



Malayan Flour Mills Berhad
(4260-M)

GO BEYOND SUSTAINABILITY 2018

Achieving greater heights in our drive to manage Sustainability.

TABLE OF CONTENT



25

MFM
GROUP
BUSINESS
DIVISIONS



26 - 27

MANAGING
DIRECTOR'S
STATEMENT



28 - 31

ABOUT
THIS
STATEMENT



32

KEY
STAKEHOLDERS
& ENGAGEMENT
INVOLVED



33

OUR
MATERIAL
MATTERS



34 - 37

BALANCED
RELATIONSHIP
WITH NATURE



38 - 45

OUR
WORKFORCE &
WORKPLACE
ENVIRONMENT



46 - 48

OPERATIONS
EXCELLENCE &
GOVERNANCE



49 - 51

COMMITMENT
TO SOCIETY



MFM GROUP

BUSINESS DIVISIONS

As part of our effort to achieve greater efficiencies in our poultry integration business, the management had embarked on a corporate restructuring exercise. The poultry feeds business in Dindings Soya Multifeeds Sdn. Berhad (DSM) and MFM Feedmill Sdn. Bhd. (MFMF) were transferred to Dindings Poultry Development Centre Sdn. Bhd. (DPDC) with effect from 1 April 2018.

Hence in 2018, our Sustainability Statement will be reported for three business divisions: flour division, poultry integration division and aqua feeds division.



Flour

- MALAYAN FLOUR MILLS BERHAD (MFM)
- VIMAFLOUR LTD
- MEKONG FLOUR MILLS LTD
- PT BUNGASARI FLOUR MILLS INDONESIA



Poultry

- DINDINGS POULTRY DEVELOPMENT CENTRE SDN. BHD. (DPDC)
- DINDINGS POULTRY PROCESSING SDN. BHD. (DPP)



Aqua Feeds

- DINDINGS SOYA & MULTIFEEDS SDN. BERHAD (DSM)



MANAGING DIRECTOR'S STATEMENT

Dear Stakeholders,

MFM started with one core competency – flour milling – but over the years we have evolved to include poultry integration, and are now looking into aqua feeds as well. Expanding into new subsectors enable the Group to benefit from economies of scale. However, to continue to exist, we need to continuously create shared value for all stakeholders. In MFM, we believe in aligning our sustainability efforts with business interests.

Allow me to share our sustainability initiatives in 2018 in the spirit of Sustainable Development Goals (SDGs).



Teh Wee Chye
Managing Director

Environment

In line with the increase in production and diversification, MFM continues to seek solutions to improve the environmental performance of our operations for livestock waste management, dust management, wastewater treatment and bio-security.

In 2018, MFM invested largely in our newly-built state-of-the-art poultry processing plant which is attached with Rendering Plant and Water Treatment Plant to better manage the waste and effluent for a greener environment. The Rendering Plant can process animal by-products for minimal disposal, whereas the Water Treatment Plant can achieve improvement in water quality before discharging back to the drainage.

We have also incorporated Light Emitting Diode (LED) lighting system to reduce energy consumptions and achieve energy usage efficiency.

People

MFM is privileged to have a great team of people who constantly research on new sustainable activities. We believe that our people are the most valuable asset.

MFM believes employees' sustainability emanate from many aspects like passion, needs and vocation. We embrace a Japanese concept named 'IKIGAI' which means 'a sense of purpose', in MFM Group. We encourage our people to reflect and understand their true self, values and beliefs to possess satisfaction and live a meaningful life working together.

In view of the foregoing, we also aim to constantly educate and develop new generation leaders to share a part of the responsibility in growing Malaysia economy and well-being. These efforts drive us to win the HR Asia Award as the 'Best Companies To Work For In Asia' in November 2018.



Economy

According to the United Nation's Food and Agriculture Organisation (FAO), additional 70% food production are required by 2050, to accommodate extra 2.3 billion population by projection. Thus, MFM thrives to achieve prediction on entire planning process to meet customer requirement for sustainability in the long run.

We are also refining our operations flow and embracing Supply Chain Management (SCM). By streamlining our processes, we will be able to optimise our cost and remain competitive.

Although MFM portrays, to many, as a profit organisation, my real passion lies in fulfilling our people's bowls and appetite. In serving our nation, we will continue to embrace the culture of continuous improvements around our core values - 'Qualitas', 'Consilium' and 'Progressus'.

Last but not least, I would like to convey my gratitude to everyone in MFM who have worked hard over the past one year and for all the stakeholders, thank you for the continuous support and faith in MFM.

Community

As we know rapid development evolved society beyond classroom-based learning to a technology-driven and automated era. Therefore, we actively instil the truth of industry trend to undergraduates and academicians.

The contributing spirit to society is embedded in MFM Group's business model, strategy and culture. In order to achieve sustainable business growth, we focus on our future leaders, and bring together strategic partners from overseas:

- University of Arkansas, Fayetteville (UAF) and Universiti Putra Malaysia (UPM) in Animal & Poultry Science
- Auburn University and UPM in Aquaculture
- Kansas State University (KSU) and University of Malaya (UM) in Grain Science

We prepare young leaders for Industry Revolution.

TEH WEE CHYE
MANAGING DIRECTOR

ABOUT THIS STATEMENT

This MFM Group Sustainability Statement is published with the objective of improving transparency, visibility and communication to our shareholders and stakeholders. This 2nd edition of MFM Group Sustainability Statement is part of Annual Report 2018. It showcases our commitment and responsibilities towards environment, economy and society (EES).

In addition, Sustainable Development Goals (SDGs) are incorporated in this Statement.



*The numbering in the above SDGs are used in the subsequent pages of this Statement.
*The SDG number is referred to in a particular page whenever it is applicable.

Scope & Boundaries of This Statement

The reporting period of this Statement is from 1 January 2018 to 31 December 2018. It covers flour, poultry integration and aqua feeds businesses of MFM Group.

Reporting Framework

The facts and figures published in this Statement are in line with the 2nd edition of Sustainability Reporting Guide published by Bursa Malaysia Securities Berhad.

Independent Assurance

KPMG PLT as MFM's external auditors, provides limited independent assurance to this Sustainability Statement to ensure its accuracy, reliability and timeliness of the reported information and the material matters to MFM Group.

Sustainability Task Force

In order to formalise our Group's Sustainability Framework, we have formed a Sustainability Task Force that will enable the Group to deliver sustainable value creation for our stakeholders.

Our Sustainability Task Force is led by our Managing Director, Mr. Teh Wee Chye to ensure reliable decision-making process for our Group in achieving greater sustainability.

Sustainability risk management is integrated into our Group's risk assessment and is spear-headed by our Task Force which assesses the risk and publishes the Sustainability Statement annually.



Sustainability Policy



VISION

To build a sustainable business and continuously add value to all stakeholders.



SCOPE

Our employees are responsible to embrace and integrate sustainability practices in our Group.



OBJECTIVE

This Sustainability Policy aims to integrate a concept of sustainable development into the organisation's activities to establish and promote sound practices.



SUSTAINABILITY POLICY GOVERNANCE

The well-known Plan-Do-Check-Act Cycle is incorporated into our sustainability initiative so as to continuously review policy and to take action for improvement.

This policy will be reviewed periodically to ensure best practices by the Sustainability Task Force.

Our Sustainability Framework

1
Balanced Relationship With Nature

2
Our Workforce & Workplace Environment

3
Operations Excellence & Governance

4
Commitment To Society

To acknowledge key issues under EES, MFM Group upholds its core values in terms of "QUALITAS", "CONSILIUM" and "PROGRESSUS".

The approach to tackle challenges linked to establishing solid sustainability practices is by having approved Statement on Corporate Governance, Terms of Reference of Board Committees, Board Charter, Whistle Blowing Policy and Code of Conduct which are made readily available to stakeholders via our Company's website (i.e. <https://www.mfm.com.my>). The Code of Conduct serves to ensure that all employees carry out their duties with utmost integrity.

MFM CORE VALUES



QUALITAS

Produce and provide consumers with consistent quality products at reasonable prices



PROGRESSUS

Continuous improvement to maintain competitiveness and contribute effectively to benefit the society



CONSILIUM

Unity of employees and management

Management Approach To Sustainability

Our Group has identified and prioritised key issues related to EES for our business operations as follows:

<p style="text-align: center;">1</p> <p style="text-align: center;">Balanced Relationship With Nature</p>	<p style="text-align: center;">2</p> <p style="text-align: center;">Our Workforce & Workplace Environment</p>	<p style="text-align: center;">3</p> <p style="text-align: center;">Operations Excellence & Governance</p>	<p style="text-align: center;">4</p> <p style="text-align: center;">Commitment To Society</p>
<ul style="list-style-type: none"> • To comply with the regulatory requirements & standards in relation to environmental concerns • To raise awareness among our employees & the whole supply chain in order to act in an environmentally-responsible manner • To integrate environmental matters 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 	<ul style="list-style-type: none"> • 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 & innovation • To support diversity in workforce • To provide job security to employees 	<ul style="list-style-type: none"> • To have good strategic management & wisely utilise our resources • To advance sustainable profitable growth whilst satisfying our ethical, legal & contractual obligations • To abide by the requirements of all laws & industry's best practices • To provide our customers with safe products that adhere to Government's legislation & requirements • To adopt good ethical practices through our 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 	<ul style="list-style-type: none"> • To engage actively with civic project, charity events & the local communities through our corporate social initiatives • To help our community survive & prosper economically • To provide ample job opportunities

KEY STAKEHOLDERS & ENGAGEMENT INVOLVED

Our Group has continually engaged each stakeholder to address their concerns.

We have summarised our engagement platforms with the various stakeholders and the related outcomes from each engagement.



SHAREHOLDERS

Engage via:

AGM, Quarterly Reports, Annual Reports, Shareholders' Circulars, Announcements, Analyst Briefings & Corporate Website.

Concerns:

Financial performance and returns, going concern and positive investment growth.



COMMUNITY & NGOS

Engage via:

Internship programmes, charity events and volunteer programmes.

Concerns:

Community living, care and development.



CUSTOMERS

Engage via:

Service satisfaction, customer appreciation and social media platforms.

Concerns:

Quality of product, market availability, product prices and values.



GOVERNMENT & REGULATORS

Engage via:

Compliance activities

Concerns:

Tax issues, pricing issues, labour practices, health issues, transparency and accountability.



MEDIA

Engage via:

Media briefings, events, press conferences and internet.

Concerns:

Group's performance and updates.



COMPETITORS

Engage via:

Industry competition and market forces.

Concerns:

Price competition, new business opportunity, innovation and creativity.



HUMAN CAPITAL

Engage via:

Town hall meetings, Employee Portal, Learning & Development programmes and Corporate events.

Concerns:

Career development, work life balance and employee welfare.



SUPPLIERS & SERVICE PROVIDERS

Engage via:

Compliance with ISO Standards, suppliers' evaluation (audit) and quotation from suppliers.

Concerns:

Payment and up-to-date information about the Group.

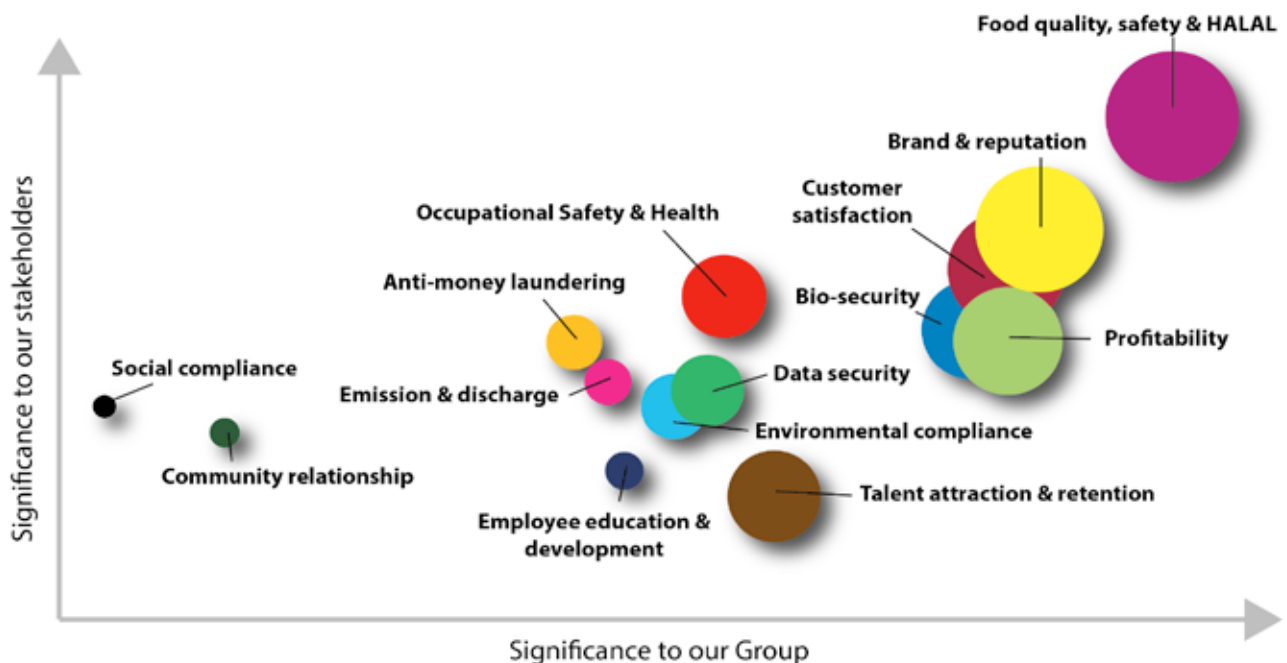


OUR MATERIAL MATTERS

Our Group embraces a structured materiality assessment approach guided by the Sustainability Reporting Guide and Toolkit in identifying and prioritising potential environmental, economic and social risks and opportunities which may affect the Group's businesses and stakeholders.

Subject to there being no significant changes, a materiality assessment will be conducted once every three years to ensure that any change in our businesses and the sustainability aspects are taken into account. Hence, the materiality assessment of our Group for year 2017 is still applicable for year 2018.

Materiality Assessment



BALANCED RELATIONSHIP WITH NATURE



For sustainable business development, it is crucial for MFM Group to maintain balanced relationship with mother earth where all resources come from.

Energy 7 8 12 13

Energy conservation plays a crucial role in lessening greenhouse effect. As one of the market leaders in flour manufacturing and poultry industry, MFM Group aspires to reduce our carbon footprint. Conserving energy is not just about saving on the electricity costs.



Group Energy Usage
(kWh/MT)

Energy consumption of our Group has increased in 2018 as compared to 2017. It was mainly due to expansion (i.e. new poultry processing plant and new aqua feed mill), additional manufacturing processes for higher quality products, lower sales volume due to supply constraint and introduction of new products.

In the long run, with the deployment of new technologies in our new manufacturing processes, we will have an edge to our products by enhancing quality.

We endeavour to manage a balance between ensuring the quality of our products and minimising energy consumption. We will also consider clean energy in sustaining our businesses.

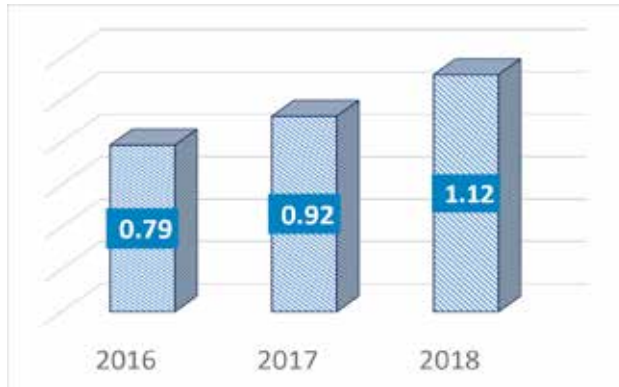


* For the purpose of reporting, we have consolidated the energy usage figures. As such, prior years' figures were adjusted accordingly to coincide with current year's presentation.

*All kWh data above excludes figures from joint venture company.

Water 6 8 12 14

Water is essential for life. It is our responsibility to conserve and keep our water pure and safe for future use.



Group Water Usage
(m³/MT)

As a major food producer, MFM Group uses significant amount of water to produce safe and clean products.

Poultry processing plant uses relatively more water than flour mills. In conserving water, our Group has invested in new wastewater treatment plant. The increase in water usage in 2018 was mainly due to pre-commissioning cleaning works at new plants; rendering plant, reservoir and wastewater treatment plant.

Nevertheless, we anticipate the m³/MT to decrease when the processing plant is in full operations. The newly-designed processing plant also incorporates rain water harvesting system where water is reused for non-manufacturing processes.



* For the purpose of reporting, we have consolidated the water usage figures. As such, prior years' figures were adjusted accordingly to coincide with current year's presentation.

*All m³ data above excludes figures from joint venture company.

Emission 12 13 14 15

Carbon Emission

In caring for our mother earth, our Group takes initiatives to cooperate with relevant parties to conduct environmental inspection every 6 months in our Vietnam operations.

The diesel consumption of our plant operations in Vietnam is tracked and CO₂ emission is closely monitored.

We aspire to achieve continuous improvement in reducing carbon emission throughout our businesses by incorporating innovative technologies.

Air Emission

For our flour and feed operations in Malaysia, air emission monitoring is conducted on our chimney, exhaust outlet and fume hood.

As stated in Malaysia Standard MS1596:2003 of 4(2) Environmental Quality (Clean Air) Regulations 2014, the maximum reading is 50 mg/m³. We complied with the above and our readings were ranging from 0.93 - 2.33 mg/m³.



Waste Management

3 6 8 12 14

MFM Group strives to implement effective, sustainable and ecologically sound waste management for many years to come.

We have established standard operating procedures (SOP) for waste disposal i.e. scrap waste, hazardous chemical waste and others.

Biological Waste Management

Our poultry farming produces biological waste i.e. chicken manure. The direct application of raw manure into plantation soil may lead to environmental emission such as foul odour and form a breeding platform for pests.

To combat pollution of untreated poultry waste, MFM Group utilises manure composting plant. The composting plant converts chicken manure into dry organic fertiliser.

Its odour filtration system contains sawdust and microorganism that reduces ammonia emission level, complying with Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000.

We invested in a composting plant in 2017. Moving forward, two more composting plants will be added in 2019.



Composting Plant

Wastewater Management

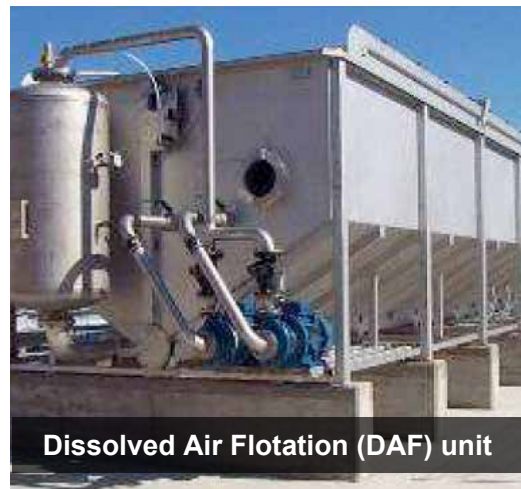
The conversion process of live chicken into safe and wholesome meat utilises water. The untreated used water affects our ecosystem.

To conserve water for our future generation, MFM Group invested in a new wastewater treatment plant in 2018. It is designed using Dutch technologies that complied with EU Environmental Standards.

All waste water is treated to achieve a minimum effluent standard before discharging back to nature.

Benefits of wastewater treatment plant:

- Eliminate disease-causing bacteria and kill harmful organisms through filtering
- Ensure minimal odours
- Remove up to 97% of contaminants from used water



Dissolved Air Flotation (DAF) unit



Aeration Tank

Organic Solid Waste Management

The new rendering plant which originated from Denmark was commissioned in November 2018. It was designed to convert chicken by-products (visceral, feathers, bones and blood) into raw material for animal feeds.

This state-of-the-art rendering plant is designed to kill harmful bacteria, leaving only useful protein for animal feeds.

The rendering plant will reduce impact on environment by:

- Transforming our waste to be used as feeds
- Processing by-products within hours of harvesting before viruses and bacterial growth
- Producing clean protein source for animal feeds



Chemical Waste Management

Apart from the SOP for proper handling of chemical waste, our Group has training programmes on chemical waste management and disposal procedures including "Safe Chemical Handling" for workers.

Waste oil and hazardous chemical 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.

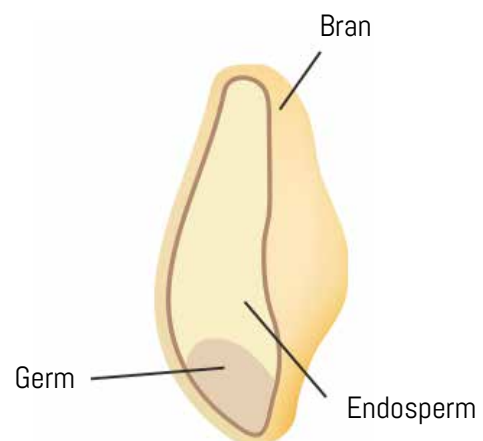
Recycling

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.

Zero Waste in Flour Milling

MFM flour mills optimise the usage of wheat to produce flour.

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. In addition, the germ will be sold or used to produce special kind of flour.



ANATOMY OF WHEAT

OUR WORKFORCE & WORKPLACE ENVIRONMENT



As employees are the most treasured resource in MFM Group, we aim to always grow together in order to achieve greater success and to create a better future.

Our People At A Glance **5 8 10**

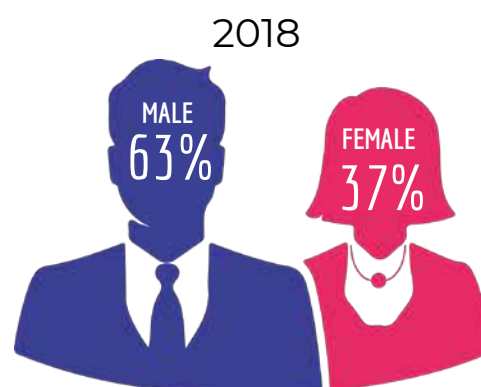
Our Group values workforce diversity as one of the key elements to achieve the Group's vision and mission. We have a diversified workforce that comprises different gender, age group, ethnicity and cultural backgrounds to harness the multiple perspectives of the working population.

Our People Regionally

In 2018, our Group employed 3,140 people across our businesses.

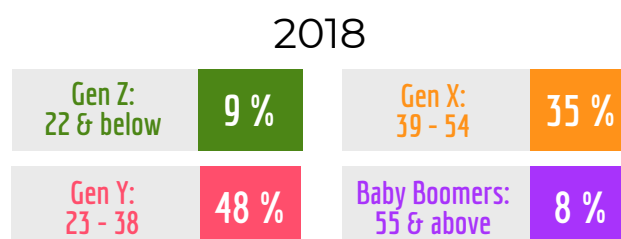


Our Gender Profile



**Data excludes foreigners.*

Our Age Group



**Data excludes foreigners.*

MFM Human Capital Development 5 8 10

The MFM Human Capital Development Framework is designed to support our human capital management and is aligned with MFM Group's key business objectives and strategies. The framework provides talent management strategies to shape our current workforce, while preparing for the future. Six (6) human capital components have been developed to ensure sustainable talent pipeline and leadership capability in achieving the Group's Vision & Mission.



Organisational Design & Workforce Planning

"Having the Right People with the Right Attitude and Skills in the Right Jobs within the Right Structure at the Right Time."

MFM believes that organisational design and workforce planning are an ongoing strategic activity to support our human capital and business strategy. Hence it is essential to continuously review and refine the organisational structure and maintain a lean and agile workforce. Job profiles, critical position identifications, talent requirements and workforce plans development are guided by five (5) leadership competencies and six (6) core competencies.





Talent Acquisition

“WE MAKE WORK FUN BY MAKING IT FUN AT WORK”



Employer Branding

MFM aims to be a leading food manufacturing enterprise in the region. We leverage on technology and various digital platforms to attract, develop and retain the best employees in the industry.

Strategic Partnership

MFM strives to continuously establish and maintain strategic partnerships with universities and schools to foster the development of young talents in society and build the talent bench of MFM.

Sourcing

In order to maintain a successful recruitment strategy, MFM adopts a smart sourcing strategy in recruiting the right talents and creating a rewarding career journey for our candidates.

Selection

A series of psychometric assessments are used to assist in hiring the right candidates for the right positions.



Functional and Leadership Development

MFM keeps a competitive edge by asking ourselves,

“How can we get our organisation and ourselves to the next level of excellence?”

In doing so, MFM Group has developed a holistic approach in developing employees to boost their performance. It is essential to Lead with Trust and Respect by challenging the need to improve continuously.



Coaching Programme

Coaching overall increases work performance and provides an invaluable space and experience for personal development. In MFM, employees are given the opportunity to challenge themselves, broaden perspectives, identify strengths and development needs, set and achieve business, team and personal goals.

Mission-Directed Workforce (MDW) Programme

MDW is driven towards translating key strategies and principles to be implemented across the company. MFM constantly seeks opportunities for sustainable improvement in terms of quality, speed and cost effectiveness.

Employee Development Programme

MFM focuses highly on building talents in alignment with MFM Group's values, culture, and performance expectation for young graduates. The Employee Development Programme aims to strengthen the talent pipeline on a long term basis.

Leadership & Managerial Development Programme

“Good leaders are memorable, and excellent leaders are unforgettable.” MFM strongly believes in having effective leaders in a workplace to empower and influence employees to achieve business and team goals. Our structured Leadership & Managerial Development programme focuses highly on the “21 Irrefutable Laws of Leadership,” by John C. Maxwell to strengthen four core pillars of leadership behaviours, i.e. trust, authenticity, commitment and responsibility.

Dindings Poultry Development Centre (DPDC) Academy

Apart from current state-of-the-art technologies used to support our core businesses, MFM invested a substantial amount in our DPDC Academy to facilitate the train-the-trainer model via simulation and classroom training. This empowers existing employees to be champions and drivers of various farm processes, learn key skill set to be able to help others grow.

Succession Planning



For the MFM Group, corporate succession planning is a means of sustainability and stability for the organisation. With Talent Assessments, Competency Gap Analysis and Development Plan in place, MFM consistently engages in succession planning to increase the availability of ready talents, thus increasing the availability of capable individuals who are prepared to assume critical key roles.

Performance Management



To strengthen our performance-driven culture, MFM Group strongly believes in promoting, engaging and improving employee work performance. Performance management by the Group involves cascading and aligning goals throughout the organisation to drive overall business performance.

Employee Engagement & Retention



MFM TOWNHALL

Hundreds applauded the strategic business plans, some of which focuses on the expansion of business in Poultry Integration, Supply Chain Management, Human Capital Development and overall sustainability of the business, shared by our Managing Director and Business Unit Heads.



The Best Innovation Award for 2018 was won by MFM Flour Pasir Gudang. The winning project titled **"Flour Streaming Optimisation Approach"** fulfilled all five criteria for best innovation, i.e., Creativity, Business Impact, Teamwork, Analysis of Business Benefits and Implementation. With the Implementation of this proposal, it is expected to save the Company a whopping **RM1.75 million** per year.

INNOVATION AWARDS



HR Asia Best Companies To Work For in Asia (Malaysia Edition)

With MFM Human Capital Development in place, we have successfully paved the way for continuous employee and leadership development; this will drive transformation and achieve business objectives and goals.

Overall in 2018, we experienced various transformational changes in the areas of people and business. This led to MFM Group of Companies being awarded and recognised as HR Asia Best Companies To Work For In Asia (Malaysia Edition). MFM is confident in our journey towards achieving the next Human Capital Strategic Plan.



***“We strive to create
a great place
for great people
to do great work.”***





3 8 Safety & Health

MFM always puts workplace safety and employee health as the first priority. We equip related employees with proper Personal Protective Equipment (PPE) to protect them from physical hazards at the worksite. Health surveillance was carried out for employees in accordance to Department of Occupational Safety and Health (DOSH) requirement.

To create a healthy and safe working environment, we comply with laws and regulations, provide continuous and consistent trainings to related employees and establish Health, Safety and Environment (HSE) divisions to oversee these matters.

Safety Officer

Our Safety & Health Officers are present to conduct regular checks to ensure compliance with statutory regulations, procedures and practices. They investigate any safety and health related incidents that happen in the workplace, conduct safety campaigns and provide individual counselling on safety and health related matters.

Compliance

We comply with the Occupational Safety and Health Act (OSHA) 1994, Factories & Machinery Act 1967 and their regulations. Our poultry farm reinforces our commitment towards OSHA by developing Occupational Safety & Health Administration Manual and implementing Hazard Identification, Risk Assessment and Risk Control (HIRARC).

Zero Penalty & Fatality

In 2018, we did not receive any penalties related to occupational safety and health from relevant authorities. There were no workplace fatality cases in our Group.

Trainings

- Basic Occupational First Aid Training
- Cardiopulmonary Resuscitation (CPR) Training
- Authorised Entrant and Standby Person for Confined Space (AESP)
- Authorised Gas Tester and Entry Supervisor for Confined Space Refresher
- Fire Prevention and Extinguisher Training
- Working at Height Awareness
- Emergency Response Team Refresher Training & Chemical Spillage Training
- Safe Handling of Chlorine Gas
- Safe Driving Forklift Training
- Fire Drill
- Usage of Drench Shower & Eyewash
- LOTO (Lock Out Tag Out) Training
- Noise and Hearing Conservation Training
- Manual & Chemical Handling Training
- Safety and Health Manual Lifting Training
- N95 Mask Training

OPERATIONS EXCELLENCE & GOVERNANCE



To provide our customers with safe and high quality products that adhere to legislation and requirements.

Products & Services Responsibility

1216

Customer Relationship

Developing a healthy relationship with customers is crucial to understand customers' needs in order to improve our products and services quality. MFM Group deploys Customer Relationship Management (CRM) system to manage customers' feedbacks.

We value and safeguard customer data and privacy as company asset. In 2018, MFM Group did not receive any complaints concerning breaches of customer privacy.

Our Commitment to Food Quality & Safety

MFM products are FREE from:

- Any visible metal fragments
- Salmonella and Aflatoxin; yeast and mould

MFM products are certified by:

JAKIM (Department of Islamic Development Malaysia) as HALAL, complying with Islamic dietary requirements.

Customer complaint related to food safety issues: Strictly controlled to be not more than 5 cases per year.



Certifications & Trainings For Food Quality & Safety



CERTIFICATIONS

Flour Milling

- Hazard Analysis and Critical Control Points (HACCP)
- FSSC 22000:2005
- SIRIM
- HALAL (certified by JAKIM)



Poultry Farming

- Compliance to Department of Veterinary Services
- myGAP Certificate (from the Ministry of Agriculture and Agro-based Industry)
- MS ISO/IEC17025 & ILAC-MRA (outsourced testing laboratory)
- Skim Akreditasi Makmal Malaysia (SAMM) (external testing laboratory for drinking water samples for chicken)

Poultry Processing

- Hazard Analysis and Critical Control Points (HACCP)
- Veterinary Health Mark (VHM)
- ISO 22000:2005
- ISO 9001:2015
- Good Manufacturing Practices (GMP)
- HALAL (certified by JAKIM)



Feed Milling

- Hazard Analysis and Critical Control Points (HACCP).
- Fish Quality Certificate (by the Department of Fisheries Malaysia, complies with the European Union requirement as stated under Regulation 5(1) of the Fisheries (Quality Control of Fish for Export to the European Union) Regulations 2009)

TRAININGS

- Good Manufacturing Practices & Personal Hygiene Briefing
- Food Handler Training
- FSSC 22000 Awareness Training

- Quality Assurance & Control Training
- myGAP (Malaysian Good Agricultural Practice) Training

- HACCP Awareness, Food Hygiene, Food Safety and GMP Awareness Course
- Internal Auditor Training
- Food Handler Training and Understanding & Implementation of HACCP

In 2018, we did not receive any monetary value of fines or non-monetary sanctions for non-compliance to laws and regulations.

Bio-security 12 14 16

MFM Group's poultry farm and hatchery facilities are equipped with bio-security facilities. Bio-security is the most effective and efficient way of prevention and disease control.

Our farms are cared by professional and qualified veterinarians who monitor flock health, carry out diagnosis, provide treatment prescription and conduct R&D.

Strict bio-security measures prevent infestation or disease in farms, thus, protecting the environment and our workforce.

The closed house system allows chicken house temperature to be regulated. This reduces bird stress, lowers bird mortality and improves farm performance.



Code of Conduct & Ethics 16

We instill high standards of professional and ethical conduct in all employees. Integrity helps us to earn the trust and respect of the people we serve.

The Company'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.

Anti-Corruption 16

Our Group has a Whistle Blowing Policy and procedures are in place.

Anti-Competitive Behaviour 16

In 2018, MFM Group did not have legal actions pending or completed related to anti-competitive behaviour.



COMMITMENT TO SOCIETY



MFM holds the responsibilities not only to consistently provide high quality food to people, but also to give back to society.

Corporate Social Responsibility Towards Workplace 3 8 16

-  Annual Dinner
-  Camp Day
-  Company Trip
-  Company Anniversary Celebration
-  English Class For Staff
-  Annual Football Match
-  Team Synergy Training
-  Women's Day Celebration



Annual football match held for employees to promote healthy lifestyle and to strengthen the bond between employees.

Corporate Social Responsibility Towards Marketplace

12 16

-  Bakers Training at Plant "Baking Training Center"
-  Dapur Dindings Food Truck Roadshow
-  Distributors' Convention in Korea
-  Joining the Purebake Distributor in Bakery Fair in Philippines
-  Karnival Jom Serbu
-  Product Demonstration
-  Sustainable Branding Seminar for Key Bakeries & Wholesalers
-  Technical Training & Technology Exchange
-  Trade Union Congress
-  Vimaflour Annual Bakers' Conference



Provided baking trainings to customers at the "Baking Training Center".



Dapur Dindings (the first food truck launched under Ayam Dindings brand) sold nutritious and tasty meals at affordable prices to customers.



Plant Manager explained the quality of flour during Bakery Fair in Philippines.



Our employees with distributors at Distributors' Convention in Korea.

Corporate Social Responsibility Towards Community

2 3 4 10

- 3km Charity Colour Run
- Education Programme With Hoa Sua Baking School
- Food Truck Flash Mob Roving Giveaway
- Fundraising for Schools
- Fundraising for House Building
- Donations for Victims of Disaster
- Harmony Charity Food Fair
- Lung Cancer Awareness Charity Run
- Run for Children
- Scholarships for Students
- UPM Farm Run
- Water & Sanitation Programme



The cooperation ceremony for the education programme with Hoa Sua Baking School.



Donated goodies and money to the victims of Lombok and Palu Donggala earthquake.



Our representative gave award to the winner in UPM Farm Run.