

# SUSTAINABILITY REPORT 2023



Sustainable Growth



# CONTENTS



**30 ABOUT THIS REPORT**

30 Scope & Boundaries

**31 APPROACH TO SUSTAINABILITY**

31 Reporting Framework

31 Sustainability Governance

32 Sustainability Framework

32 Sustainability Approach

33 Management Approach to Sustainability

**34 KEY STAKEHOLDERS  
ENGAGEMENT**

**35 MATERIAL SUSTAINABILITY  
MATTERS**

35 Review of Material Matters

37 Prioritisation of Material Matters

38 Validation of Materiality Assessment

**39 THEME: ECONOMIC**

39 Food Security, Safety and Halal

42 Biosecurity

43 Customer Satisfaction

44 Brand and Reputation

44 Data Security/Data Leakage

45 Business Growth

46 Supply Chain Management

**47 THEME: ENVIRONMENTAL**

47 Energy Management

52 Water Management

53 Waste Management

56 Emission Management

**57 THEME: SOCIAL**

57 Workforce & Workplace Environment

59 Employee Education & Development

61 Talent Attraction & Retention

63 Fair Labour Practices

66 Occupational Safety & Health

74 Community Relationship

**78 THEME: GOVERNANCE**

78 Corporate Governance and Business Ethics

**80 SUSTAINABILITY PERFORMANCE  
DATA**

**83 STATEMENT OF ASSURANCE**



## FLOUR

MALAYAN FLOUR MILLS BERHAD  
("MFM")

VIMAFLOUR LTD ("VimafLOUR")

MEKONG FLOUR MILLS LTD  
("Mekong Flour")



## POULTRY INTEGRATION

DINDINGS TYSON SDN BHD ("DTSB")

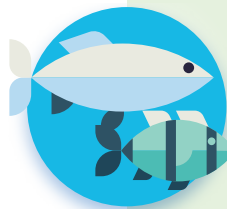
DINDINGS POULTRY DEVELOPMENT  
CENTRE SDN BHD ("DPDC")

DINDINGS POULTRY PROCESSING  
SDN BHD ("DPP")



## GRAIN TRADING

PREMIER GRAIN SDN BHD ("PGSB")



## AQUA FEEDS

DINDINGS SOYA & MULTIFEEDS SDN  
BERHAD ("DSM")

## ABOUT THIS REPORT

This Sustainability Report ("this Report") discloses our commitment, sustainable practices and initiatives towards achieving the Economic, Environmental, Social and Governance ("EESG") values.

### Scope & Boundaries

The reporting period is from 1 January 2023 to 31 December 2023. It covers the four business segments of the Group, namely flour, poultry integration, grain trading and aqua feeds in Malaysia and Vietnam. It does not cover our joint venture in Indonesia, PT Bungasari Flour Mills Indonesia, as the Group does not have full management control over it.

# APPROACH TO SUSTAINABILITY



## Reporting Framework

This Report is prepared in accordance with the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) as well as with reference to the following reporting and global best practices for sustainability as respond to emerging information demands from stakeholders and regulators:

- Global Reporting Initiative Standards (“GRI Standards”); and
- The UN Sustainability Development Goals (“UN SDGs”)



## Sustainability Governance





The Board of Directors of MFM is committed and responsible in setting the sustainability direction for the Group. The Audit & Risk Management Committee assists the Board to review the effectiveness of the Group’s strategies, policies, principles, and practices relating to sustainability.

The Sustainability Steering Committee (“SSC”) comprising MFM’s Executive Deputy Chairman cum Managing Director, and the Heads of Business Units and Business Functions supports the Board in formulating strategies, policies, practices and targets for sustainability. Based on the strategies, priorities and targets set, the Heads of Business Units and Business Functions implement and manage sustainability initiatives within their businesses.

Sustainability Reporting Working Group guides and assists the SSC on the sustainability reporting requirements and preparing the sustainability report.

## Sustainability Framework



### VISION

We aspire to be a leading food manufacturing enterprise in the region.



### MISSION

- To be the preferred provider and strategic partner in the food industry.
- To drive operational excellence by embracing a culture of continuous improvement.
- To add value to stakeholders by growing economies of scale.



### GOVERNANCE

Business Divisions adopt the well-known continuous improvement cycle Plan-Do-Check-Act (“PDCA”) in managing sustainability initiatives.

## Sustainability Approach

In embracing good sustainability practices, MFM Group focuses on managing its social and environmental impact and seeks to improve operational efficiency and natural resources stewardship.

MFM is committed to managing EESG material matters, guided by its Code of Conduct and related Policies, Standards & Guidelines.



## Management Approach to Sustainability

Our Group has identified and prioritised its approaches towards managing the material matters relating to EESG for our business operations as follows:



- To provide our customers with safe and quality products that adhere to Government legislation & requirements
- To have good strategic management & wisely utilise our resources
- To advance sustainable profitable growth whilst satisfying our ethical, legal & contractual obligations



- To comply with the regulatory requirements & standards in relation to environmental legislation & requirements
- To raise awareness among our employees & the whole supply chain in order to act in an environmental responsible manner
- To integrate environmental matter into our business decisions
- To ensure that energy & water are utilised efficiently & consumption is being monitored
- To recycle, reduce or reuse the waste or resources where practicable
- To reduce carbon footprint through energy efficiency & conservation practices



- To empower our employees by offering training, motivation & career advancement
- To provide a safe & healthy workplace & take care of employees' well-being
- To encourage open communication, ideas and innovation
- To support diversity in workforce
- To provide job security to employees
- To engage actively with civic project, charity events & the local communities through our corporate social initiatives
- To provide ample job opportunities



- To abide by the requirements of all laws & industry's best practices
- To adopt good ethical practices through Code of Conduct
- To ensure an appropriate governance system is in place to oversee the strategic development & performance that relates to the maintenance of a sustainable business
- To ensure proper risk management & internal control system are in place

# KEY STAKEHOLDERS ENGAGEMENT

We continually engage with our key stakeholders to identify key sustainability issues and solutions to manage the material matters. Stakeholder engagement is vital for us to understand the needs, expectations and concerns of our key stakeholders and address the material matters accordingly for continuous improvement which in return will enable us to sustain our business in the evolving business environment as well as strengthen relationships, build lasting confidence and trust of the stakeholders on our Group and products.

Our engagement platforms with the various key stakeholders and their focus areas are as follows:

Stakeholders	Focus Areas	Method of Engagement
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Growth and prospects</li> <li>Good corporate governance</li> <li>Risk management</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>General Meetings</li> <li>Quarterly Financial Reports</li> <li>Annual Reports</li> <li>Circular/Notice to Shareholders</li> <li>Announcements</li> <li>Press Releases</li> <li>Analyst Briefings</li> <li>Corporate website</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Safe, nutritious and quality products</li> <li>Product innovation</li> <li>Business ethics</li> <li>Competitive pricing and values</li> <li>Customer service</li> <li>Sustainability practices</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedback survey</li> <li>Customer meetings/visits</li> <li>Customer Careline</li> <li>Technical training and support</li> <li>Social media platforms</li> <li>Corporate website</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Career advancement</li> <li>Remuneration and benefits</li> <li>Learning and development</li> <li>Labour and human rights</li> <li>Job security</li> <li>Workplace health and safety</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Onboarding programme</li> <li>Townhall meetings</li> <li>Employee Portal</li> <li>Learning and Development programmes</li> <li>Events and functions</li> <li>Internal newsletters</li> <li>Management meetings</li> <li>Annual performance appraisal</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>Law and regulatory compliance</li> <li>Good corporate governance</li> <li>Food security</li> <li>Support for government policies and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Statutory submissions</li> <li>Attend briefings/conferences</li> <li>Organise meetings to brief and update the relevant authorities on industry trends/concerns</li> </ul>
<b>Suppliers &amp; Service Providers</b>	<ul style="list-style-type: none"> <li>Payment terms</li> <li>Governance and business ethics</li> <li>Fair procurement contract</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Suppliers' evaluation (audit)</li> <li>Contractual/Annual Review</li> <li>Suppliers' Conferences</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate news</li> <li>Business/product development</li> </ul>	<ul style="list-style-type: none"> <li>Media briefings</li> <li>Corporate events</li> <li>Press releases</li> <li>Social media platforms</li> </ul>
<b>Local Communities &amp; NGOs</b>	<ul style="list-style-type: none"> <li>Environmental impact on operations</li> <li>Direct and indirect economic impact</li> <li>Corporate social responsibility (CSR)</li> </ul>	<ul style="list-style-type: none"> <li>CSR activities and events</li> <li>Job opportunities</li> <li>Financial support/contribution</li> </ul>
<b>Competitors</b>	<ul style="list-style-type: none"> <li>Price competition</li> <li>New business opportunity</li> <li>Innovation and creativity</li> <li>Industry outlook and issues</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue with government on industry concerns</li> <li>Participation in government initiatives for the industry</li> </ul>

# MATERIAL SUSTAINABILITY MATTERS



## Review

Review and update material matters against current developments and changes in the business environment

## Prioritise

Conduct materiality assessment to prioritise the material matters to determine their relative importance

## Validate




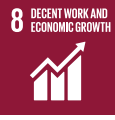
Outcome of the materiality assessment to be reviewed and validated by both the Senior Management and Board

## Review of Material Matters

MFM conducts its materiality assessment every 3 years based on the above materiality assessment process to ensure that the Material Matters of the Group remain relevant and material to the business and are aligned to the stakeholders’ focus areas.

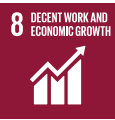

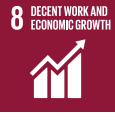










The last materiality assessment was conducted in 2020 and the list of 14 Material Matters was reviewed in 2023. Arising from the review, a revised set of 15 Material Matters relevant to the Group based on recent developments and changes in the business context, stakeholders’ expectations and alignment with the common material matters identified in the Bursa Malaysia Securities Berhad’s Enhanced Sustainability Reporting Framework, were identified. The revised Material Matters involved broadening of the scope of 4 Material Matters, a specific Material Matter on Fair Labour Practices and included Supply Chain Management as a new Material Matter.

The 15 Material Matters and their alignment with the UN SDGs, which are a global call to action to end poverty, protect the earth’s environment and climate, and ensure that all people can enjoy peace and prosperity, are as follows:




Link to UN SDGs	Material Matter	Description on its Significance
<b>ECONOMIC</b>		
 	Food security, safety and Halal	Ensuring sufficient supply, safe and nutritious food products to meet relevant standards and customer expectations.
	Biosecurity	Our poultry farms require strict biosecurity to prevent and control diseases to ensure uninterrupted operations and good farm management practices.
	Customer satisfaction	Customer satisfaction is our priority for customer loyalty and retention.





Link to UN SDGs	Material Matter	Description on its Significance
<b>ECONOMIC (cont'd)</b>		
	Brand and reputation	Having a strong and positive brand and reputation in the market are crucial for the Company to enjoy greater customer loyalty & trust, distinguish itself from the competitors and boost the sales.
	Data security/data leakage	Data protection is increasing vital to safeguard valuable information which is a critical asset to the Company and prevent business disruption, loss of customers' confidence and data breaches.
	Business Growth	Sustainable business growth is crucial for the continuity of our business as well as delivering long term value to the stakeholders.
 	Supply Chain Management	Supply chain management is important as it helps to improve product quality, customer service, operating costs, financial performance and competitive advantage.
<b>ENVIRONMENTAL</b>		
 	Environmental compliance	Our operations generate waste and effluent. Processing the waste before discharge prevents environmental contamination and complies with the Environmental Quality Act 1974.
   	Emissions and Water Security	The Greenhouse Gas (GHG) emissions arising from the use of energy and other pollutant gases in our manufacturing and supply chain activities contribute to climate change and high usage of water will strain the scarce resource. As these will have adverse effects on our business and the environment, the management of energy usage to reduce the carbon footprint and water security are crucial for the Company to minimise its environmental impact.
<b>SOCIAL</b>		
	Employee education & development	Continuous training and leadership development will enhance the skills and competency for the career growth of the employees and to meet the changing needs of the Company.
	Talent attraction & retention	Talent attraction and retention are important to building the Company's competent team, reducing the turnover rate and cost as well as leading to better customer relationships.



Link to UN SDGs	Material Matter	Description on its Significance
<b>SOCIAL (cont'd)</b>		
 	Fair Labour Practices	Practising human rights and employee fair treatment will promote job satisfaction, reinforce our position as a caring employer who respect the basic human rights of the stakeholders as well as compliance with all applicable laws, regulations and employment & human rights standards.
	Occupational Safety & Health (“OSHA”)	Providing a healthy and safe workplace is crucial to safeguard the health and overall wellbeing of the employees and other stakeholders, reduce accidents risk and also vital in attracting and retaining talent.
   	Community Relationship	Supporting the community is the corporate responsibility to care and give back to the society for mutual growth.
<b>GOVERNANCE</b>		
	Corporate Governance and Business Ethics	Good corporate governance and business ethics help to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity of the Company. The corporate governance practices are guided by our Board Charter, Code of Conduct and policies/principles on anti-corruption, anti-competition, anti-money laundering, anti-profiteering, risk management and tax governance.

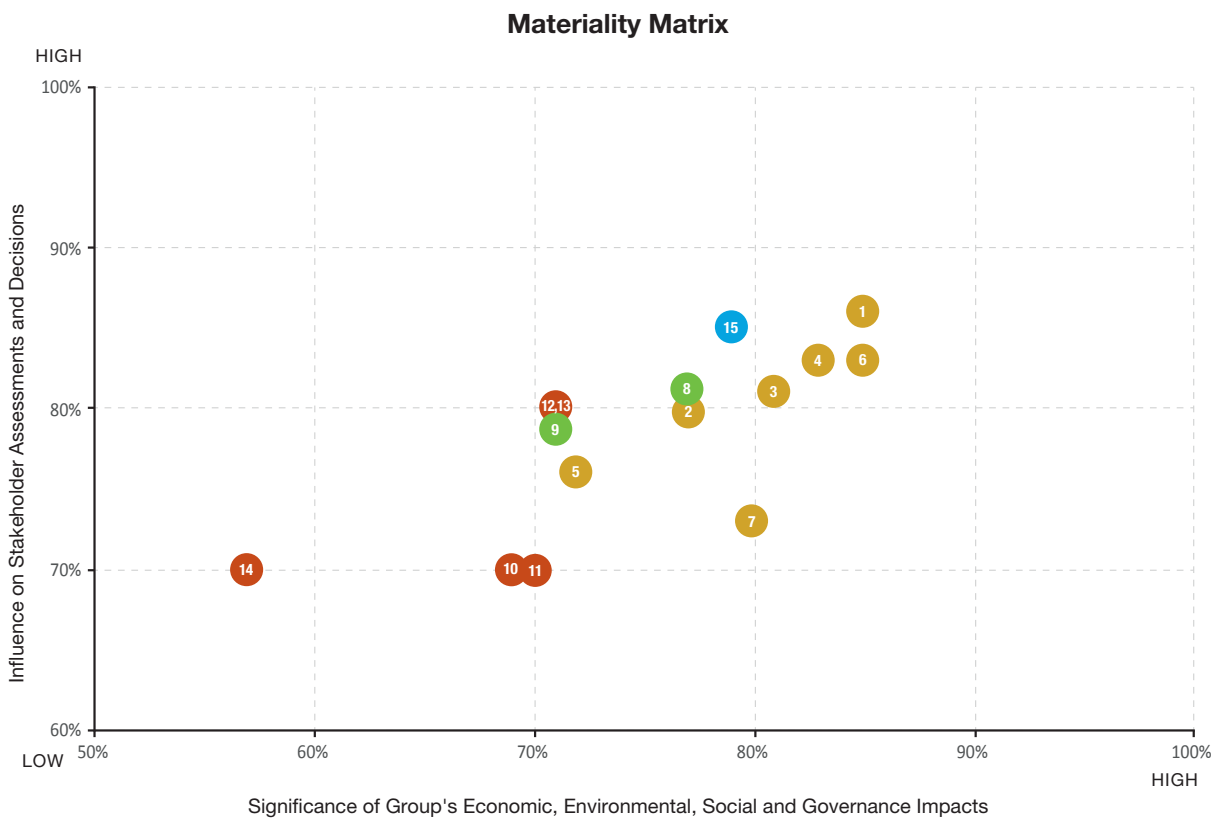
## Prioritisation of Material Matters

Following the revised set of Material Matters, we conducted a prioritisation exercise to determine their relative importance as not all Material Matters are of equal importance. The intention is to focus the Group’s efforts on the Material Matters that matter most. The prioritisation exercise was carried out through a materiality assessment survey where opinions were gathered from the Senior Management to rank and rate the Material Matters from their standpoints and the deemed importance to other stakeholders on their impact on our business and stakeholders.

## Validation of Materiality Assessment

Based on the outcome of the materiality assessment survey, the Materiality Matrix below was plotted in accordance with the degree of materiality and the relative relevance of the Material Matters. This is to identify the priority of the Material Matters.

The outcome of the materiality assessment survey and Materiality Matrix were reviewed and validated by the Senior Management and subsequently approved by the Board.



### ECONOMIC

- 1 Food security, safety and Halal
- 2 Biosecurity
- 3 Customer satisfaction
- 4 Brand and reputation
- 5 Data security/data leakage
- 6 Business Growth
- 7 Supply Chain Management

### ENVIRONMENTAL

- 8 Environmental compliance
- 9 Emissions and Water Security

### SOCIAL

- 10 Employee education & development
- 11 Talent attraction & retention
- 12 Fair Labour Practices
- 13 Occupational Safety & Health (OSHA)
- 14 Community Relationship

### GOVERNANCE

- 15 Corporate Governance and Business Ethics



# THEME: ECONOMIC



## Food Security, Safety And Halal

MFM Group is committed to producing safe, quality and nutritious food products that comply with our customers' requirements. As such, ensuring *food security, food safety and food quality* that have direct and intense impact on public health, consumer trust and industry sustainability, are our utmost priority.

To this end, we strictly abide by our principles, which underpins our unwavering commitment to the highest standards in food safety and quality management.

### Our Commitment to Food Safety & Quality

Guiding us is our Food Safety & Quality Policy which sets out a clear framework to ensure best practices are implemented throughout our entire value chain.

#### Food Safety & Quality Policy

- Produce Safe Food & Quality products to **meet Customers, Statutory and Regulatory requirements**.
- Ensure that our **employees competently** and effectively carry out their job functions by providing internal and external training, an environmentally friendly workplace, supervision and communication to foster **Food Safety Culture** among employees.
- Reviewed organisation's Food Safety and Quality objectives periodically, together with the fostering of **continual improvement** in Food Safety & Quality Management System.
- To comply with all statutory and regulatory requirements that ensure **Food Safety, Quality and Authenticity** of our products at all stages from sourcing to production and by maintaining with high sanitation and hygiene standard in daily operation.

#### Food Safety Objectives

- ✓ Our products are free from any visible metal fragments with diameter more than 1.00 mm.
- ✓ Our products must be free from Salmonella and Aflatoxin; Coliform count to be at < 100 MPN/gm; TPC to be < 1 x 10<sup>5</sup> cfu/gm; yeast and mould to be < 1 x 10<sup>3</sup>/gm.
- ✓ To minimise customer complaints, especially those relevant to food safety issue, such complaints are strictly controlled to be not more than 5 cases per year.

## Practices Adopted for Food Security, Safety, Quality and Halal Compliance

MFM Group has embraced the globally recognised Food Safety System Certification Scheme ("FSSC 22000") and the principle of HACCP for our flour milling and poultry processing operations. Additionally, our plants are certified as Halal by JAKIM (Department of Islamic Development Malaysia).

By implementing the Food Safety and Quality Assurance ("FSQA") and Halal Assurance System ("HAS"), we ensure that our processes are devoid of potential hazards or sources of haram in the raw materials and ingredients. This system prioritises food safety, quality and cleanliness at every stage of production, providing a structured approach to guarantee and uphold halal integrity while securing the safety and high quality of our products.

We regularly engage independent certification bodies to audit our Management System to ensure that we remain in compliance with internal policies, ISO Standards, laws and regulations.

## Standards & Certifications Obtained for Food Safety & Quality

<p style="text-align: center;"><b>Food Safety Management System</b></p> <p style="text-align: center;"></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"><b>FOOD GMP CERTIFIED</b></div> <div style="border: 1px solid black; padding: 5px; text-align: center;"><b>ISO 22000 CERTIFIED</b></div> <div style="border: 1px solid black; padding: 5px; text-align: center;"><b>HACCP CERTIFIED</b></div> </div> <p style="text-align: center;"><b>Quality Management System</b></p> <p style="text-align: center;"></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>HALAL Certificate</b></p>  </div> <div style="text-align: center;"> <p><b>Veterinary Health Mark</b></p>  </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;"> <p><b>Food Safety Assurance</b></p>  </div> <div style="text-align: center;"> <p><b>Good Agricultural Practices</b></p>  </div> </div>	<p><b>Standards and Certifications adopted</b></p> <ol style="list-style-type: none"> <li>1. FSSC 22000 V5.1 Food Safety Certification scheme.</li> <li>2. ISO 22000:2018 Food Safety Management Standard (“FSM”)</li> <li>3. ISO 9001:2015 Quality Management System (“QMS”)</li> <li>4. MS 1480:2019 Hazard Analysis and Critical Control Points (“HACCP”)</li> <li>5. MS 1514:2009 Good Manufacturing Practice (“GMP”)</li> <li>6. Veterinary Health Mark (“VHM”)</li> <li>7. MS 1500:2019 Halal Food (certified by JAKIM)</li> <li>8. Halal Slaughterhouse (certified by JAKIM)</li> <li>9. ISO/IEC 17025:2017 General requirements for the competence of testing and calibration laboratories</li> <li>10. SIRIM MS 85:2018 (Edible Wheat Flour)</li> <li>11. MeSTI (Food Safety is Responsibility of the Industry)</li> <li>12. Malaysian Good Agricultural Practices Certification Scheme (“myGAP”)</li> <li>13. Fish Quality Certificate (“FQC”) by Department of Fisheries Malaysia</li> </ol>
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## Facilities for Food Safety & Quality

### Technology in Storage and Preservation of Raw Material

Upon shipment arrival, foreign materials, dust and broken corn which contain high mycotoxins will immediately be removed to preserve the corn quality. Once this process is completed, the corn will be transferred to the concrete silos for storage.

The next important process is to completely cool down the corn via grain refrigeration. The temperature will be controlled at below 25°C and tracked using a temperature sensor system, and this allows for a more effective quality management of the corn for producing quality feeds which will be supplied to our poultry farms.

### Installation of Color Sorter in Wheat Cleaning Section

A color sorter in a wheat cleaning line is a specialised machine used to remove impurities and defects from wheat grains based on their color. By removing defective grains and impurities based on their color, the color sorter helps ensure that the final product meets stringent quality standards and specifications, minimises waste and maximises the yield of high-quality product.



### Human Machine Interface Technology for Feed Milling

We deploy Human Machine Interface (“HMI”) via an automated Process Logic Control system, linked to a Manufacturing Execution System (“MES”) to ensure consistent high-quality feeds are produced to meet the nutrition requirements of our breeder and broiler farms. The HMI system offers highly effective process control solutions to integrate into the end-to-end poultry supply chain solution; and is extensively used in monitoring the production flow of feeds, especially the accurate dosing of all different ingredients and raw materials; to enhance efficiency and effectiveness of our entire feed mill plant operations.

### International Standards Poultry Processing Plant

Our state-of-the-art primary poultry processing plant in Sitiawan, Perak was designed to meet the internationally recognised standards, such as *British Retail Consortium Global Standards* (“BRCGS”) and the *United States Food and Drug Administration* (“USFDA”), to ensure food safety and producing high quality products with the shelf life of 10 days for the chilled products to meet the requirements of our customers and export market.

This poultry processing plant is the largest single plant in Malaysia with a production capacity of up to 120 million birds per year.

### Accredited Microbiological Laboratory

Our poultry processing plant has an in-house accredited microbiological laboratory with ISO/IEC 17025 which ensure the quality, safety, and integrity of our process and products, as well as demonstrating our commitment towards excellence in testing and analysis. Products before leaving our manufacturing premises will go through testing to ensure compliance with regulatory standards, food safety requirements and quality control measures with Certificate of Analysis (“COA”) issued by our Qualified Lab Analyst.

With these accredited laboratory practices and ISO/IEC 17025, it also ensures systematic management of laboratory processes and procedures, leading to improved efficiency, consistency, and reliability of test results.

### Training for Food Safety and Quality Assurance

Our quality assurance system is not just about meeting industry, legal, customer standards, it is about surpassing them. To ensure our team are competently equipped to maintain our high standards of food safety, quality and security throughout the production process, our team undergoes regular and customised training programmes to stay abreast of the latest industry trends, technologies, and safety protocols. Their unwavering commitment to excellence is the cornerstone of our quality assurance system, ensuring that every product is handled with care and expertise.

We also conduct training to educate consumers, wholesalers/distributors and the community on food safety and quality requirements.





## Commitment to Halal Compliance

We recognise the growing demand for Halal-certified products and the importance of Halal Certification and compliance to access the growing Halal market, enhance customer trust and loyalty, improve brand reputation, differentiate and reposition our products and brands in the market and align with global market expansion.

As such, we are dedicated to upholding the integrity of our Halal certification and practices from procurement of raw materials to distribution of our manufactured products by strictly adhere to Halal Standards, abide by our Halal Assurance Management System and other relevant standards.

We take pride in upholding our Halal certification and compliance, as such we conduct regular audits and inspection of all our approved supplier's facilities and processes to verify their compliance with Halal standards.

Likewise, internally, we will undergo regular audits and inspections by Halal certification body. These audits ensure that all aspects of production, processing and handling meet the requirements for Halal certification.

To ensure the integrity and authenticity of our Halal-certified products along our supply and to ensure that our manufactured products are Halal, or permissible, for consumption by Muslims, we prioritise the conducting of comprehensive training programmes for our internal Halal Committee members and fostering a culture of Halal compliance within food production facilities.

## Biosecurity

In the upstream operation of the poultry integration, implementing stringent biosecurity measures stands as a cornerstone for ensuring food security, food safety and environmental sustainability.

One of the primary reasons behind enforcing strict biosecurity protocols in poultry farming is to uphold food safety standards. Poultry serves as a vital protein source for Malaysian consumers nationwide, hence, making it imperative to maintain the integrity of poultry products. By implementing strict biosecurity measures, we effectively reduce the risk of disease transmission within flocks.

Diseases such as Avian Influenza and Newcastle disease pose significant threats to both poultry populations and human health. A single outbreak can lead to the mass culling of infected birds, economic losses, and potential contamination of the food supply chain. The likelihood of such outbreaks can be minimised through robust biosecurity practices, thereby ensuring the safety of chicken products for consumers.

MFM Group's poultry farm and hatchery facilities are fully equipped with bio-security facilities with strict practices such as proper visitor matrix management, internal truck to deliver feed and going through dust filter barrier before entering the farms.

All the closed house farms are designed with galvanised steel structures, fitted with insulated materials, latest automated temperature control and ventilation system to ensure that all chickens are raised in safe and healthy environment. This reduces chicken stress, lowers chicken mortality, and improves farm performance, thus reducing drastically the need to use drugs during the rearing of the broilers. The effects of antibiotic residue free in the chicken further enhances the numerous health aspects of chicken consumption in modern day living.

In addition, the farms are cared by professional and qualified veterinarians who monitor the flock health, carry out diagnosis, provide treatment prescription and conduct research and development ("R&D"). Structured vaccination programs with pharmaceutical companies are also in place to prevent and control diseases/outbreaks which can cause significant economic losses with detrimental impacts on the food supply.



## Customer Satisfaction

### Improve Customer Relationship by Being Customer Centric

We adopt customer centric approach to prioritise understanding customers’ needs and feedback and tailor our offerings accordingly such as reliable and consistent supply, cost competitiveness, product quality and deliver value add services through personalised experience that create customer satisfaction, loyalty and advocacy.

We deploy Customer Relationship Management (“CRM”) system to manage customers’ feedback with consistent monthly meeting and customer visits which involve continuous follow-up and discussion with customers to meet their needs throughout all stages of the customer journey.

Our Research & Development (“R&D”) will focus on customers’ specific process by tailoring products and services to meet their specific needs.

### Customer Relation Boosting Activities

Among the activities held to boost the relationship with customers are as follows:

- Foster deep connections through ‘Building Flour Distributor Community’ initiative, which features Annual Distributor Conferences, New Year Group Meetings, Friendly Football Matches and Coffee Talks.
- Vimaflour nurtured the passion for flour distribution with its ‘2nd-Generation Distributors Conference’ targeting the children of existing distributors to inherit the family business. The conference had successfully lighted a love for the industry among the next generation which bodes well for Vimaflour’s future, ensuring a legacy of passion and expertise.



- Organised plant visit by the customers





## Brand and Reputation

Having a strong and positive brand and reputation in the market is crucial for the Group to enjoy greater customer loyalty and trust, distinguish ourselves and achieve sustainable business growth.

Besides our commitment on food safety, quality and halal compliance as well as attaining customer trust and satisfaction, we have also implemented a variety of activities to strengthen our brand identity which include among others:

- Website upgrading and revamping of Company Profile and brochure by two subsidiaries in Vietnam.
- Participation in FI Asia Exhibition Booth in Thailand: Demonstrating its commitment to new Thai customers and promoting its diverse product portfolio, Vimaflour and Mekong Flour actively participated in the FI Asia Thailand Exhibition. This strategic presence generated a significant number of promising business leads.



- Promotional events such as hosting contests through social media to gain new customers and increase brand awareness.

## Data Security/Data Leakage

MFM dedication to data security extends well beyond technological advancements. Within our Company, we actively prioritise ethical practices in data handling guided by our Security Policy and Procedures on appropriate use of information, information assets, and network infrastructure for data protection. This includes implementing Non-Disclosure Agreements (“NDAs”), which serve as the legal backbone protecting our intellectual property from theft or unauthorised access.

Our commitment to cybersecurity compliance not only safeguards our day-to-day operations but also reinforces the trust that our stakeholders place in us. Our people are the first line of defence in the realm of data security. Through comprehensive training and awareness programs we empower our employees to become the human firewall, vigilant against potential threats. By fostering a culture of security consciousness, we instil a sense of responsibility in every individual to protect our data assets. This not only includes adhering to best practices but also recognising and reporting suspicious activities, contributing to a collective effort to fortify our defences.

We implemented access controls within business processes to ensure that our employees have access to only the data necessary for their roles. Our technological solutions designed to safeguard against cyber threats and unauthorised access. Endpoint protection, secure cloud storage, and cloud Email Security work in unison to create a formidable defence mechanism.

We stay ahead of emerging risks by continuously investing in and adopting innovative technologies with the guide of Security Posture Assessment (“SPA”) that reinforce our commitment towards data security.

**There were no complaints concerning breaches of customer privacy and losses of customer data in 2023.**



## Business Growth

Sustainable business growth is a crucial goal for MFM Group to thrive over the long term which requires a holistic approach that aligns values, engages stakeholders, and balances economic, social and environmental impact.

### Initiatives for Business Growth

- Grain procurement directly from countries of origin and ocean freight chartering to achieve premium quality raw materials at competitive rates.
- Developed new flour brands and increasing product variety with improved quality at competitive pricing to cater to customers and export market requirements, and counter competition.
- Disease control and improve bird quality by enforcing strict biosecurity protocols and improvising breeder and broiler vaccination program.
- Leverage on Redzone system to improve Overall Equipment Effectiveness (“OEE”) and Food Safety and Quality Assurance (“FSQA”) to enhance production cost efficiency, food safety and finished goods quality, and to penetrate export markets which has more stringent quality requirements.
- Increase new own retail outlets to grow consumers and food services segments which also consume imbalance poultry parts.

### Expanded and Upgraded Facilities to Support Business Growth



#### Jetty Extension to Support Combo Shipment

The extension of MFM’s jetty facilities in Lumut, Perak increases its handling capacity for raw materials, which in turn enables us to meet the growing demand for our products and supports our business growth. The extended jetty enables the berthing of larger-sized vessel to achieve economies of scale and combo shipment to optimise transportation costs and streamline logistics operation.



#### Milling Line Upgrading

Upgrade existing milling line by leveraging on the latest advancement in the flour milling technology to increase our wheat milling capacity, improve our efficiency, productivity, and quality which allow us to stay competitive and future-proof our operations. The upgraded milling line will also enable us to respond to evolving market demands, introduce new products and differentiate ourselves from competitors.



#### Packing Capacity Expansion for Retail Pack

By increasing our production capabilities, we can capitalise on growing market opportunities and increase our market share in the retail pack flour segment. The expanded packing capacity will provide greater flexibility in responding to customer orders and market demands. We will be able to quickly adjust production volumes, packaging formats, and product assortments to meet changing consumer preferences and seasonal variations in demand.



#### Warehouse Management – Racking System

To support the growth of packing capacity and inventory, racking system is implemented in our existing warehouse which enhance warehouse management by optimising storage space and streamlining inventory operations. Inventories will also have better visibility, leading to improved FIFO product movement and more neatly organised.



## Supply Chain Management

MFM Group is committed to ensuring a sustainable food distribution system to supply safe, nutritious and affordable food to consumers by utilising the competitive advantage of each global and local supply chain point.

Ensuring the long-term viability and resilience of the flour and poultry industries requires a commitment to supply chain sustainability. MFM Group is dedicated to this goal by implementing sustainable practices such as responsible sourcing, animal welfare standards, and resource efficiency measures. These efforts aim to reduce environmental impact, improve animal welfare, and fulfill social responsibilities. Collaboration, innovation, and stakeholders' engagement are crucial for driving positive change in the evolving business context and securing a sustainable future for the food industry to ensure food security in the country.

MFM Group has a Procurement Policy and Procedures which provide guidance to the Group's Purchasing Department to carry out its responsibilities which include:

- Obtaining competitive bids, select suppliers, negotiate price and assure quality;
- Ensure the highest purchasing standards and ethics are maintained; and
- Ensure the proper operation and the purchasing processes are observed and incorporating the principles of transparency, rationality, objectivity, equity and accountability.

MFM Group as a leading food manufacturer, has embarked on a comprehensive sustainability program aimed at addressing key environmental, social, and economic challenges across its supply chain.

### Supply Chain Sustainability Program

- We combine multi-commodities and multi-grades of raw materials on large dry bulk carriers such as Panamax/Kamsamax to enhance economies of scale as well reduce carbon footprint by optimising supply chain of raw materials.
- We are partnering with reliable global raw materials suppliers with extensive originations and shipping capabilities for wheat, corn and soybean meal to optimise our sourcing of commodities and enhance operations, shorter supply chain to reduce carbon dioxide emissions per ton of freight per mile travelled (ton-mile emission), which ultimately reduces its carbon footprint and transportation cost.
- We work with our commodity grain majors who are already supporting or working towards supporting farmers in their transition to regenerative agriculture to mitigate climate change, regenerate soil, and improve water conservation to reduce energy use and pollution to environment.
- We ensure transparency and traceability in the commodity supply chain, where the suppliers are working towards knowing where ingredients are sourced from with policies of non-discrimination and equal opportunities to protect human rights and human health and safety as well as address on animal welfare.
- To uphold our commitments, we source soy products from certified sellers audited by third parties that verify sustainable soybean production such as US Soy Sustainability Assurance Protocol ("SSAP") and Round Table on Responsible Soy Association ("RTRS").
- Implementing animal welfare standards based on industry best and independent audits to ensure the humane treatment of poultry.
- Engaging with consumers, retailers, and other stakeholders to promote transparency and raise awareness about sustainable poultry production practices.
- Ongoing consolidation and optimisation of transport routes reduce the environmental impact, particularly by minimising lorry emissions from land transport.



# THEME: ENVIRONMENTAL

SUSTAINABILITY  
REPORT 2023



MFM recognises and embraces its responsibility to protect and nurture the environment for the betterment of current and future generations, and we remain committed to obtaining ingredients with the utmost regard for their influence on ecosystems. We promote circularity and environmental efficiency throughout our operations by properly managing energy, water, and waste resources. Shifting to a circular economy not only creates opportunities for increased company value, but it also helps to reduce environmental impact.

Our commitment towards managing the impact of our operations on the environment is guided by our Environmental Policy.

## Energy Management

Energy management involves identifying and implementing strategies to reduce energy consumption, improve equipment performance, and optimise energy systems.

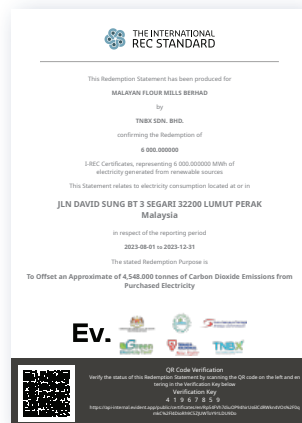
Energy optimisation is the process of maximising energy efficiency while minimising energy waste. Optimising provides huge cost savings and numerous benefits including air quality, protecting the environment, and bolstering energy security. By focusing on energy optimisation, we can reduce energy bills and enhance their environmental sustainability.

MFM Group is dedicated to expanding its efforts to reduce greenhouse gas (“GHG”) emissions by optimising energy efficiency across its operations. We have been proactively identified opportunities to implement various energy-efficiency improvement initiatives.

## Energy Management Initiatives at Flour Mills

### Renewable Energy Initiatives

- ✓ Subscription of Green Electricity Tariff Program



MFM subscribed the Green Electricity Tariff Program by Tenaga Nasional Berhad (“TNB”) whereby 11,000 MWh of electricity generated from renewable sources was purchased which offset an approximate of 8,338 tonnes of carbon dioxide (CO<sub>2</sub>) emissions from total purchased electricity.

- ✓ Installation of Roof-Mounted Photovoltaic (PV) Solar System

Solar PV technology offers a clean and abundant source of renewable energy, aligning with MFM Group’s aims to demonstrate its commitment to environmental stewardship.

The adoption of Solar PV System offers a solution to addressing various environmental challenges by reducing harmful emission, reducing energy consumption generated from fossil fuel and contribute to mitigating negative environmental impacts.

This Solar PV project is at the planning stage for implementation at both the flour mills in Malaysia and Vietnam.



## Energy Efficiency Initiatives

### ✓ Conversion of Diesel Forklift to Battery-Powered

Both the flour mills in Malaysia and Vietnam have started replacing their forklifts from diesel to battery-powered with the target of gradually replacing up to 50% of their diesel forklifts to battery-powered forklifts by 2026. The battery-powered forklift has the benefits of environmentally friendly, cost saving, quiet operation, improved energy efficiency and reduced emissions.



- ✓ Optimise the Production Lines: Preventive maintenance is a good practice to ensure the machines are in good working condition, especially timely replacement of roller-mills and grinding rolls to maintain optimal working load of the machines which in turn would save the energy.
- ✓ Reduce Load During Peak Hours: Optimise the production planning to fully utilise off-peak hours electricity and avoid/reduce running of the production during peak hours electricity which will increase energy efficiency and reduce the cost.
- ✓ Install Energy Saving Lighting: Using 100% LED lights in the plant enable saving of significant energy compared to traditional bulb with the same light output.
- ✓ Educate Power Saving Practice: Staff and workers at the plants are being trained/educated to practise efficient use of lighting, minimise the empty running of the production system, optimum capacity utilisation of the machine and production system thus optimising the power consumption for production.
- ✓ Replace old air-conditioners with energy efficient air-conditioners.

## Energy Management Initiatives at Poultry Processing Plant

Our poultry processing plant in Sitiawan, Perak has implemented various initiatives to reduce energy consumption, improve equipment performance, and optimise energy systems with the following strategies and targets:

ELECTRICITY	GAS
<ul style="list-style-type: none"> <li>• Reduce 35% of the electrical energy through using renewable solar energy</li> <li>• Optimise the energy consumption of the cooling system by 1% compared to 2019</li> <li>• Maintaining the equipment efficiency by implementing good autonomous maintenance and preventive maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the gas usage by preheating the water using heat waste from the compressor before entering the heater</li> <li>• Recycle heat waste from steam by installing the Decelerator System</li> </ul>



## Renewable Energy Initiative

### ✓ Installation of Roof-Mounted Photovoltaic (PV) Solar System

The Solar PV installation on the roof top of the Primary Processing Plant and Rendering Plant has commenced in October 2023 and expected to be completed and commissioned in June 2024.

- Total installed capacity: 4,800 kWh
- Number of Solar PV panels: 8,200
- Estimated solar energy to be harvested: 6,866,000 kWh/year which is equivalent to 4,387 tonnes of CO<sub>2</sub> emissions reduction/year.

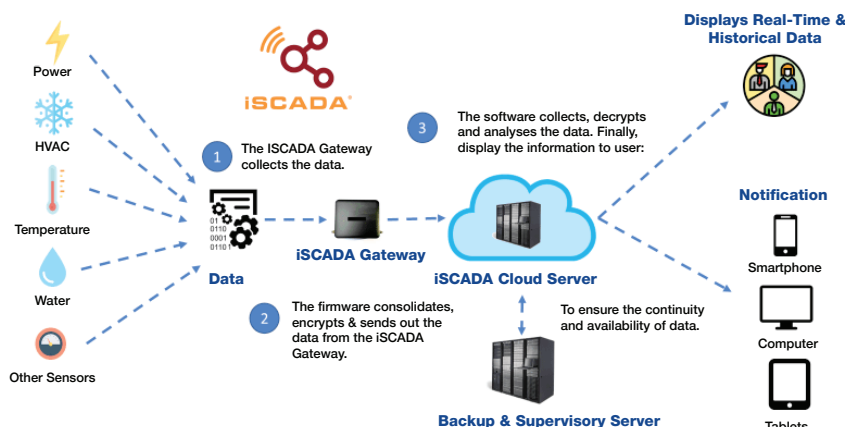


Solar Panel on the roof top of the primary processing plant

## Energy Efficiency Initiatives

### ✓ Monitoring Energy Efficiency via iSCADA System

iSCADA System (*Internet-based SCADA*), also known as Supervisory Control and Data Acquisition system, is deployed for real-time monitoring of energy inefficiency issues, facilities equipment performance and capture the supply performance trending. iSCADA enables more focus on electrical supply usage, water supply, room temperature and compressed air supply and facilitates consistent and comprehensive distribution of data, enabling efficient management operations.



### ✓ Monitoring Equipment Effectiveness via RED Zone Software

To ensure smooth production and high Overall Equipment Effectiveness (“OEE”), our plant has invested in RED Zone software to monitor the OEE which directly contribute to the efficient energy usage. The real-time machinery status is important to ensure efficiency and output as per target.

✓ Ammonia Refrigeration System

Within this system, 9 condensers autonomously regulate their operation based on real-time heat load requests, a testament to our dedication to energy conservation. Moreover, a selection of compressors is fitted with Variable Speed Drive (VSD) motors, a strategic move to optimise energy consumption and contribute to a greener future.

The estimated combined energy savings from condenser automation and VSD motors is 25%. These innovations not only enhance operational efficiency but also underscore our dedication to responsible business practices.

✓ Refrigeration Heat Recovery System



A refrigeration heat recovery system is deployed to achieve optimal performance and efficiency across the entire spectrum of the plant operations.

Technologies of the System

**Heat exchange:** To exchange heat from hot ammonia gas to heat up water supply to range of 55°C - 60°C

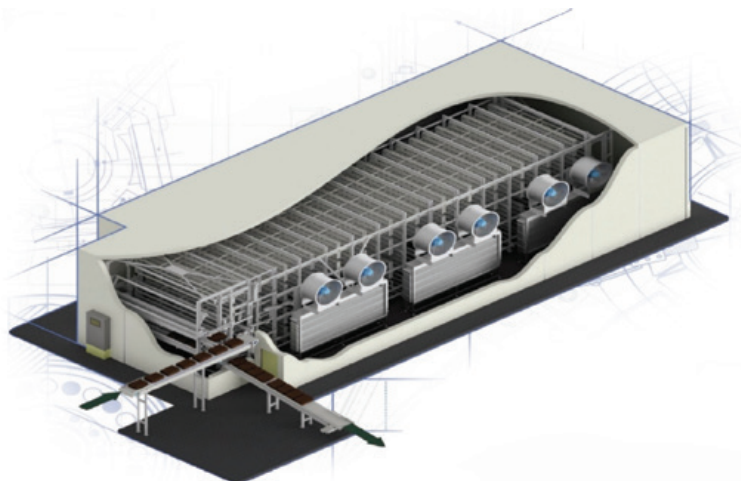
**Reduce condenser consumption:** Less heat in ammonia gas leads to less cooling needed to be done by condenser to convert ammonia gas to liquid.

**Energy savings:** Save electrical consumption on water heater by 35,000 kWh/year.

✓ Energy Efficient Carton Freezer

The Carton Freezer automates the freezing process, reducing manual intervention and ensuring uniform freezing for consistent product quality.

**Energy savings:** The energy-efficient Carton Freezer, equipped with optimised fans and precise temperature control, reduces energy consumption by 20%, resulting in monthly savings. Its enhanced performance not only boosts productivity but also reduces maintenance needs and reduce footprint. These efficiency enhancements significantly lower the operational costs and energy consumption.





✓ Automated System and Retrieval System (“ASRS”)

ASRS automates storage and retrieval, reducing manual labour and optimising efficiency. It saves space, improves food handling safety, and enhances security with integrated sensors.

**Energy savings:** ASRS reduces energy consumption with decreased cooling needs by about 50%, hence lowers operational costs.



✓ Miniload Automated System and Retrieval System

The miniload system automates handling processes which reduces reliance on manual labour for storing and retrieval of products. It maximises warehouse space utilisation with intensive storage racks and segregated areas.

**Energy Savings:** Miniload’s energy-efficient design and automatic operation optimise power consumption in the plant operations, resulting in cost savings and improved sustainability. The cost savings contribute significantly to the overall cost reduction and sustainability efforts.



Energy Consumption	2023
Electricity purchased (Megawatt)	153,645
Green electricity purchased (Megawatt)	11,000
Gas consumed (GJ)	327,039
Fuel/Diesel consumed (Litres)	2,061,671



## Water Management

For the sustainable access to water, which is a precious resource, MFM Group focuses on optimising the water consumption throughout its operations.

### Our Approach to Water Management

- ✓ Groundwater withdrawal for usage at the poultry farm.
- ✓ Reduce water consumption for cleaning activities at Rendering Plant by using the water collected by the Rainwater Harvesting System.



Harvested Rainwater Tank

- ✓ Live Bird Supply System at Processing Plant  
After the product is unloaded, all containers will be transferred to the cleaning section and automatically cleaned and sanitised by the cleaning equipment. By recycling the water for pre-wash, the container washer can reduce 20% of water consumption.
- ✓ Reduce unnecessary water consumption to minimise wastage.
- ✓ Raise awareness of employees on water conservation.
- ✓ Set a strict water usage management with water meter installed at appropriate areas for data collection and enhance analysis.
- ✓ Production section to monitor and analyse water consumption on monthly basis to ensure reasonable water usage and detect any abnormal water usage which could be due to water leakage caused by broken underground water pipes or water tanks.
- ✓ Optimise the water pressure pump system by installing a feedback system.

Water Consumption	2023
Municipal potable water (Megalitres)	2,108.95
Groundwater (Megalitres)	157.68
Harvested rainwater (Megalitres)	0.1378



## Waste Management

With limited space for landfills and rising costs of waste disposal, there is increased pressure and urgent need to tackle the waste management issue and reduce the impact on the environment and general well-being of the community. MFM demonstrates its commitment to environmental preservation by practising sustainable waste management by way of reuse, reduce, recycling, treatment and proper disposal.

### Proper Waste Disposal

#### ✓ Scheduled Waste Disposal

Scheduled waste disposals are practised in accordance with the Environmental Quality Act of 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005. Additionally, the employees at the plant receive environmental awareness briefings and scheduled waste management training from the Safety Department.



Scheduled waste disposal

#### ✓ Wastewater Treatment Plant at Poultry Processing Plant

The Wastewater Treatment Plant (“WWTP”) uses physical-chemical and biological processes to treat wastewater being generated from production and operation activities in the processing plant and rendering plant. The capacity of the WWTP has been upgraded from 3,500 m<sup>3</sup>/day to 10,250 m<sup>3</sup>/day to cater for anticipated increase in slaughtering rate at Primary Processing Plant and production rate at Further Processing Plant.

Latest technologies are deployed in the process to reduce manual workforce, increase safe work practice, and ease of process monitoring without jeopardising the quality of treated effluent. The wastewater treated at the WWTP complies with the standards regulated by Department of Environment (“DOE”) Malaysia. All wastewater is treated to achieve a minimum effluent standard before discharging back to nature. The WWTP will eliminate disease-causing bacteria and kill harmful organisms through filtering, ensure minimal odour and remove up to 97% of contaminants from used water.

#### ✓ Chemical Waste Management

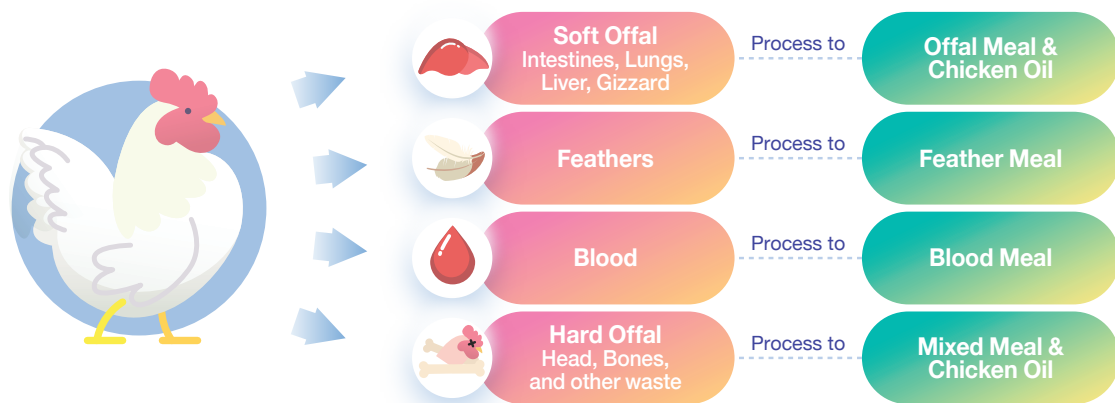
Apart from the Standard Operating Procedure (“SOP”) for proper handling of chemical waste, our Group also has training programme on chemical waste management and disposal procedures including “Safe Chemical Handling” for workers. Waste oil and hazardous chemicals can cause extensive damage to environment and pose substantial hazards to the lives of animals, plants and human-beings. Our Group manages waste oil and hazardous chemical disposal properly in accordance with the Environmental Quality Act 1974.

## Recycle Organic Solid Waste

### ✓ Rendering Plant at Poultry Processing Plant

Our state-of-the-art Rendering Plant is designed to kill harmful bacteria, leaving only useful protein for animal feeds. Rendering is the process of converting animal by-products, that would otherwise be discarded as waste, into usable product material. In general, animal tissue is processed to obtain animal fat and protein meal. These products can be used as raw material in aqua feed manufacturing.

### Rendering Process in a Glance



**Impact:** Through all the processing lines, the processing plant achieves zero waste whereby all materials are recycled which significantly minimise environmental footprint and promote resource conservation.

**Benefit:** Rendering adds value to waste by transforming it into profitable products, maximising resource utilisation and reducing environmental impact.

## Waste Reduction Initiatives

- ✓ **Zero Waste in Flour Milling:** Our flour mills optimise the usage of wheat to produce flour to achieve zero waste in flour milling. Whole wheat flour uses all parts of the kernel whereas white flour only uses the endosperm. The bran removed is used for feed milling process to produce animal feeds and the germ will be sold or used to produce special kind of flour.
- ✓ **Recyclability** is a fundamental aspect of sustainability initiative as it promotes resource conservation, energy efficiency, waste reduction and environmental protection.

MFM Group practises recycling activities for certain recyclable waste (i.e. plastic drums, metal drums, unused wooden pallets and etc.) as part of our efforts to conserve natural resources.

Initiatives are also being implemented for all packaging to conform to recyclability standards with continuous efforts to convert unrecyclable packaging materials to paper bag, recycled polyethylene (PE) bag or re-use jumbo bag and also ensure optimum reusability of our packaging before being discarded completely.



Paper Bag



PE Bag







- ✓ **Reduce usage of packaging materials** by bulk tanker delivery to customers.
- ✓ **Prolonged lifespan of LED lighting** used by the Group has effectively reduced waste.

### LED Lifetime Characteristics

Compare and contrast the lifespan and power consumption for the available light bulb options.

*\*Source: energy.gov*

	 Incandescent	 LED	 CFL	 Halogen
<b>Lifespan (hours)</b>	750-2,000	35,000-50,000	8,000-10,000	3,000-4,000
<b>Power Consumption</b>	100 W	16-20 W	23-26 W	70-72 W
	75 W	9-13 W	18-20 W	53 W
	60 W	12 W	13-15 W	43 W
	40 W	8-9 W	10-11 W	28-29 W

- ✓ **Reduction of colours on packaging** has lowered the usage of printing inks and improved the breaking down process of recycling.

#### MEDIUM PROTEIN WHEAT FLOUR



- ✓ **Digitisation** of sales reports, communication cards and sales kits for marketing has effectively reduced paper usage.
- ✓ **The practice of sending notices, documents and information by email** for management and board meetings and by way of publication in our website for shareholders' meetings have reduced the paper usage significantly.

## Emission Management

Emission management plays a crucial role in addressing climate change and minimising the impact of GHG emissions. In caring for our mother earth, our energy and waste management initiatives as well as the following facilities of MFM Group and emission management initiatives have played crucial roles in reducing the emission impacts of the Group:

### Emission Reduction Facilities

#### ✓ **Belt Conveyor Facility at Jetty to Deliver Raw Materials**

We bring agricultural raw materials such as wheat, corn, soybean, and soybean meal directly from the countries of origin by bulk carriers to our flour mill and feed mill through our port terminal and a mile-long conveyor belt. The installed conveyor belt from jetty to the mills since 2015 has eliminated the use of trucks to deliver raw materials to the mills. Using this integrated grains logistics transport system instead of traditional land transport has reduced our emission impact on the environmental.



#### ✓ **Solar PV Installation**

The completion of the Solar PV installation at the processing plant in 2024 for renewable energy will reduce air pollution due to reduction in purchased electricity which predominantly is fossil fuel-based energy generation, which is a significant source of harmful emissions such as sulfur dioxide, nitrogen oxides, and mercury.

The adoption of Solar PV technology also aids in reducing greenhouse gas emissions of approximately 4,200 tonnes of CO<sub>2</sub> annually, thereby mitigating climate change and its adverse effects on the environment.

#### ✓ **Biofilter**

Our plants are installed with biofilter which is an odour treatment system for all the processing waste gas. Waste gas is passed through a filter bed before being released to the atmosphere. The biofilter ensures organic pollutants from waste gas, odour and toxic in waste gas are removed before releasing it.

### Emission Management Initiatives

✓ Our plant operations in Vietnam also cooperate with relevant parties to conduct environmental inspection every 6 months to fully comply with the environment regulation and standards to ensure that no dust pollution in the industry. The diesel consumption is also being tracked and CO<sub>2</sub> emission is closely monitored.

✓ We aspire to achieve continuous improvement in reducing CO<sub>2</sub> emission throughout our businesses by incorporating innovative technologies.



# THEME: SOCIAL



## Workforce & Workplace Environment

MFM Group is committed to fostering a positive and engaging work environment for our employees. We believe that a well-supported and empowered workforce is key to our success and long-term sustainability.

Our dedication to employee well-being and professional development is reflected in several notable recognitions. We have been consistently recognised as one of the recipients of the HR Asia Best Companies to Work for in Asia (Malaysia Chapter) award for six consecutive years (2018-2023). Additionally, we received the Most Caring Company award for four consecutive years (2020-2023), acknowledging our commitment to employee well-being and fostering a positive workplace culture. In 2023, we were further recognised with the Diversity, Equity & Inclusion (“DEI”) Award, highlighting our efforts to create an inclusive and equitable work environment for all employees.



These achievements are a testament to the collaborative spirit and dedication of our employees. We are continuously striving to improve our workplace practices and create a sustainable environment that empowers individuals to reach their full potential, contributing to MFM Group’s continued success and reinforcing our position as a leading employer in the region.

At MFM, our commitment to excellence is driven by three key priorities:



Prioritising the Safety and Health of Our Workforce



Ensuring the Sustainability of Our Business Operations



Making Meaningful Contributions to Our Society, Ecosystem and Environment



In driving towards these priorities, we have established five key strategic initiatives that serve as the guiding principles in shaping our actions and decisions:



### Developing Future Leaders and Workforce

We believe in nurturing the potential of our workforce through continuous learning and development programmes, ensuring they remain at the forefront of industry trends and innovations.



### Talent Attraction and Retention

We actively attract top talent and foster a culture of inclusivity and growth, building a dynamic and motivated team.



### Workforce Diversity and Equity

We recognise the strength in diversity and strive to create an environment where every individual feels valued, respected and empowered to contribute their unique perspectives and talents.



### Occupational Safety and Health

We provide a secure and healthy workplace environment for all as the safety and well-being of our employees are paramount.



### Community Relationships

We are dedicated to building strong, meaningful relationships within the communities we operate in, fostering mutual trust, collaboration and sustainable development.



## Employee Education & Development

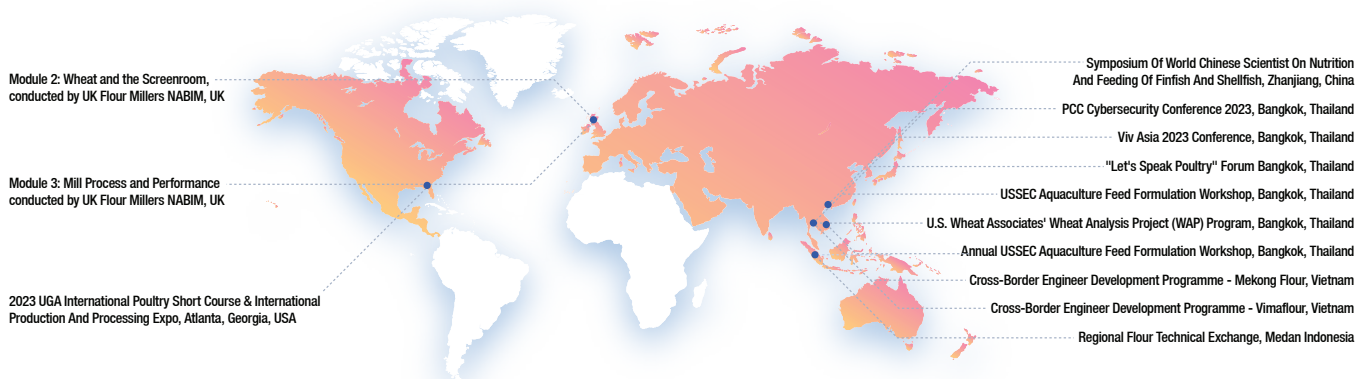
MFM prioritises continuous employee development through participation in industry-leading training programmes, global conferences, cross-border development programmes and regional technical exchange programmes. This strategic investment equips our workforce with the latest knowledge and insights, ensuring we remain at the forefront in the industry. Exposure to diverse perspectives and cutting-edge trends fosters a culture of innovation and continuous improvement. This empowers our employees to excel in their roles, attracting and retaining top talent and contributing to the achievement of our long-term business objectives.

### Harvard Adaptive Leadership Programme



MFM prioritises continuous leadership development with 125 key leaders having participated in the Harvard Adaptive Leadership Programme. This transformative programme equips our leaders with the skills and frameworks needed to navigate complex situations and lead effectively in our rapidly evolving environment and industry, particularly during the current geopolitical era. The programme’s impact extends beyond the learning itself, as the leaders actively integrate the knowledge and skills they gained into their daily work practices.

Building on this foundation of learning, MFM’s 2023 Leadership Conference featured a renowned Harvard speaker. His talk on adaptive leadership resonated with our leadership team, emphasising the critical role of “Attitude + Aptitude + Action” in responding to uncertainty and change. This impactful session equipped the leaders with enhanced skills to face global geopolitical issues.







## Cross-Border Engineer Development Programme

This programme facilitates talent mobility across regional business units, fostering peer learning and knowledge exchange. It employs a structured approach encompassing technical expertise, frameworks, methodologies, cultural awareness and equips our employees with crucial business acumen.



## Regional Flour Technical Exchange

This bi-annual event fosters knowledge sharing and collaboration between our regional operations in Malaysia, Vietnam and Indonesia.



We also empower our workforce to personalise their growth journeys through a comprehensive approach that combines internal and external training opportunities. Our development themes are:

- ❖ Professional and Personal Effectiveness
- ❖ People Leadership
- ❖ Business Leadership
- ❖ Strategy & Change Management

In 2023, over 40 employees participated in these programs, acquiring valuable skills and gaining valuable perspectives from best practices across the companies we operate in.



**Our Achievements on Learning & Development are:**



**Talent Attraction & Retention**

**Strategic Partnership for Talent Supply**

MFM is committed to building and maintaining strategic partnerships with local and overseas universities, schools and various institutions to foster the development of young talents in the society and building a sustainable pipeline of talent and advance their careers within MFM Group.

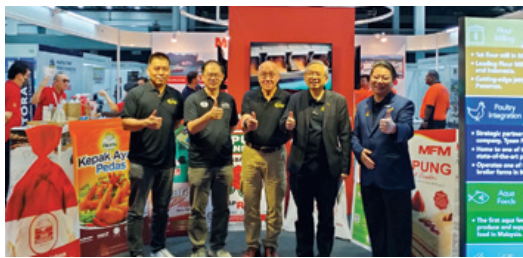
- Universiti Tunku Abdul Rahman
- Universiti Putra Malaysia
- Universiti Sains Malaysia
- University of Arkansas
- Kansas State University
- Montfort Boys Town
- SMK Nan Hwa
- SMK Methodist (A.C.S.) Sitiawan
- SMJK Yoke Kuan
- Ekuinas
- TalentCorp
- and beyond...



Partnership with Universiti Tunku Abdul Rahman (UTAR)



Partnership with Universiti Putra Malaysia (UPM)



Partnership with Kuala Lumpur Engineering Science Fair (KLESF) in collaboration with Universiti Tunku Abdul Rahman (UTAR)



Partnership with Montfort Boys Town



Career Talk at SMK Methodist (A.C.S.) Sitiawan



Career Talk at Universiti Sains Malaysia (USM)



SMJK Nan Hwa

## Talent Retention Approach

Retaining talent is crucial for the success and growth of any organisation as human capital is its greatest asset. Recognising this, MFM Group has in place the following strategies to boost employee retention:

- ✓ **Offer Competitive Remuneration:** Ensure that our employees receive fair and competitive remuneration for them to feel valued and motivated.
- ✓ **Promote Work-Life Balance:** Encourage employees to maintain a healthy balance between work and personal life.
- ✓ **Recognition and Rewards:** Recognise and reward employees for their hard work and achievements with the provision of performance incentive and promotion opportunity. A culture of appreciation fosters loyalty and commitment.



- ✓ **Create a Positive Work Culture:** Provide a safe and conducive workplace environment that employees want to be part of which creates a sense of belonging.
- ✓ **Employee Engagement:** Engage employees by involving them in decision-making, providing growth opportunities and encouraging open communication.
- ✓ **Reduce Employee Burnout:** Stress reduction programs and mental health support are in place with the provision of professional counselling.
- ✓ **Wellness Offerings:** Provide wellness programs and health-related benefits to support employees' overall well-being.
- ✓ **Growth Opportunities:** Foster growth by offering training, mentorship and career advancement paths.
- ✓ **Manage for Retention:** Actively manage employee retention by monitoring turnover rates, conducting exit interviews and addressing issues promptly.

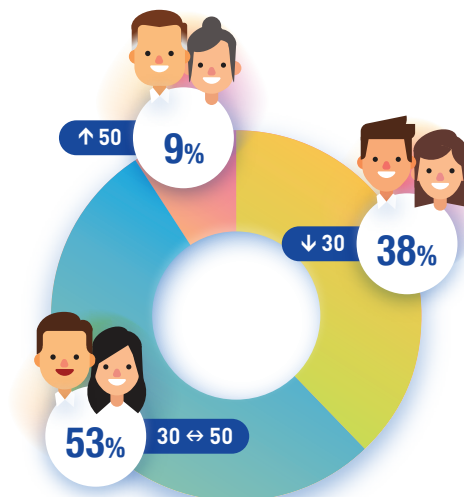
## Fair Labour Practices

### Workforce Diversity and Equity

#### Generation Diversity



### GENERATION DIVERSITY

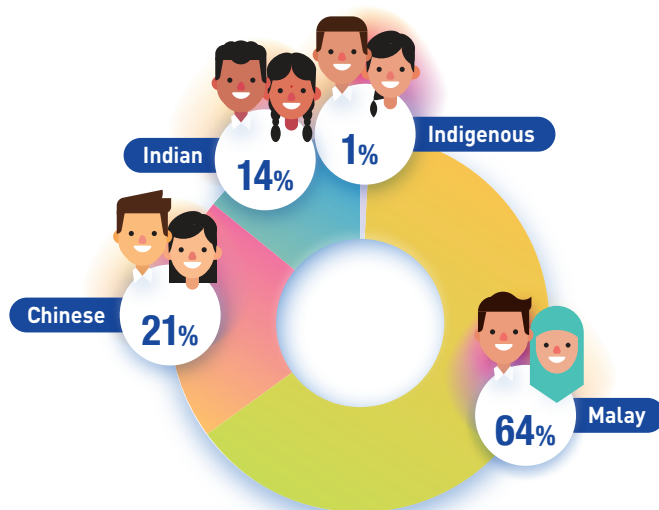




MFM Group fosters a collaborative and innovative environment that embraces diversity and inclusion, leveraging on the unique perspectives and skills of a multigenerational workforce. This diversity of thought and experience empowers us to develop effective strategies and foster innovation. MFM's success is further strengthened by our cross-generational project teams. Younger team members take initiative by leading projects and recruiting their teams, while benefiting from the mentorship and guidance of experienced colleagues. This collaborative approach is built on a foundation of empowerment, trust and shared accountability across all generations.



### CULTURAL DIVERSITY



*Note: This data is only for operations in Malaysia.*

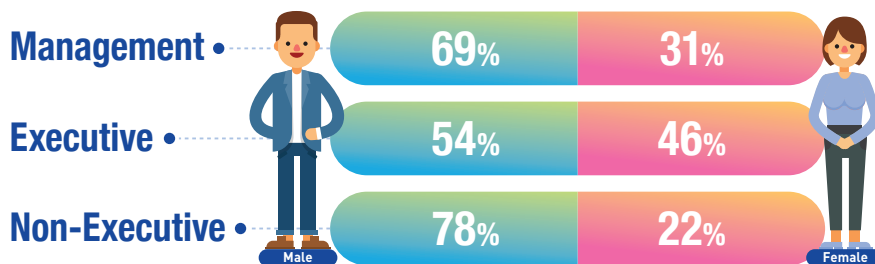
We cultivate a diverse and inclusive work environment, where employees of all racial and ethnic backgrounds contribute their unique perspectives and talents. This commitment to diversity fosters an adaptable and innovative workforce, allowing us to navigate the complexities of the global marketplace and achieve sustained success.



## Gender Diversity



### GENDER DIVERSITY



We value a diverse workforce at MFM Group, reflected in our strong representation of all genders. This diversity fosters a range of perspectives and contributes to a collaborative and innovative environment. We strive to empower all employees to reach their full potential by providing resources and support in a fair and equitable environment.



## Open Communication

MFM builds on a foundation of equity by fostering a culture of transparency and open communication. Through regular coffee engagement sessions with our Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye, we promote mutual respect and a sense of shared purpose. The sessions allow employees to directly raise questions and concerns with leadership, gain first-hand insights into company strategy updates and participate in interactive discussions. This commitment promotes alignment across the organisation and demonstrates MFM's dedication to open communication, fostering an inclusive culture.

## Human Rights & Labour Standard Policy

At MFM, we are guided by the Human Rights & Labour Standards Policy and are committed to upholding fundamental human rights and promoting fair labour practices across all our operations. The key areas of focus within the policy include:

- Diversity and Equal Opportunities
- Eliminating any form of Harassment or Abuses
- Workplace Security, Safety and Health
- Forced or Involuntary Labour
- Protecting the Rights of Children
- Wages, Working Hours and Benefits
- Respecting Freedom of Association and Collective Bargaining
- Housing and Amenities

## Sexual Harassment Policy

MFM maintains a zero-tolerance stance against sexual harassment in any form. Our comprehensive Sexual Harassment Policy establishes clear guidelines and procedures for reporting and addressing any such incidents. This policy is crucial in ensuring a safe and respectful work environment for all employees, free from discrimination and inappropriate behaviour.

## Occupational Safety & Health

### Well-being of Workforce

We have a five-pillar framework to address the well-being of our workforce:

### 5 Pillars of Workforce Live Life





**Physical Wellness**

We promote teamwork and physical activity through company-wide events like sports day and participation in community events such as the UPM mud run 2023.



Partnership with UPM on Mud Run 2023



DSM Mini Sports Day



MFM & DPDC Pasir Gudang Mini Sports Day

**Mental Wellness**

Our Caring & Connected program offers a multifaceted approach to fostering mental well-being for our workforce, providing free confidential counselling services by professional counsellors as well professional coaching sessions. Additionally, we continuously conduct talks, learn over lunch and training sessions across our offices on various mental wellness topics inclusive of stress and anger management, equipping our team with valuable tools to navigate challenges and maintain positive mental well-being.



MindFit Programme at Pasir Gudang



Learn-Over-Lunch: Self-Discovery Workshop through Expressive Art



Learn-Over-Lunch: The Power of Empathy



Learn-Over-Lunch: Blossoming Mindfulness



Free confidential counselling sessions





## Workforce Health Fitness

We prioritise preventative healthcare and empower our employees to take charge of their well-being. We achieve this by partnering with local healthcare providers to offer On-site Health Screening and Wellness Day at our office premises. This event provides convenient access to essential screenings and promotes the importance of self-care.



Onsite Health Screening and Wellness Day at HQ, Kuala Lumpur



Onsite Health Screening and Wellness Day at Pasir Gudang



## Workforce Healthy Nutrition & Diet

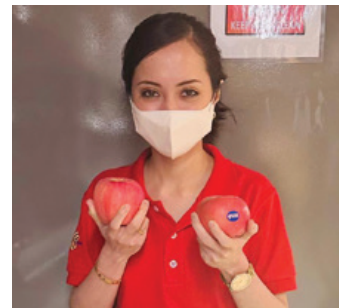
Our employees' well-being begins with their bodies. At MFM, we prioritise the well-being of our workforce by implementing a series of monthly health programmes covering everything from fresh fruits to balanced nutritional drinks.



Monthly health programme – Nuts Day



Monthly health programme – Yoghurt Day



Monthly health programme – Apple Day



Monthly health programme – Fibre Day



Monthly health programme – Healthy Gut Day



Monthly health programme – Antioxidant Day



### Workforce Lifestyle Privileges

Corporate discounts negotiated by MFM have been extended to our employees. We offer a wide range of benefits, including a Flexi Benefits programme, which has expanded our healthcare coverage to include chiropractic treatment, Traditional & Complementary Medicine Treatments & Services (“T&CM”) and mental health treatment. MFM employees also enjoy staff discounts on purchases, as well as discounts on food and beverages, hotels, and vehicle purchases.



### Safety & Health of Workforce

We deeply care about the safety and well-being of our employees. Our commitment to safety goes beyond our own operations, it extends to everyone working within our premises such as our contractors and external partners. We are focused on addressing key safety concerns, and we are dedicated to continuously improving our safety measures.

#### Safety & Health Compliance, Policy and Procedures

We strictly comply with the Occupational Safety & Health Act 1994 (“OSHA”), the Factories & Machineries Act 1967 (“FMA”) and other relevant regulations. A Safe Work Procedure (“SWP”) and Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) framework are also in place to reinforce our commitment towards OSHA.

The SWP provides clear guidelines and protocols for employees to follow when executing tasks, emphasising best practices for minimising hazards and preventing accidents. Concurrently, the HIRARC framework facilitates a systematic approach to identifying potential hazards, assessing associated risks and implementing effective control measures. By adhering to these comprehensive safety protocols, MFM Group not only mitigates potential risks but also fosters a culture of safety consciousness and continuous improvement within the workplace.

Our commitment to provide a safe and healthy work environment for our employees is outlined in our Safety & Health Policy. This commitment to protect our human resources also extends to ensuring the plant operations do not place the local community at risk of injury, illness, or property damage.

As a leading food manufacturer, we have also set up a Business Continuity Plan (“BCP”) as contingency plan to sustain business operations in any emergency.

#### Safety Slogan

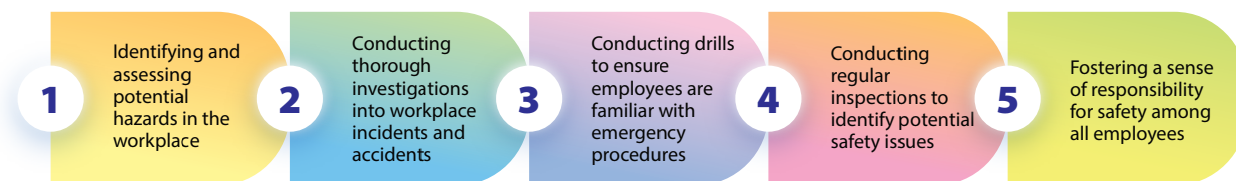
Our slogan, “Come to Work Happily, Go Home Safely,” reflects our promise to create a workplace where everyone feels secure and valued. Safety is our top priority, and we are committed to making our work environment better every day.



## Safety, Health, and Environment Committee

In addition to the Safety, Health, and Environment (“SHE”) Department, each Business Unit (“BU”) has its own dedicated Safety, Health and Environment Committee (“SHEC”). This committee functions as a vital support system, working collaboratively with the SHE Department to enhance safety measures within the workplace.

Comprising members from various departments, the SHEC plays a key role in assisting the SHE Department. This decentralised approach ensures that safety considerations are tailored to the specific needs of each BU while reinforcing the overarching commitment to a secure and healthy work environment.



## Safety & Health Programs

To maintain a safe work environment at our plants, the SHE Department has implemented a “Safety Observation” program. This initiative encourages all employees to actively identify and submit their observations related to safety issues, following the motto “1 employee, 1 safety observation per month.” We are proud to announce that we have achieved a commendable 98% submission rate from our dedicated employees.

Additionally, we have implemented a “Behaviour-Based Safety” program to ensure that all employees use the necessary Personal Protective Equipment (“PPE”) while working. We are delighted to announce a 100% compliance rate with PPE usage among our dedicated workforces.

## Safety & Health Trainings

To minimise workplace injuries and create a safe workplace, external trainings by consultants and internal trainings by SHE Department have been conducted to enable managers, supervisors and workers at the plants to understand the working of safety management systems and the legal compliance required. They will then understand their own responsibilities and the necessary actions to be taken towards upgrading safety and health at their respective workplaces.



Monthly assembly at Lumut Plant



Monthly assembly at Pasir Gudang Plant



Fit Test on Respirator Mask User



Working at Height Training



Road Safety Talk in partnership with Road Transport Department



Lockout Tagout Safety Awareness Training



Fire Drill Evacuation



Safety Carnival-Safety Quiz



Chemical Exposure Monitoring



Workplace Inspection with SHEC



Firefighting Training



Firefighting Training



First-Aid Training



Forklift Safety Training

## Number of Employees trained on Health and Safety Standards 2,867

### Safety & Health Target

Aligned with our Safety & Health Policy, we show commitment in safety by creating a KPI Target of “200 Days Free of Lost Time Injury (“LTI”) Cases”.

To attain a record of zero serious recordables injuries, each Business Unit sets a target of “100 Days Free Serious Recordable Injury”. DTSB Group is proud to announce its successful achievement, marking 500 consecutive days without a Serious Recordable Injury, a testament to our unwavering commitment to safety and well-being in the workplace.



### Lost-Time Injury Cases

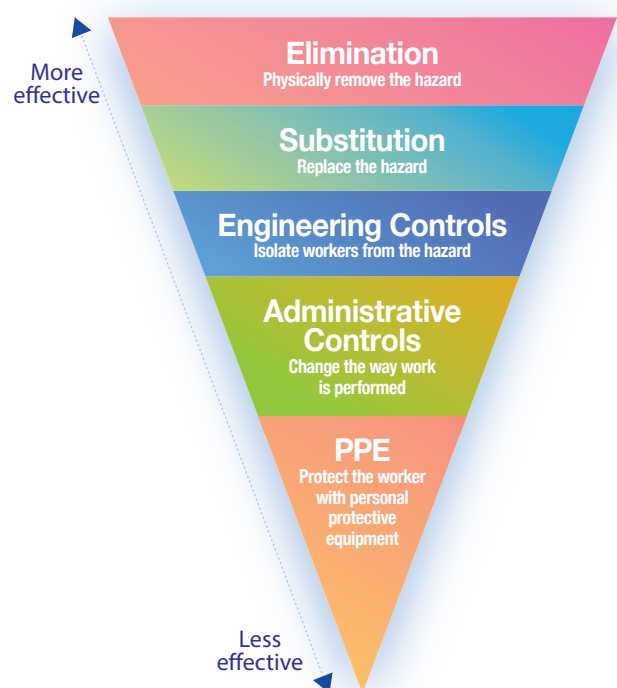
In 2023, there were 22 Lost-Time Injury (“LTI”) cases and some minor injury cases recorded at the plants. There was no work-related fatality recorded.

The LTI cases and injury cases were reported to the Department of Occupational Safety and Health (“DOSH”) in accordance with the Guidelines on Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 [“NADOPOD”].

### Corrective and Prevention Action Taken Following Accident

As safety and well-being of our employees are our priority, thorough investigations and analyses of all accidents will be conducted and corrective measures will be taken to ensure that all employees adhere to proper safety protocols.

After analysing the accident report, the next step is to take and implement the corrective and preventative actions stated in incident or accident reports. It is crucial for us to take steps to provide a safe workplace environment in where our employees can work safely and without injury, as well as to minimise the impact on the environment and damage to property. Other than reviewing the Safe Operating Procedure (“SOP”) and Hazard Identification Risk Assessment Risk Control (“HIRARC”), we also take corrective and prevention measures following the hierarchy of control which is a system used in industry to prioritise possible interventions to minimise or eliminate exposure to hazards by deploying most effective measures which is the elimination, to eliminate the source of the hazard, until the less effective measures which is by providing the worker with the Personal Protective Equipment (“PPE”).





**Improvements Implemented to Prevent Accidents**



Safe handling Forklift Training



Safety Guarding for all Water Pump Rotating Belt at farm



Safety Pull Cords at High-risk areas



Installing staircase inside breeder farm



Install handrails and 3 Point Contact Signage for footbath



Install Machine Guarding

**Safety National Award**

Our safety efforts were recognised with the receipt of the Gold Award in the Malaysian Industrial Safety and Health Association (“MiSHA”) National Excellence Awards for our outstanding performance in Occupational Safety and Health (“OSH”) Risk Management in Food and Beverages Manufacturing Sector in 2023.





## Community Relationship

At MFM, we are committed to being an active and responsible member of our community. Our Corporate Social Responsibility (“CSR”) initiatives reflect this commitment, focusing on activities that benefit the communities where we live and work. These efforts foster a shared sense of purpose among our employees and contribute to the long-term livelihood of our communities. From supporting local charities to implementing sustainable practices, we aim to make a positive and lasting impact.

### Corporate Social Responsibility Towards Workplace



Mini Sports Day and lunch appreciation were organised at the plant to promote team spirits and bonding among colleagues.



For the celebration of Women's Day, all the female staff of Vimaflour at the plant were treated with a dinner on five-star cruise at Ha Long Bay.



Annual Dinner and Sport Activities were organised and joined by all the staff of Vimaflour to foster relationships and a break from the everyday work routine.



The Annual Dinner Party of Mekong Flour is an annual affair which is looked forward to by all its staff. This event is to recognise the efforts and achievements of the staff.





Aiming at enhancing the active lifestyle and better health of the staff, Vimaflour and Mekong Flour have jointly organised a virtual running with the participants of 327 staffs and completed 32.854 km.

## Corporate Social Responsibility Towards Community

### Beach Clean-Up

As part of our commitment to environmental responsibility, we organised a beach clean-up at Teluk Senangin, Lumut, Perak, with the support of the Department of Environmental Health and Urban Services, Zone 3 and the Department of Community and Social Development, Manjung Municipal Council. This CSR initiative resulted in the removal of 200.6 kg of waste, contributing to a cleaner and healthier environment for the local community and marine life.



### Donation and Financial Aids

Some of the local organisations, institutions and charities which MFM Group had supported with donation and/or financial aids are:

- Assunta Hospital
- Better Malaysia Foundation
- Biro Wanita & Pembangunan Negara
- Grocery Merchants' Association
- Hospital Seri Manjung
- International Ipoh Fashion Week 2023 (Royal Charity)
- Kedah General Merchant Association
- Diabetes & Cancer Awareness Campaign, Kementerian Kesihatan Sitiawan
- Lions Club of Lumut Legacy
- Montfort Boys Town
- Persatuan Pemborong Beras Malaysia
- Politeknik Sultan Abdul Halim Mu'adzam Shah
- SJK (C) Eng Ling
- SJK (T) Pengkalan Baru
- SM Yuk Choy (SUWA)
- SMJK Nan Hwa
- SMJK Yoke Kuan
- SMK Methodist (A.C.S.) Sitiawan
- Yayasan Food Bank Malaysia





Participated the lecture on Motivation, Discipline and Pupil Personality, SJK (T) Pengkalan Baru.



Honouring Graduates with MFM Student Adoption Programme at SMJK Nan Hwa Graduation Ceremony.



Blood Donation Campaign in collaboration with Hospital Seri Manjung.



Donated our Cap Ros Flour to Bantuan Kemanusiaan Campaign, Yayasan Food Bank Malaysia.



Donated our Cap Ros Flour to Lions Club of Lumut Legacy for its charity work.



Supported Kementerian Kesihatan Sitiawan's Diabetes & Cancer Awareness Campaign by sponsoring our Cap Ros Flour as gift for participants.



Contributed to the 101<sup>th</sup> Anniversary Celebration Dinner and Fund Raising for SJK (C) Eng Ling to build a new school hall and pre-school building.



Contributed to the Deepavali Food Drive Donation, Better Malaysia Foundation.



Contributed to Montfort Founder's Day Fund Raising Charity Dinner to help underprivileged youths grow in a nurturing learning institution.



Contributed to International Ipoh Fashion Week 2023 Royal Charity Gala Dinner to raise funds for hospitals within the Perak State.



On Mid-Autumn Festival, with a mission to brighten the lives of those in need, Vimaflour sponsored 36 special gift packages to children from financially vulnerable families in Tien Yen Suburban District, Quang Ninh Province.



Given 1,000 cakes to patients and caregivers at Ba Ria Hospital as sponsor for the celebration of Moon Cake Festival for the disabled children.



# THEME: GOVERNANCE

## Corporate Governance and Business Ethics

MFM Group embraces good corporate governance and business ethics in the conduct of its businesses to build trust and provide transparency and accountability which are vital for the sustainability of the Group.

### Business Ethics

MFM is committed to an ethical business approach through:



## Corporate Governance

### Code of Conduct

We instil high standards of professional and ethical conduct in all employees. Integrity helps us to earn the trust and respect of the people we serve. MFM Group's Code of Conduct sets out the ethical standards to all employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment. We uphold our reputation and high standards by living the Code of Conduct. This will help us to achieve the highest possible standards across our businesses within the MFM Group.

Our Code of Conduct ("the Code") was last revised in 2022 for enhancement and roadshows were held till end of 2022 to brief all our employees across the country on the revised Code. As personal commitment to the Code, each employee of the Group was required to make a declaration that he/she had been furnished a copy of the Code, had read and understood the Code, accepted to comply with the Code and understood that any breach of the Code may result in disciplinary action being taken against him/her.

For all our new hires, they will undergo comprehensive training on our Code of Conduct during the Onboarding Programme to ensure their thorough understanding of our ethical principles.

### Anti-Corruption

MFM Group has in place the Policy and Guidelines on Gifts and Entertainment ("Gifts Policy") to avoid conflict of interest and prevention of bribery and corruption by its associated persons which may tarnish the Group's reputation or violate the antibribery laws.

The Whistle Blowing Policy and Standard Operating Procedures are also in place for all employees as well as external parties to raise genuine concerns on non-compliance of the Code of Conduct, Gifts Policy or any misconduct to instil the highest level of corporate governance.



The Gifts Policy was last revised in early 2022 for enhancement and roadshows were held till end of 2022 to brief all our employees across the country on the revised Gifts Policy. In February 2024, an online annual refresher training on awareness of the Code and Gifts Policy was implemented for all our employees in Malaysia and Vietnam to refresh their memory and ensure their knowledge on the Code and Gifts Policy are up to date. As at 31 March 2024, we have achieved 100% completion rate for the training.

For all our new hires, they will undergo comprehensive training on our Gifts Policy during the Onboarding Programme to ensure their awareness and compliance with the policy.

Our corruption risk assessment is integrated into the Enterprise Risk Management of the Group and the review of the Risk Scorecard is carried out on an annual basis.

There were no incidences or confirmed incidences of fraud, bribery or corruption detected or reported in 2023.

### Other Governance Policies/Guidelines

We also have in place control measures in the form of policies, guidelines and procedures to address and manage antitrust, tax governance, anti-money laundering and other risks which include:

- ✓ Risk Management Guidelines and Policy
- ✓ Policy and Guidelines on Antitrust
- ✓ Security Policy and Procedures for Data Protection
- ✓ Procurement Policy and Procedures

# SUSTAINABILITY PERFORMANCE DATA

Common Sustainability Matters	Common Indicators	Measurement Unit	2023
<b>ANTI-CORRUPTION</b>	<b>Percentage of employees who have received training on anti-corruption by employee category:</b>		
	Management	Percentage	11
	Executive	Percentage	14
	Non-Executive/Technical Staff	Percentage	10
	General Workers	Percentage	65
	<b>Percentage of operations assessed for corruption-related risks</b>	Percentage	100
	<b>Confirmed incidents of corruption and action taken</b>	Number	0
<b>COMMUNITY/SOCIETY</b>	<b>Total amount invested in the community where the target beneficiaries are external to the Company</b>	Currency (RM)	110,726
	<b>Total number of beneficiaries of the investment in communities</b>	Number	18
<b>EMPLOYEE DIVERSITY</b>	<b>Total number of employees:</b>		
	Malaysia	Number	3,462
	Vietnam	Number	377
	<b>Percentage of employees by gender and age group, for each employee category:</b>		
	<b>Gender Group by Employee Category</b>		
	Management Male	Percentage	69
	Management Female	Percentage	31
	Executive Male	Percentage	54
	Executive Female	Percentage	46
	Non-executive/Technical Staff Male	Percentage	78
	Non-executive/Technical Staff Female	Percentage	22
General Workers Male	Percentage	91	
General Workers Female	Percentage	9	



Common Sustainability Matters	Common Indicators	Measurement Unit	2023
<b>EMPLOYEE DIVERSITY (cont'd)</b>	<b>Age Group by Employee Category</b>		
	Management Under 30	Percentage	4
	Management Between 30-50	Percentage	64
	Management Above 50	Percentage	32
	Executive Under 30	Percentage	31
	Executive Between 30-50	Percentage	53
	Executive Above 50	Percentage	16
	Non-executive/Technical Staff Under 30	Percentage	27
	Non-executive/Technical Staff Between 30-50	Percentage	60
	Non-executive/Technical Staff Above 50	Percentage	13
	General Workers Under 30	Percentage	48
	General Workers Between 30-50	Percentage	48
General Workers Above 50	Percentage	4	
<b>DIRECTOR DIVERSITY</b>	<b>Total number of directors</b>	Number	9
	<b>Percentage of directors by gender and age group</b>		
	Male	Percentage	78
	Female	Percentage	22
	Under 30	Percentage	0
	Between 30-50	Percentage	0
	Above 50	Percentage	100
<b>ENERGY MANAGEMENT</b>	<b>Total energy consumption</b>		
	Electricity purchased	Megawatt	153,645
	Green electricity purchased	Megawatt	11,000
	Gas consumed	GJ	327,039
	Fuel/Diesel consumed	Litres	2,061,671



Common Sustainability Matters	Common Indicators	Measurement Unit	2023
<b>HEALTH AND SAFETY</b>	<b>Number of work-related fatalities</b>	Number	<b>0</b>
	<b>Lost time incident rate (“LTIR”)</b>	Rate	<b>0.51</b>
	<b>Number of employees trained on health and safety standards</b>	Number	<b>2,867</b>
<b>LABOUR PRACTICES AND STANDARDS</b>	<b>Total hours of training by employee category</b>		
	Management	Hours	<b>5,527</b>
	Executive	Hours	<b>10,068</b>
	Non-Executive/Technical Staff	Hours	<b>11,094</b>
	General Workers	Hours	<b>10,292</b>
	<b>Percentage of employees that are contractors or temporary staff</b>	Percentage	<b>2.24</b>
	<b>Total number of employee turnover by employee category</b>		
	Management	Number	<b>44</b>
	Executive	Number	<b>77</b>
	Non-Executive/Technical Staff	Number	<b>176</b>
	General Workers	Number	<b>231</b>
	<b>Number of substantiated complaints concerning human rights violations</b>	Number	<b>0</b>
<b>SUPPLY CHAIN MANAGEMENT</b>	<b>Proportion of spending on local suppliers</b>	Percentage	<b>71.28</b>
<b>DATA PRIVACY AND SECURITY</b>	<b>Number of substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	Number	<b>0</b>
<b>WATER</b>	<b>Total volume of water used</b>		
	Municipal potable water	Megalitres	<b>2,108.95</b>
	Groundwater	Megalitres	<b>157.68</b>
	Harvested rainwater	Megalitres	<b>0.1378</b>



## Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	11.00
Executive	Percentage	14.00
Non-executive/Technical Staff	Percentage	10.00
General Workers	Percentage	65.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	110,726.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	18
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	4.00
Management Between 30-50	Percentage	64.00
Management Above 50	Percentage	32.00
Executive Under 30	Percentage	31.00
Executive Between 30-50	Percentage	53.00
Executive Above 50	Percentage	16.00
Non-executive/Technical Staff Under 30	Percentage	27.00
Non-executive/Technical Staff Between 30-50	Percentage	60.00
Non-executive/Technical Staff Above 50	Percentage	13.00
General Workers Under 30	Percentage	48.00
General Workers Between 30-50	Percentage	48.00
General Workers Above 50	Percentage	4.00
Gender Group by Employee Category		
Management Male	Percentage	69.00
Management Female	Percentage	31.00
Executive Male	Percentage	54.00
Executive Female	Percentage	46.00
Non-executive/Technical Staff Male	Percentage	78.00
Non-executive/Technical Staff Female	Percentage	22.00
General Workers Male	Percentage	91.00
General Workers Female	Percentage	9.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	78.00
Female	Percentage	22.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	164,645.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.51
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,867
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	5,527
Executive	Hours	10,068
Non-executive/Technical Staff	Hours	11,094
General Workers	Hours	10,292
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.24
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	44
Executive	Number	77
Non-executive/Technical Staff	Number	176
General Workers	Number	231
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	71.28
<b>Bursa (Data privacy and security)</b>		

Internal assurance External assurance No assurance

(\*)Restated





Indicator	Measurement Unit	2023
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megallitres	2,266.767800

Internal assurance External assurance No assurance

(\*) Restated

# STATEMENT OF ASSURANCE



As our commitment to ensure transparency and accuracy in our sustainability disclosures, KPMG PLT was engaged and is in the midst of performing assurance readiness procedures to determine whether the preconditions for assurance as required by ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, are present for all the Common Indicators in the Sustainability Performance Data above (“Selected Sustainability Indicators”).

## Scope and Boundary

The scope of coverage and reporting boundary of this engagement by KPMG PLT on the Selected Sustainability Indicators represents the Group’s operations, namely flour & grain trading, poultry integration and aqua feeds businesses in Malaysia and Vietnam.