

SUSTAINABILITY STATEMENT

Sustainability Statement

CAB Cakaran Corporation Berhad (“CAB” or “the Company”) recognises the importance of business sustainability relating to business growth and is committed to uphold good governance and sustainability practices in the operations of CAB and its subsidiaries (“CAB Group” or “Group”).

SCOPE AND REPORTING FRAMEWORK

CAB prepares this Sustainability Statement (“Statement”) to report on the ongoing efforts, practices, and performance of how CAB manages its material sustainability matters (“MSMs”) to its stakeholders under the purview of Economic, Environment and Social (“EES”) for the financial year ended 30 September 2023 (“FY2023”). This Statement reports on the sustainability practices and performance pertaining to the Group’s integrated poultry business in Malaysia and Singapore which significantly represents the revenue of the Group. This statement does not include the operations of contract farms which are owned and managed by third parties.

This year, the Group has also conducted a review of the MSMs which affect the Group’s businesses and operations, through discussions with our internal and external stakeholders to understand their concerns and requirements for our business as well as considering development in sustainability disclosure regulations including amendments to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa”).

This Statement has been prepared in accordance with the MMLR of Bursa and also considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa.

Aligning Sustainability with CAB Group’s Vision, Mission, and Core Values

CAB Group’s sustainability strategies and approaches are guided by and are intended to support our Group’s Mission, Vision Statements, and Core Values which are illustrated as follows:



OUR VISION

To be a respectful leader in the regional food industry with strict adherence to high quality and safety standards for food production



OUR MISSION

To manage and conduct all business dealings with integrity and innovation to supply a wide range of high quality and safe food products to our customers



OUR CORE VALUES

To always ensure premium quality and food safety standards are adhered to

To actively participate in activities related to raising the standards of the food industry

To form strategic long-term partnerships with our employees, customers and suppliers

To optimise profit through efficient utilisation of resources

To constantly invest in new facilities and research and development in order to produce a continuous stream of quality and safe food products

Where possible, we integrate our sustainability efforts into our business management processes, while sustainability management and performance form an integral part of the Group’s established risks management system where matters in relation to sustainability are treated as part of the key discussion topics to be discussed during the quarterly management meetings.

In addition, the Group reviews its MSMs, including associated risks and opportunities, in alignment with its strategic plans at least once a year to ensure our sustainability management approaches and strategies continue to be relevant and facilitates the sustainable achievement of the Group’s long-term objectives. The Group will continuously monitor, evaluate and manage to improve and enhance our sustainability performance.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Sustainability Governance

In order to instil strong sustainability stewardship and a clear tone at the top, sustainability is also incorporated in CAB Group's corporate governance structure where the Board of Directors (the "Board") holds ultimate responsibility in ensuring sustainability is considered in the Group's corporate strategies in the long term. The governance framework is established to specify the roles and responsibilities of respective personnel in relation to sustainability initiatives and performance, in addition to day-to-day sustainability management such as compliance with environmental and social laws and regulations. This is also aligned with the promulgations of the Malaysian Code of Corporate Governance ("MCCG"). CAB Group's governance structure for sustainability is illustrated as follows:



The Board's leadership roles include ensuring sustainability aspects, including EES aspects, are considered adequately and are able to support long-term value creation. The Management, led by the Group Managing Director, is responsible for developing strategies, proposing them for the Board's approval, and implementing relevant initiatives towards realising the Board-approved strategies.

In carrying out its oversight role, the Board is supported by the Risk Management and Sustainability Committee ("RMSC"), whose role is to oversee and monitor the effective implementation of the Group's sustainability framework and performance. The Group's key sustainability strategies, priorities, and targets are also reviewed by the RMSC before they are reported to the Board.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Sustainability Governance (Cont'd)

At the management level, the Group Managing Director leads the development of implementation plans and drives sustainability strategies. The achievement of sustainability targets which are developed to measure performance against sustainability priorities and KPIs is the responsibility of respective key management personnel, including ensuring sustainability-related activities are carried out effectively. The Group Managing Director is assisted by the Risk Management and Sustainability Working Committee (“RMSWC”) whose members are responsible for sustainability implementation within specific functions and operations.

The Board is also responsible for ensuring key sustainability strategies, priorities, targets, as well as performance, are communicated with CAB Group's internal and external stakeholders, as appropriate. Amongst others, the Group's key communication and engagement with stakeholders include the annual publication of Annual Reports (including Sustainability Reports), the corporate website, corporate announcements via the Bursa's portal, and annual general meetings.

During FY2023, arising from the Group's review of its MSMs, Management also reviewed and enhanced the Group's sustainability KPIs, which were subsequently reviewed by the RMSC and approved by the Board.

Stakeholder Engagement

In ensuring our business strategies and sustainability strategies are aligned with the broad interest of our stakeholders and shareholders, the opinions and feedback of our stakeholders are important to the Group as it helps to ensure the success of the sustainability journey throughout its course.

In CAB Group, we actively engage and communicate with our relevant stakeholders via various channels in order to better understand the stakeholders' concerns and needs. Through our stakeholder engagement activities, we are able to identify issues deemed important to our stakeholders and address their interests, expectations, and concerns.

Our stakeholder engagement processes and the outcomes arising from such processes also enable CAB Group to determine its MSMs to understand which sustainability matters are more significant to the Group's value creation for stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Stakeholder Engagement (Cont'd)

The following table below summarises our key stakeholders, engagement methods, and key focus areas during FY2023.

Key Stakeholders	Engagement Methods	Frequency of Engagement	Key Focus Areas
Shareholders/ investors	Annual General Meeting	Annually	<ul style="list-style-type: none"> Economic performance Corporate governance compliance with all relevant laws and regulations Anti-corruption and bribery measures
	Annual Report and Audited Accounts	Annually	
	Quarterly Financial Report	Quarterly	
	Extraordinary General Meeting	As and when needed	
	Announcement to Bursa and Corporate Website	As and when needed	
Employees	Departmental and Management meetings	Ongoing	<ul style="list-style-type: none"> Occupational health and safety working environment Employee, Engagement and Development Work-life balance and employee welfare Competitive compensation and benefit and remuneration packages
	Annual performance appraisal	Annually	
	Events and festive celebrations	Periodically	
	Briefing and training	As and when needed	
Customers and consumers	Feedback channels such as emails, phone calls, and walk-in	As and when needed	<ul style="list-style-type: none"> Product safety and quality Pricing competitiveness Variety of products Product availability Marketing and labelling
	Customer services	Ongoing	
	Website and social media platforms	As and when needed	
	Service satisfaction	Regular	
Suppliers and contract farmers	Collaboration contracts	As need arises	<ul style="list-style-type: none"> Continuous supply of key products Product Quality Compliance with the supplier's code of conduct Similar good practices in the supply chain
	Sites visits	As and when needed	
	Suppliers selection and evaluation (via audit)	Regular	
	Business meetings	Regular	
Government Bodies/ Regulators	Meetings and discussions with authorities	Regular	<ul style="list-style-type: none"> Health and safety matters Product certification Environmental and Social Compliance Tax and pricing issues Labour practice Transparency and accountability
	Compliance activities	Regular	
	Timely reporting	As prescribed by law/ regulation	
Community	Corporate social responsibility activities	Regular	<ul style="list-style-type: none"> Waste and effluent management Community development Social impact Community living, care and development
	Local Representative	Regular	
	Charitable contributions	As and when needed	
	Internship programmes and charity events	As and when needed	

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE AND REPORTING FRAMEWORK (CONT'D)

Materiality Assessment

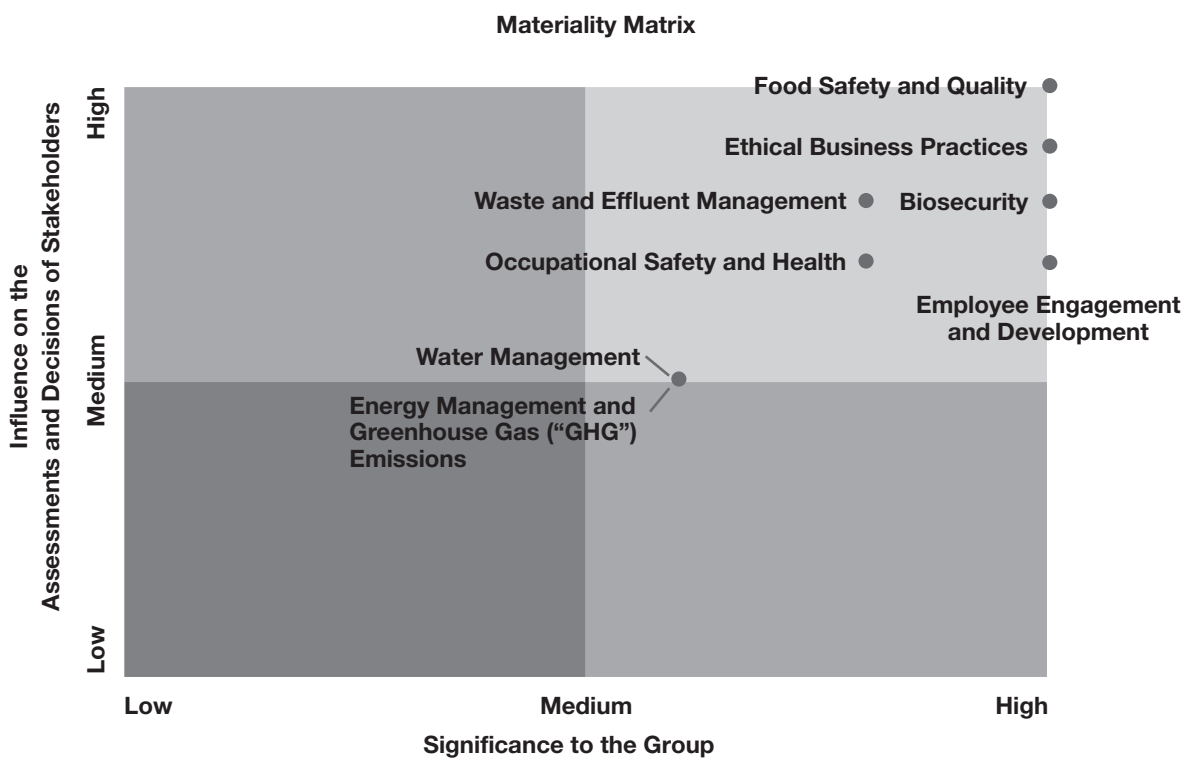
At CAB Group, we assess and determine the Group’s MSMs via a materiality assessment process, which defines MSMs in accordance with the MMLR, whereby a material sustainability matter is one that:

- reflects the Group’s significant EES impacts; or
- substantively influence the assessments and decisions of key stakeholders.

The Group reviews its MSMs every year to ensure that the identified MSMs remain material to the Group’s operations.

During FY2023, CAB Group performed a materiality assessment process which was participated by the top and senior management personnel including the Group Managing Director, Division Heads and Heads of Departments as well as those who deal closely with the Group’s key stakeholders. There were no new MSM has been identified this year. CAB Group’s MSMs are illustrated in its materiality matrix as follows:

MATERIAL SUSTAINABILITY MATTERS



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

1. Economic

1.1 Food Safety and Quality

Food safety and quality are of paramount importance to our business and industry and this is also enshrined in the Group's Vision, Mission and Core Values. As a provider of food sources, CAB Group complies with the most stringent standard of food quality and safety to ensure our food products provided to the customers, from food processing to packaging, meet the highest food safety and quality requirements, laws and regulations.

In order to ensure the quality and safety of our food products, the Group's operations and processes have been certified and recognised with national and international guidelines or food safety standards as follows:

- Malaysian Good Agriculture Practices ("MyGAP") certification for its breeder and grand-parent stock farms;
- Sirim QAS International Quality Management System requirements ISO 9001:2015 for Farm's Best Food Industries Sdn. Bhd. and Jimat Jaya Sdn. Bhd.;
- Veterinary Health Mark ("VHM") and HALAL certification by Jabatan Kemajuan Islam Malaysia ("JAKIM") for its chilled/frozen chicken and further processed products;
- Good Manufacturing Practice ("GMP") and Hazard Analysis and Critical Control Point ("HACCP") certification for the chicken processing and further processed product manufacturing facilities in Kuala Lumpur and Melaka;
- Food Safety System Certification ("FSSC") 22000 for its slaughtering facility in Kedah and further processed product factory in Kuala Lumpur; and
- Certification from the Singapore Food Agency ("SFA") for certain broiler farms in Johor and processing and manufacturing facility in Melaka which enables the Group to export broilers, frozen dressed birds and parts, as well as further processed products to Singapore.

CAB Group has a Food Safety Policy formulated to guide our processing and manufacturing processes and practices. The Food Safety Policy is also incorporated as part of our Quality Assurance Program. We also have processes including feedback and complaints mechanisms, as well as recall procedures.

To prevent cross-contamination, proper segregation and compartmentalisation of processing areas are in place between raw, semi-processed, and processed items, at the same time, sanitation procedures and hygiene practices are also implemented and managed on an ongoing basis.

CAB Group's processing and manufacturing lines have incorporated controls that ensure the preservation and maintenance of optimum food safety and quality, including metal detectors, temperature controls, and the implementation of automation technology to minimise manual handling. Bar-coding technology is applied to some of CAB Group's subsidiaries to promote effective storage and logistics planning and management, as well as enable our employees to trace batches, quickly react to any issues arising, identify root causes, and carry out remedial actions.

In relation to antibiotic safety, the Group's broiler farms also have food safety and quality practices that observe a withdrawal period to maintain the antibiotic level in chicken meats within the regulated levels.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

1. Economic (Cont'd)

1.1 Food Safety and Quality (Cont'd)

Food Safety and Quality Awareness and Training

To ensure our employees are equipped with the relevant knowledge to safeguard food safety and quality in our operations, we provide them with regular education and training on standard operating procedures (“SOPs”), including but not limited to, identifying and overseeing the issues in the processing or manufacturing process, maintaining hygiene at all times, proper handling and storage of materials and products, etc. In addition, we also provide employee training specific to their scopes of work to ensure they carry out assigned, specialised tasks effectively, including managing associated food safety and quality matters.

Training relevant to food quality and safety provided to our employees during the financial year under review is summarised as follows:

- Food Handling Training;
- Food Packaging and Labelling;
- Food Safety and Hygiene;
- Food Safety Culture;
- Food Security;
- Food Fraud and Food Defence;
- Measurement Uncertainty in Calibration and Interpretation of Calibration Certificate;
- Adoption of Technologies for Pathogen Detection;
- Good Manufacturing Practice in Food Industry;
- Understanding the ISO Standard Internal Auditing;
- Key Changes in FSSC 22000; and
- ISO 9001:2015 Audit.

Quality Assurance, Quality Control, and Audits

The Quality Assurance Department and Quality Control Department of the respective business units are responsible for conducting regular internal reviews of the Group’s operations, including food safety and quality compliance. Our facilities are also periodically audited by regulators and customers who apply stringent food quality and safety requirements.

As part of the Group’s Quality Assurance Policy and programme, we have an in-house laboratory to monitor the quality of incoming raw materials to factories and finished products before delivery to customers. Our qualified Safety Officer is also tasked to highlight any quality and safety issues that need to be improved as well as carry out review activities to ensure compliance with ISO audits.

During the financial year under review, there were no recalled product cases and major issues reported on food safety and quality matters.

	FY2022	FY2023
Recalled product cases	0	0
Major food safety and quality issues	0	0

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

1. Economic (Cont'd)

1.2 Biosecurity

It is also important for CAB Group to manage its biosecurity risks, which is conducted in accordance with our Biosecurity Policy. Appropriate actions and controls are implemented in our hatcheries and farms to minimise, prevent, confine, and control potential diseases and infection risks.

CAB Group's biosecurity-related controls are summarised as follows:

- CAB farms are managed in accordance with the Group's Farm Management Policy and SOPs. All hatcheries and farms had applied Flock Health Monitoring and Good Animal Husbandry Practice ("GAHP") with due consideration given to excellent bird health and welfare.
- CAB's poultry farms are distanced from each other, spreading across entire Peninsular Malaysia, covering Kedah, Melaka, Negeri Sembilan, Johor, Pahang, Terengganu and Kelantan to minimise and avoid the impact of cross-infection in the case of a disease outbreak. Employees and/or visitors who have been to poultry farms are forbidden from entering the Group's hatcheries within a specified period to prevent infection of day-old chicks.
- The physical movements of persons in and out of the operating premises are monitored and controlled, and persons entering the premises are required to wear disinfected apparel and gear. Entry to the farm is only allowed for those who are wearing the designated farm uniform, and who have undertaken the required shower, hand washing and disinfectant boot-dipping procedures.
- Livestock quality control plays a crucial part throughout the entire production chain starting from grandparent stock down to parent stock and broiler. To keep good disease prevention and control, ongoing practices of stringent biosecurity and farm isolation are undertaken. CAB is moving forward with having all its farms, especially broiler farms certified by the Department of Veterinary Services ("DVS") as MyGAP.
- Vehicle shower and wheel-dip are required for all authorised vehicles before entering farms and hatcheries whilst external vehicles are forbidden from entering the production and clean areas to minimise the risk of bringing disease-carrying microorganisms into farms.
- Good practices on a range of matters important to hygiene and disease control, such as rodent, insect and wild bird control and waste management for farms and hatcheries, are adopted by the Group to monitor the internal conditions of its operations premises.
- The Group has employed qualified veterinarians who are responsible for poultry health monitoring and disease control. Ongoing monitoring of flock health is conducted across all CAB's farms and veterinarians will visit CAB's farms regularly.
- Evaporative Tunnel Ventilated Closed House System is adopted by the Group to regulate and enhance consistency of air quality and house temperature to avoid unnecessary stress on poultry in order to deliver excellent performance and also to minimise biosecurity risks. To improve the effectiveness of the Group's effort in managing biosecurity risks, the Group is gradually adopting the conversion of all its open-house farms to the Closed House System.

There were no major disease outbreaks in CAB's poultry farms for the financial year under review.

	FY2022	FY2023
Major disease outbreaks in CAB's poultry farms	0	0

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

2. Environmental

2.1 Water Management

Water is a significant input in CAB Group's operations, including in our integrated poultry operations and food processing operations. The majority of the water we use is sourced from the municipal water supply and we also draw underground water in some operations.

While we generally do not operate in water-stressed areas, the Group undertakes approaches and initiatives to ensure we use water effectively and do not waste water at all our business units. Our water management practices are highlighted as follows:

- rainwater harvesting system or water retention ponds in farms to enable the collection and reuse of collected rainwater; and
- maximising water efficiency in accordance to the 3Rs principle: reduce, reuse and recycle.

During the financial year under review, there was an estimated amount of 1,507,305 m³ of water withdrawal across our operations.

2.2 Waste and Effluent Management

At CAB's farms and processing plants, we implement environmentally-conscious practices to reduce and mitigate the impact on the environment, as well as avoid environmental contamination from production effluents, which include a mixture of, amongst others, blood, fat, feathers, skins, etc.

CAB Group monitors its effluent discharge through wastewater treatment systems which apply two (2) types of treatments, i.e. Biological Process and Physical Chemical Process, or a combination of both in some plants. The purpose of the processes is to remove the contents such as suspended solids, grease and fat, and harmful substances which are afterwards processed into sludge cake for disposal in accordance with environmental laws and regulations, while the treated effluent can be discharged safely into the public water system.

In order to ensure the quality of treated effluent is retained within the regulated levels, treated effluent is sampled and tested at least every week, to assess and determine its acidity, biochemical oxygen demand ("BOD") level, chemical oxygen demand ("COD"), etc.

The wastewater treatment process as part of our operations and manufacturing chain plays an important role in running our daily business, hence, training in relation to the treatment system is provided to our Group's technical officers to ensure that they are well-trained while certified by the Department of Environment ("DOE"). In FY2023, the Group received zero major non-compliance on wastewater treatment/ compound.

During the financial year under review, the Group generated an estimated amount of 798,919 m³ of wastewater, mainly from our chicken slaughtering plants.

During the financial year under review, there were no significant penalties levied by authorities (2022: no significant penalties reported). The Group is committed to continually reviewing and monitoring environmental laws and regulations and always conducting the relevant training for our employees to ensure we are in compliance with the regulatory compliance rules in the areas we operate.

Poultry Manure

Continuous initiatives are undertaken by the Group to manage the problem of odour and flies arising from poultry manure, such as adopting effective microorganism spray and gradual implementation of the conversion of all the Group's farms into Closed House Systems.

The generated poultry manure, which may result in foul odour and encourage the breeding of pests, is handled and disposed of to licensed waste contractors to be recycled into organic fertilisers to be used in the agricultural sector as a substitute source for chemical fertilisers or as soil enhancement, which improves the quality of the environment.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

2. Environmental (Cont'd)

2.3 Energy Management and Greenhouse Gas (“GHG”) Emissions

This year, CAB Group increased its focus on energy management and the associated matter of GHG emissions. The Group is committed to continuing proactively to manage and monitor the energy use within the businesses in order to enhance operational efficiency and reduce the carbon footprints.

In FY2023, the Group continue applying the following approaches in conserving energy across our operations in the long run:

- corrective actions are taken to reduce abnormal power consumption and minimise energy waste during idle production time;
- continue to oversee and monitor energy consumption via supervisory control;
- utilising and prioritising energy-efficient equipment and electrical appliances across the operations such as installing of energy efficient chiller systems, LED lighting, condensers, and cooling tower fans;
- installation of stabilizers on air compressors, temperature control on relevant processes to reduce electrical usage whenever appropriate; and
- applying environmentally friendly designs and materials in our products.

During the financial year under review, the Group consumed approximately 62,498,222 kWh of electricity across its operations of which 1,834,859 kWh were derived from solar power generation systems installed at our site.

Renewable Energy – Solar

The development of sustainable energy approaches such as the installation of solar panels is one of the Group’s key efforts in reducing reliance on fossil fuel-based electricity.

In FY2021, we successfully installed a Photovoltaic System (“PV System”) at CAB’s Corporate Office in Seberang Jaya, Penang and this has helped to significantly supplement our electricity needs in FY2022. In addition, we have also installed a set of solar panels system at the premise of our subsidiary Farm’s Best Food Industries Sdn. Bhd. and the solar panels system has been operating since December 2021.

In FY2023, the Group has identified certain sites for installing the similar PV System to generate the renewable energy for own use. The projects would be completed and reported in the annual report FY2024.

In FY2023, the Group generated a total of 1,834,859 kWh of renewable energy from our solar panels.

Renewable Energy	FY2022	FY2023
Solar panels (kWh)	1,445,081	1,834,859

GHG Emissions

Acknowledging CAB Group’s responsibility in building a sustainable business as well as the need to gradually transition towards an emission-efficient operation, we are currently undertaking internal process reviews to assess and standardise the Group’s data collection, especially in relation to energy usage and other key emission sources, in order to support accurate reporting of GHG emissions in the coming years. Currently, our efforts are focused on Direct (Scope 1) and Indirect (Scope 2) GHG emissions.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social

3.1 Ethical Business Practices

The Group is committed to upholding integrity and ethics in the conduct of business and this commitment is aligned with the CAB Group's Vision, Mission, and Core Values. The Group has established a Code of Ethics and Conduct ("Code"), applicable to the Group's Directors and employees, which set their expectation to display the highest levels of professionalism in all aspects of their work and dealings with internal and external stakeholders. The Group's Code communicates the Group's commitment to practising business ethically towards its stakeholders, including its employees, customers, suppliers, the environment and the community. The Group's commitment is to deal fairly and ethically in the market, with its customers, suppliers, competitors, and business partners to promote a healthy, competitive and economically efficient marketplace.

Data Privacy and Confidentiality

The Code also requires our employees to safeguard confidential information and data including data relevant to customers and other personal data. CAB Group is committed to compliance with the requirements of applicable laws relating to the protection of personal data. A Privacy and Security Statement is also established to guide our employees on how to treat personal information. We are pleased to report that there were no substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2023.

Anti-Bribery and Anti-Corruption

In accordance with the Anti-Bribery and Corruption Policy ("ABC Policy") and Code, CAB Group adopts a zero-tolerance approach towards bribery and corrupt practices in all its operations. ABC Policy is applicable to all the Group's business dealings and transactions in all the countries in which they operate and is available in three (3) versions, i.e. English, Bahasa Malaysia, and Chinese. The forms of bribery and corruption covered in the ABC Policy include gifts and hospitality, facilitation payments to an officer of public body, third parties and agencies, political contribution as well as charitable contribution. For detailed requirements and guidance on ABC Policy, please refer to the ABC Policy which is available on CAB's corporate website.

The ABC Policy is also regularly communicated with the internal and external stakeholders through various methods, including the company website, the company's internal communication and others. In FY2023, communication in relation to bribery and corruption is conducted for all employees in all operations to increase employee awareness. Written acknowledgement of the ABC Policy was also obtained from all employees.

Training on Anti-Corruption	FY2022		FY2023	
	Communication	Training	Communication	Training
Directors	100%	100%	100%	0
Key Senior Management (including Executive Directors)	100%	100%	100%	0
Managerial	100%	0	100%	0
Executive & Supervisory	100%	0	100%	0
Non-Executive	100%	0	100%	0

Corruption risks assessment and management is incorporated in CAB Group's annual risk management process and all of our operations have been assessed for corruption-related risks to avoid and minimise the risks or acts associated with corruption and bribery.

	FY2022	FY2023
Operations assessed for corruption-related risks	100%	100%

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.2 Occupational Safety and Health

CAB Group is committed to providing a safe, secure, and conducive working environment to our employees and workers. To this end, the Group has established a Group Safety and Health Policy which sets out our commitment and serves as a communication tool internally and externally. The Group Safety and Health Policy is reviewed at least annually and updated when necessary to ensure effectiveness and compliance with relevant laws and regulations.

Relevant standard operating procedures governing workplace safety and health procedures are developed and implemented to mitigate our employees' exposure to health and safety risks. We have also set a target of maintaining zero accidents across our operations.

Operationally, our employees that are working on a farm are exposed to a range of occupational safety and health risks, including but not limited to industrial accidents, occupational poisoning (such as from chemical gases, ammonia, pesticides, etc), occupational diseases (such as musculoskeletal disorders and biological hazards), whereas employees that are working in a manufacturing and processing factory is exposed to physical harms due to activities like using with sharp tools, machinery, high temperature, etc.

Health and Safety Management Governance and Processes

The Group has established working committees on occupational safety and health for production operations to manage and monitor the management of occupational safety and health issues in relevant operations.

Risk assessment processes, such as Hazard Identification, Risk Assessment and Risk Control ("HIRARC"), Chemical Health Risk Assessment ("CHRA") and assessment on Noise Monitoring, are undertaken regularly to assess workplace hazards. Several initiatives and approaches, including standard operating procedures, provision of suitable and adequate personal protective equipment ("PPE"), training, safe work instructions and the use of equipment with enhanced safety features, are adopted by the Group in managing these potential hazards.

A registered competent Safety and Health Officer is being employed to manage and ensure matters in relation to occupational safety and health are kept in check. Regular safety training and safety audit or reviews at the Group's farms, hatcheries, processing plants, and production sites are conducted to increase the safety and health awareness of our employees, workers and contractors. Safety information, improvement opportunities, and non-compliances are communicated and reported via Notice Boards and regular management briefings. We also perform regular checks on the equipment and machinery to ensure they are in safe working condition.

In addition, we have processes that facilitate the continual review and improvement of the Group's internal control system. Enquiries and investigations will be undertaken to assess and identify the causes of every accident or incident to address control weaknesses and avoid recurrence.

It is the responsibility of all employees, suppliers, contractors and consultants who perform their duties at our premises to comply with the safety and health work practices and guidelines. Safety programme are held to remind workers and employees of safety awareness and related issues to reduce injury, safety and health hazards. We ensure that every worker and employee are understand that safety is their responsibility.

During the financial year under review, there were no major accidents reported in all our operations. Most of the work-related injuries during the financial year were due to reasons such as being cut or stabbed by sharp objects or falling or slipping.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.2 Occupational Safety and Health (Cont'd)

Health and Safety Management Governance and Processes (Cont'd)

	FY2022	FY2023
Total hours worked (hours)	7,292,656	7,345,104
Work-related fatalities (cases)	0	0
Total accidents reported/ resulted in lost workdays (cases)	17	30
Lost time injury frequency rate* (per million hours)	2.33	4.08
Lost day rate**	6.03	11.76

* lost time injury frequency rate = (no of accident in the reporting period x 1,000,000) / total hours worked in the reporting period

** lost day rate = (total no of workdays lost x 200,000) / total hours worked in the reporting period

Health and Safety Awareness and Training

Proactive risk identification, risk management and continuous improvement are undertaken by the CAB Group towards zero accidents at our operations and preventing future incidents. Safety and health-related training is also constantly provided to our workers and employees to develop strong safety awareness and develop safety and health management skills across the operations.

During the financial year under review, training provided to employees and workers includes, but is not limited to the following subjects:

- Boilerman Course;
- Safety Forklift Driving;
- Hearing Conservation Program;
- Introduction Course On Safety Standards;
- Chemical Spill Control Training;
- First Aid Course;
- Occupational Safety And Health (Amendment) Act 2022;
- Hazard Identification, Risk Assessment And Risk Control;
- Emergency Response;
- Fire Safety Course;
- Safety Induction Training;
- OSH Performance Indicator; and
- Behavior Based Safe Driving Techniques For Truck Drivers.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.3 Employment

Workforce Diversity

CAB Group is committed to developing and maintaining a diverse workforce and providing a work environment in which every employee is treated fairly and equally. CAB Group is an equal opportunity employer and excellent workplace culture where employees of different backgrounds, gender, age, creed, ethnicity, and cultural affiliations are given equal opportunities for career development and progression. Below is the workforce statistic for the Group:

Number of employee by gender:		FY2022	FY2023
Male		2,293 (73%)	2,874 (81%)
Female		867 (27%)	694 (19%)
Total		3,160 (100%)	3,568 (100%)

Number of employee by gender and nationality:		FY2022	FY2023
Male	Local	1,294 (56%)	1,129 (39%)
	Foreign	999 (44%)	1,745 (61%)
Female	Local	858 (99%)	680 (98%)
	Foreign	9 (1%)	14 (2%)

Employee Welfare

Employees play an important role in our operations as they contribute to business growth and maintain the quality and safety of products. Hence, various employee welfare is introduced to attract and retain talent and reward employee efforts.

The benefits we provide to our employees are summarised as follows:

- healthcare benefits;
- compassionate leave;
- various insurance plans such as Group hospitalisation and Surgical and Group Personal Accident; and
- minimum benefits in accordance with local laws and regulations.

The minimum salary threshold of all employees have updated to no less than RM1,500 per month in order to comply with the updated Malaysian Minimum Wages Order 2022. The Group's HR Department is responsible for ensuring that the Group's fair and comprehensive remuneration system is in compliance with the relevant requirements, laws and regulations.

As of 30 September 2023, the Group employed 1,759 foreign employees and we ensure that proper documentation and complete legal permits are in place together with the contract of employment.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.4 Employee Engagement and Development

An employee reward system, which is fair and substantive, linking rewards to individual contribution and performance, is adopted by the Group in order to align with the merits-based principle it adopts in its employment. Employee performance assessment is carried out every year to assess and determine the appropriate reward, which may be in the form of bonus distribution, salary revision and/ or promotion, to be given to our employees. The employee reward system is participated by the employee under assessment, the employee's superior, and the Group HR Department (acting as verifier), to provide sufficient and appropriate checks and balances in rewarding employees in a transparent manner.

Open and transparent communication with all our employees is practised by the Group to maintain a close engagement with the employees. Employees are encouraged to speak, discuss, and propose their ideas on business improvement so employees can contribute to business growth whilst being aware of their personal potential. We also encourage managers to maintain ongoing engagement with their team members, including workers, as it helps to understand and resolve the challenges and problems that employees face at work.

Training and Development

Continuous skill development and knowledge improvement remain to be one of the Group's key focus areas as talented and skilled person is a vital asset that brings the business to success. Thus, the Group's employee training and development program is conducted with the purpose of assisting employees to improve their personal skills and knowledge. The Group's training and development program not only helps to provide employees with opportunities towards a progressive career path but also helps the Group to assess and determine the personnel with high potential that can be considered in its succession planning.

The training provided to our employees and workers is based on training need analyses conducted during our engagement with employees and workers, such as during the annual performance evaluation and appraisal sessions. To improve and upskill the knowledge, skills and experiences of our employees, training is provided for the Group's executive team, management personnel and employees.

Following is the summary of training attended by our employees during the financial year under review:

- Food Handling and Storage Training;
- Occupational Safety and Health Training;
- Chemical Safety Management & Emergency Spill Control;
- ISO Standard Requirements;
- Employment Act 1955 & Industrial Relation Act 1967 (Amendment 2022);
- Labour Act;
- Sales and Tax Related Trainings;
- Training or Webinar Related To The Operation Of The Group;
- Training Subject Of Halal Compliance; and
- Environmental Quality Act 1974 And Regulations.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

3. Social (Cont'd)

3.4 Employee Engagement and Development (Cont'd)

Training and Development (Cont'd)

During the FY2023, the total hours of training by employee is as below:

	FY2022	FY2023
Total hours of training	11,088	12,568
Average hours of training per employee	3.51	3.68

3.5 Corporate Social Responsibility

CAB Group is aware of its responsibility to the society and community where it operates. In general, we intend to create balanced and meaningful initiatives in supporting our local community. As such, the Group has supported youth development by offering students from Universities to have their practical trainings in the Group's poultry breeder farming.

In FY2023, the Group sponsored the activities organised by Malaysian Veterinary Medical Association named as 22nd Federation of Aisan Veterinary Associations (FAVA) Congress 2023, "Kelab Sukan Dan Rekreasi Veterinar Pulau Pinang (KESUVEP)" and Veterinary Services Department of Kedah.

In addition, we also supported in terms of financially as well as in kind to Society of Families of Persons With Learning Difficulties, Schools, Universities in respect of Faculty of Veterinary Medicine and Kuantan Farmers Association.

3.6 Whistle-blowing

A whistle-blowing channel, which is formalised via the Group's Whistle-blowing Policy, has also been established to allow internal and external stakeholders for the reporting genuine concerns, about unethical behaviour, malpractices, illegal acts, or failure to comply with regulatory requirements, without fear of reprisal. The whistle-blowing mechanism encourages and allows employees and stakeholders to report genuine concerns about malpractices, unethical behaviour, illegal acts or failure to comply with regulatory requirements without fear of reprisal.

During the financial year under review, we received zero whistle-blowing cases reported and zero confirmed incidents of corruption. CAB Group also did not receive any cases in relation to discrimination, child labour, or workplace harassment in FY2023.

The Group is committed to continually improving the overall labour practices in all its operations to prevent human rights and labour standards matters.

	FY2022	FY2023
Whistle-blowing cases	0	0
Confirmed incidents of corruption	0	0
Substantiated complaints concerning human rights violations	0	0

BUILDING A SUSTAINABLE FUTURE

The Board will continue to oversee and monitor the sustainability performance of each MSMs on an ongoing basis and further improve and enhance its existing practices and initiatives, to enable the sustainable creation and preservation of long-term value to the Group's stakeholders.

This Sustainability Statement was approved by the Board on 28 December 2023.