mechanisms for seeking advice and raising concerns	AR, pages 47-48

GRI CONTENT INDEX "IN ACCORDANCE" - CORE		
GRI STANDARD	**DISCLOSURE**	**LOCATION**
GRI 2: General Disclosures 2021 (Continued)	**Strategies, policies and practices (Continued)**	
	2-28 Membership associations	SR, page 6-8
	Stakeholder engagement	
	2-29 Approach to stakeholder engagement	SR, page 6-8 AR, pages 52-53
	2-30 Collective bargaining agreements	N/A, no collective bargaining agreements is in place in FY2023
GRI 3: Material Topics 2021	**Disclosure on material topics**	
	3-1 Process to determine material topics	SR, pages 4-5 and 9-10
	3-2 List of material topics	SR, pages 4-5 and 9-10
	3-3 Management of material topics	SR, pages 4-5 and 9-10
GRI 205: Anti-corruption 2016	**Anti-corruption**	
	205-2 Communication and training about anti-corruption policies and procedures	SR, page 31
GRI 302: Energy 2016	**Energy**	
	302-1 Energy consumption within the organisation	SR, pages 11-12
	302-3 Energy intensity	SR, pages 11-12
	302-4 Reduction of energy consumption	SR, pages 11-12
GRI 303: Water and Effluents 2018	**Water and Effluents**	
	303-5 Water consumption	SR, pages 12-13
GRI 306: Waste 2020	**Waste**	
	306-2 Management of significant waste-related impacts	SR, page 13-16
GRI 401: Employment 2016	**Employment**	
	401-1 New employee hires and employee turnover	SR, pages 17-21
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR, page 22
GRI 403: Occupational Health and Safety 2018	**Occupational Health and Safety**	
	403-5 Worker training on occupational health and safety	SR, page 25-26
	403-9 Work-related injuries	SR, page 25-26
GRI 404: Training and Education 2016	**Training and Education**	
	404-1 Average hours of training per year per employee	SR, page 23-24
GRI 405: Diversity and Equal Opportunity 2016	**Employment**	
	405-1 Diversity of governance bodies and employees	SR, pages 17-21
		AR, page 39
GRI 416: Customer Health and Safety 2016	**Customer Health and Safety**	
	416-1 Assessment of the health and safety impacts of product and service categories	SR, page 27-29
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	SR, page 27-29