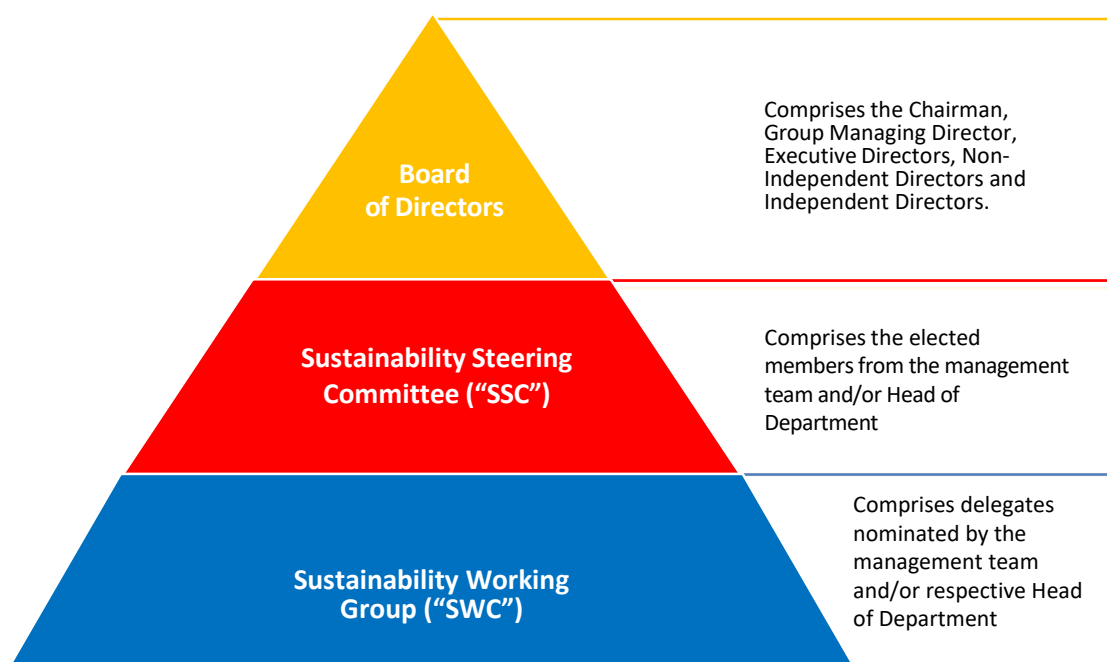


SUSTAINABILITY FRAMEWORK

A. Sustainability Governance Structure

The sustainability governance structure of CCK CONSOLIDATED HOLDINGS BERHAD and its subsidiaries (“the Group”, “we” or “us”) provides a solid foundation for developing and implementing sustainability strategies and practices in the Group.



A1 ROLES AND RESPONSIBILITIES

This section explains the roles and responsibilities of each governing body in the Group’s sustainability governance structure.

A1.1. Board of Directors

The Board of Directors (“Board”) is the highest governing body of the Group and is responsible to:

- Provide overall direction and oversight of all sustainability initiatives;
- Drive the Group’s sustainability strategy for sustainability reporting progressively;
- Approve on the Sustainability Policies and Framework; and
- Review and approve the Sustainability Statement for disclosure purposes in the Annual report submitted by the Sustainability Steering Committee.



Sustainability Framework

A1.2 Sustainability Steering Committee (“SSC”)

- a. Comprises elected members from the management team and/or Head of Department;
- b. To support the sustainability accountability of the Board of Directors;
- c. Operational oversight of the implementation of sustainability initiatives, ensuring adequate resources allocated to support implementation of the sustainability strategies;
- d. To conduct annual review of the sustainability policy and framework (where necessary and applicable);
- e. To review the Sustainability Statement for disclosure purposes in the Annual Report; and
- f. To hold periodic meeting with the Sustainability Working Group to discuss on matters related to sustainability strategies, measures and KPI targets.

A1.3 Sustainability Working Group (“SWG”)

The Sustainability Working Group members are expected to assume the following responsibilities:

- a. To facilitate stakeholders’ engagement session for identification of key sustainability matters;
- b. To assess the key sustainability matters and stakeholders involved or affected by these key sustainability matters;
- c. To implement sustainability strategies and initiatives;
- d. To setup and monitor processes and measures on sustainability matters;
- e. Ensure that sustainability KPIs are updated as and when necessary;
- f. To drive CCK’s overall climate related risk and opportunities;
- g. To obtain and analyse input of disclosure purposes in the Annual Report; and
- h. To collate information and sustainability data for the indicators required by Bursa LINK ESG Platform. Refer to the section Appendix 2 for identified personnel in charge and detailed responsibilities.

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Sustainability Framework

B. Sustainability Policy Statement

B1. INTRODUCTION

CCK CONSOLIDATED HOLDINGS BERHAD and its subsidiaries ("CCK" or "the Group") are committed to aligning its corporate values with its vision of "The Food People of Choice" while incorporating sustainable business strategies and project management directives to maximise its shareholder's interest and values. CCK is devoted to sustainability in all elements of ethical business practices, including addressing Economic, Environmental, and Social ("EES") concerns responsibly and effectively.

B2. PURPOSE & OBJECTIVES

This Sustainability Policy is designed to demonstrate CCK's commitment to EES responsibility. It helps to guide the Group's actions, communicate its efforts to all stakeholders and enhance its long-term viability and reputation.

The key areas of sustainability covered in this Policy are as follow:

- **Environmental stewardship:** We progressively minimise the environmental impact of our business operations by promoting sustainable practices and technology in resource utilisation, waste and emission management.
- **Economy Viability.** We recognise that sustainability is essential for long-term success. We aim to improve efficiency, reduce costs and strengthen our economic resiliency through sustainable practices.
- **Social Responsibility:** We are committed to making a positive impact in the communities in which we operate. This involves engaging with local stakeholders, promoting safe working environment, and supporting initiatives that enhance the quality of life for local people.

B3. POLICY STATEMENT

The Group is committed to being a responsible corporate citizen by operating in a sustainable manner that will minimise our environmental impact, support and contribute to improve the economic and social impact to the communities in which we operate.



Sustainability Framework

B3.1 ENVIRONMENTAL SUSTAINABILITY

The Group is committed to promoting an environmentally responsible workplace and working culture to reducing the environmental impact of our business operations. In pursuit of this goal, we implement some measures, including but not limited to the following:

- Minimising the waste generated by our operations;
- Reusing and recycling the resources we use;
- Conserving energy and water use in the business processes;
- Reducing greenhouse gas emissions to address climate change; and
- Meeting and complying with environmental regulatory and legal requirements.

B3.2 ECONOMIC SUSTAINABILITY

The Group is dedicated to achieving sustainable economic growth by progressively expanding retail platform and vertical integration of our poultry supply chain while considering the evolving risk and opportunities pose to the Group. Active engagement with stakeholders is a priority to boost the growth of the Group. The Group recognises the importance of strong governance practices to build its reputation. Key approaches include the following:

- Compliance with applicable laws and regulations;
- Production practices and all products meet all required food safety and certifications;
- Uphold business ethics, integrity and transparency in all business activities; and
- Adopt business strategies in securing long term economic viability

B3.3 SOCIAL SUSTAINABILITY

Being one of the largest Retail chain and Poultry supplier in East Malaysia, the local community is always in the heart of CCK. CCK recognizes its responsibilities to ensure the well-being of its customers and employees, striving to continuously contribute positively.

As a responsible employer, the Group is committed to treating employees fairly, respectfully, and in accordance with laws. We strive to improve the employees' well-being and contribute positively to the communities around us. Our approach to achieving the objective includes:

- Adherence to labour standards;
- Upholding and respecting human right;
- Promoting diversity and equal opportunities in the workplace;
- Encourage a harmonious workplace free from discrimination or bias;
- Ensure the safety, health and well-being of employees through strong occupational health and safety culture;
- Providing training programmes to address skills gaps in the workforce;
- Support community development initiatives; and
- Donation and other charitable initiatives for the community.



Sustainability Framework

B3.4 GOVERNANCE SUSTAINABILITY

- **Transparency:** We are committed to providing clear, accurate and timely information to stakeholders to ensure transparency in our governance activities.
- **Ethical Conduct:** We will act with integrity, fairness and honesty in all governance matters. We will avoid conflicts of interest and adhere to the highest ethical standards.
- **Compliance:** We will comply with all applicable laws, regulations and industry standards and ensure full compliance in our governance practices.

B4. REPORTS & DISCLOSURE

- B4.1 The Group will assess and measure the sustainability progress by setting specific targets for each Sustainability Key Performance Indicator (“KPI”) to achieve our sustainability goals.
- B4.2 The Group will review and report our KPIs quarterly to the Board to increase transparency of our sustainability initiatives. The reporting on the real-time progress of each target and our sustainability efforts for the financial year and 2 immediate preceding financial years will be prepared.
- B4.3 At the end of each financial year, the relevant sustainability related data are compiled and uploaded onto the BursaLink website, as required by Bursa Malaysia. The extracted table from BursaLink is embedded into the Sustainability Statement, as part of the Annual Report disclosure.
- B4.4 The Board will consider and determine the necessity for the Sustainability Statement to be independently reviewed by either Internal Auditors or qualified External Consultant prior to disclosure in Annual Report, or as and when subject to the mandatory requirements by Bursa Malaysia.
- B4.5 The Group adopts the principle of balance in reporting, reflecting information in an unbiased manner and provide a fair representation of the EES associated positive and negative impacts arising from CCK’s day to day business activities and operations. CCK believes in transparency and balanced reporting to instill higher confidence level amongst the shareholders and other stakeholders.
- B4.6 The scope of sustainability reporting will be supported with the basis or rationale such as operational significance, geographical factors, Impact severity from the EES aspect. The basis or rationale is required to be reviewed on annual basis and disclosed in the Sustainability Statement.

B5. REVIEW OF THE POLICY


This policy will be reviewed and updated regularly to ensure it is aligned with evolving sustainability trends and the changing needs of our business and society.

**Sustainability Framework****C. Stakeholder Engagement**

- C1. Stakeholders are constitutive to CCK foundations and accomplishments. Cooperations with our stakeholders and their insights are instrumental to our growth and success. Continuous two-way engagement with our stakeholders must be maintained.
- C2. CCK's relevant stakeholder and their associated areas of concerns will be deliberated and discussed as follows:






No.	Stakeholders	Area of concerns
1	Shareholders	Financial performance, regulatory compliance, corporate governance, ethical business conduct, internal control and risk management
2	Government & regulators	Regulatory compliance, approvals and permits, standards and certification
4	Customers	Product quality and pricing, market demand, product development and innovation, Food safety & health, Consumer rights, HALAL-certified
5	Employees	Employee health and safety, career development and advancement, communication and engagement
6	Financial Institution	Provide bank facilities and loans
7	Suppliers	Product quality, customer service and compliance resolution
8	Local Communities	Community wellbeing, community investment

- C3. Stakeholder engagements should be carried out in the following manner and at suggested frequency as shown below:

Key Stakeholders	Areas of Interest	Engagement Methodology	Frequency
 Shareholders and Investors	<ul style="list-style-type: none"> Accurate disclosure Future direction Recent performance Sustainability 	<ul style="list-style-type: none"> Annual General Meetings Conference Calls On-Site Visits Investors Relations 	Annually or when required



Sustainability Framework

 Employees	<ul style="list-style-type: none"> • Compensation & Benefits • Personal Development • Insurance & Medical • Health & Safety • Efficiency & Comfort 	<ul style="list-style-type: none"> • Annual performance appraisal • Occupational Health and Safety Committee meetings • Town hall meetings • Regular day-to-day communications and discussion • Speak-Up Channel and/or whistle-blowing channels 	<p>Regularly</p>
 Customers	<ul style="list-style-type: none"> • Quality & Pricing • On-time Deliveries • Halal Compliance and food safety 	<ul style="list-style-type: none"> • Survey & Feedback • Regular communications • Complaints channel • Regular Audits • Site visits 	<p>Regularly</p>
 Suppliers	<ul style="list-style-type: none"> • Quality & Pricing • On-time Deliveries • Sustainable supply chain and future business dealings • Procurement management 	<ul style="list-style-type: none"> • Annual Review & Feedback • Regular communications • Complaints channel • On-Site Visits 	<p>Ongoing or regularly</p>
 Regulators	<ul style="list-style-type: none"> • Good & fair governance • Legal compliance 	<ul style="list-style-type: none"> • Active participation in industry associations • Meetings with Government Agencies • Regular Audits & Inspections 	<p>When required</p>
 Community	<ul style="list-style-type: none"> • Community investment involves contributing donations, both in monetary and non-monetary. 	<ul style="list-style-type: none"> • Donations • Fundraising • Charity events 	<p>Ongoing</p>



Sustainability Framework

D. Development of Sustainability Materiality Profile

D1. Identification of Material Sustainability Matters (“MSM”)

D1.1. Material Sustainability Matters are identified when they:

- Reflect CCK’s significant economic, environmental and social impacts;
- Substantively influence the assessments and decisions of stakeholders; and
- Fall under the common material sustainability matters as set out in Bursa Malaysia Main Market Listing Requirement Annexure PN9-A (“MMLR PN9A”)

D1.2 Through the engagement carried out with the relevant stakeholders as outlined in Section C Stakeholder Engagement, MSM feedbacks and concerns will be collated as and when the communication or engagement taking place.

D1.3 At the end of each financial year, CCK’s Sustainability Steering Committee with the support from Sustainability Working Group shall have a formal discussion with the Board of Directors to discuss the collective feedbacks and concerns from various stakeholders on the MSM.

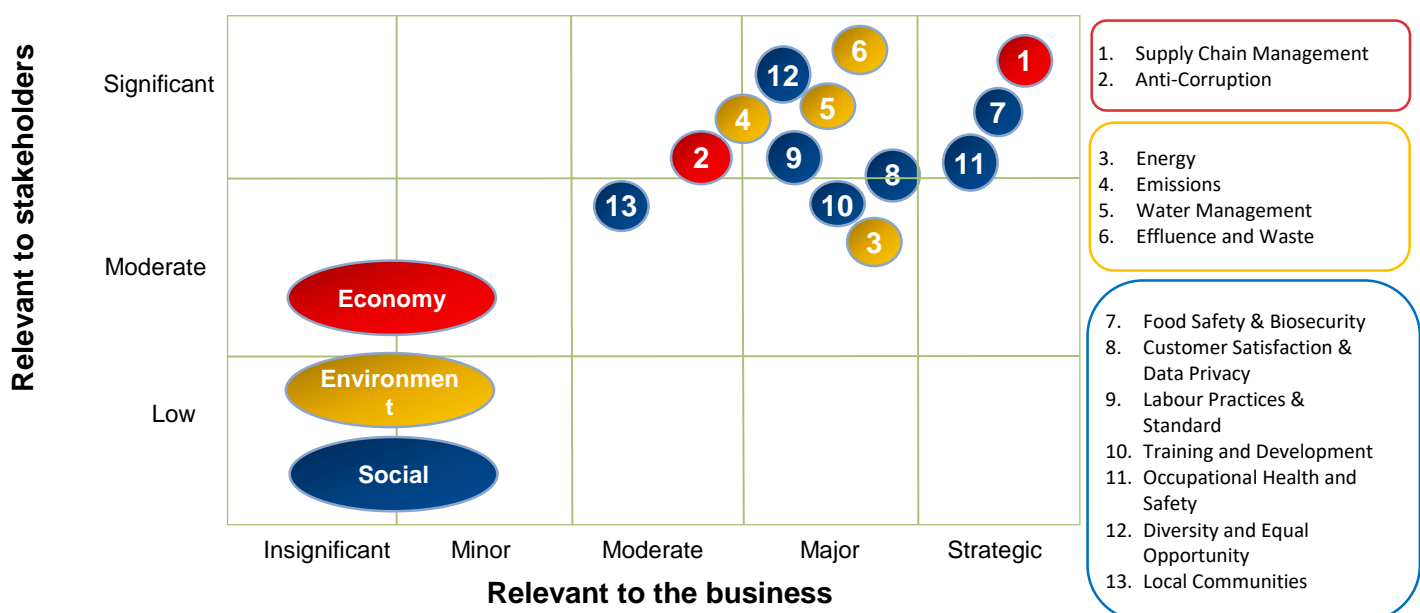
D1.4 The Board of Directors should determine and finalise the MSM.

D2. Sustainability Materiality Profile

D2.1 The Sustainability Materiality Profile will be derived by considering each MSM’s level of significance to the Stakeholders and to the CCK Business.

D2.2 The assessment of the significance of the MSM should be aligned with CCK’s business direction as well as the risk and opportunities posed to the Group. Outdated or irrelevant MSM including the associated targets and metrics identified during the previous year(s) shall be replaced by the up-to-date matters.

D2.3 An example of the Sustainability Materiality Profile for the FYE 31 December 2023 is depicted below:





Sustainability Framework

E. Sustainability Key Performance Indicator (KPI) & Target

- E1. Sustainability Key Performance Indicator must be reviewed to reflect any new indicators or any revision in Material Matters.
- E2. Table below illustrates the relevant and applicable KPI that the Group should adopt. In addition, targets should be set, determined, monitored and tracked across the Group to assess and manage the relevant sustainability risk and opportunities.

Bursa Code	Material Matters	Objective(s)	KPI - Measures	Data required and presentation	Target
Economy & Governance					
PN9A-1	Anti-corruption	To ensure all layers of employment are accounted in Anti-Corruption and Bribery Training	Percentage of employees who have received training on anti-corruption by employee category	% of Senior Management % of Management % of Executive % of Non-Executive	100% for all employees
		To ensure all operations are accounted for in Anti-Corruption and Bribery	Percentage of operations assessed for corruption-related risks	% of Operations assessed for Anti-Corruption	100% operations assessed for Anti-Corruption
		To eliminate Corruption and Bribery Cases	Confirmed incidents of corruptions and action taken	Number of Confirmed Cases	0 Confirmed Cases
PN9A-7	Supply Chain Management	To support local economy	Proportion of spending on local suppliers	% of Spending on Local Suppliers	Increase / maintain compared to previous financial year
PN9A-8	Data privacy and security & Customer Satisfaction	To improve customer service quality continuously	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of Customer Complains	0 Customer Complains
Environment					
PN9A-4	Energy	To monitor electricity consumption	Electricity consumption Reduction	% of Reduction + Consumption Figure in MegaJoules	Reduce / maintain compared to previous financial year



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		To monitor other resources consumption - i.e. Diesel / Coal	Diesel consumption Reduction	% of Reduction + Consumption Figure in Litres	Reduce / maintain compared to previous financial year
PN9A-9	Water & Effluents	To monitor water consumption	Water consumption Reduction	% of Reduction, Consumption Figure in MegaLitres	Reduce / maintain compared to previous financial year
PN9A-11	Emissions	To monitor the emissions produced	Carbon emissions	Scope 1: XX tCO ₂ e Scope 2: XX tCO ₂ e Scope 3: XX tCO ₂ e	Reduce / maintain compared to previous financial year
PN9A-10	Waste	To reduce the waste generated in the company's operation	Volume of waste generated	Waste Diverted from Disposal : in units of mT Waste Directed to Disposal : in units of mT	Reduce / maintain compared to previous financial year
Social					
PN9A-5	Health and safety	To achieve a safe working environment	Number of work-related fatalities	Number of Fatalities	0 Fatalities
			Lost time incident rate("LTIR")	$\frac{\text{Number of lost time injuries}}{\text{Total number of hours worked}} \times 200,000$	Reduce compared to previous financial year
			Number of employees trained on health and safety standards	Number of employees trained	Increase / maintain compared to previous financial year
PN9A-3	Diversity and Equal Opportunity	To achieve average gender ratio for employees	Percentage of gender ratio (male: female)	Senior Management Management Executive Non-executive	Increase ratio balance / maintain compared to previous financial year
		To achieve diversity by age	Age Group By Category (% Under 30, % 30-50, % Over 50)	Senior Management Management Executive Non-executive	Increase ratio balance / maintain compared to previous financial year
		To achieve diversity within the Board of Directors	Percentage of directors by gender and age group	% of Male, % of Female % Under 30, % 30-50, % Above 50	Increase ratio balance / maintain compared to previous financial year


Sustainability Framework

PN9A-6	Labour Practices and standards	To ensure compliance on Employee Law	Percentage of employees that are contractors or temporary staff	% of Contractors or Temporary Staff	Reduce / maintain compared to previous financial year
			Total number of employee turnover by employee category	Number of Senior Management Number of Management Number of Executive Number of Non-Executive	Reduce / maintain compared to previous financial year
			Number of substantiated complaints concerning human rights violation	Number of Substantiated Complaints	0 Substantiated Complaints
		To provide training opportunities to employees at all management levels	Total hours of training by employee category	Senior Management Management Executive Non-executive	Increase / maintain compared to previous financial year
PN9A-2	Community and Society	To support local community	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Amount in terms of MYR	Increase / maintain compared to previous financial year
			Total number of beneficiaries of the investment in communities	Number of beneficiaries (individuals) from investment	Increase / maintain compared to previous financial year

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Sustainability Framework

F. Appendices

F1. Appendix 1 - Sustainability Impact Parameters

F1.1 The sustainability impact to shareholders has to be considered as outlined below.

Impact to stakeholders		
Level	Description	Risk Description
1	Significant	Any activities or event that can have SIGNIFICANT , either adverse or good impact to the stakeholders in terms of reputation, media and the general public .
2	Moderate	Any activities or event that can have MODERATE , either adverse or good impact to the stakeholders in terms of reputation, media and the general public .
3	Low	Any activities or event that can have LOW , either adverse or good impact to the stakeholders in terms of reputation, media and the general public .

F1.2 The sustainability impact (both financial and non-financial) to CCK have to be considered as outline below:

Consequences – Financial					
Factor	Insignificant	Minor	Moderate	Major	Catastrophic
Revenue	Decreased < 5%	Decreased between 5% - 20%	Decreased between 20% - 35%	Decreased between 35% - 100%	Decreased > 100%
Total Cost	Decreased < 5%	Decreased between 5% - 20%	Decreased between 20% - 35%	Decreased between 35% - 100%	Decreased > 100%
Profit / (Loss) Before Tax	Decreased < 5%	Decreased between 5% - 20%	Decreased between 20% - 35%	Decreased between 35% - 100%	Decreased > 100%
Cash Flow Impact	No Impact	Cash flow impact absorbed under normal operations	Cash flow may be affected	Cash flow may be adversely affected	Imminent cash flow problems

Consequences – Non-Financial					
Factor	Insignificant	Minor	Moderate	Major	Catastrophic
Legal/Regulatory/Compliance	<ul style="list-style-type: none"> No litigation consequences Issuance of advice letter 	<ul style="list-style-type: none"> Issuance of reprimand/ warning letter Minimum fine 	<ul style="list-style-type: none"> Issuance of reprimand/ warning letter Moderate fine 	<ul style="list-style-type: none"> Multiple issuance of reprimands/ warning letters Heavy fines 	<ul style="list-style-type: none"> Closure of operation Jail sentence for directors
Image/reputation	No impact on image / reputation	There is potential impact on image / reputation	Image / reputation will be affected in the short term	Serious diminution in image / reputation with adverse publicity	Sustained, serious loss in image / reputation



Sustainability Framework

Health and Safety	Injuries with no treatment or repair on asset at no cost	Injuries with first aid treatment or minor repair on the asset with minor cost	Medical treatment required or damage on asset has to be repaired with high cost	Extensive injuries that affect productivity or major repair required on the asset with higher	Death or huge repair with huge cost required
Risk Consequence	Impact can be readily absorbed through normal activity	An adverse event which can be absorbed with some management effort	A serious event which requires additional management effort	A critical event which requires extraordinary management effort	Disaster with potential to lead to collapse

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Sustainability Framework

F2. Appendix 2

F2.1 The table below outlines the responsible person, roles and responsibilities to collate information and sustainability data for the information required to be disclosed and reported in the Bursa LINK ESG Platform.

Personnel in charge	Detailed Sustainability Data Responsibilities
Water, Electricity & Fuel Consumption	
Finance Controller / Accounts Manager / Accounts Executive	<ul style="list-style-type: none"> - To collate the water, electricity and fuel consumption data alongside with the digitised supporting documents to be reviewed and approved by the respective Operations Head at the end of each month. - After year end, Finance personnel to submit the total energy and water consumption across the year to the Sustainability Steering Committee ("SSC") for compilation. <p><u>Supporting Documents and Reporting Units:</u></p> <ul style="list-style-type: none"> - Electric : Electric bills, in KWh - Diesel : Receipts from vendors, in Litres - Water : Water Bills, in m3
Local Suppliers	
Purchasing Manager	<ul style="list-style-type: none"> - After year end, respective Purchasing Officers / Accountants to compile total purchase amount in MYR segregated by local (within Malaysia) and foreign purchases, reviewed and acknowledged by respective Operations Head. - Annual total purchase figure to be compiled and submitted to Sustainability Steering Committee ("SSC") within 30 days after year end.
Anti-Corruption	
Internal Auditor & Training and Development ("TND") Manager	<ul style="list-style-type: none"> - To record the training data as and when anti-corruption and anti-bribery training is completed e.g., number of attendees categorised by employee category. (Refer to PN9A-1 at page 18) The compiled attendance data is to be sent to the SSC within 30 days after year end. - After year end, any confirmed incidences of corruptions and actions taken are to be prepared by the Internal Audit and sent to the SSC for compilation (even if no cases occurred for the Financial Year).



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Emissions & Waste Management	
Operations Manager	<ul style="list-style-type: none"> - At the end of each month, respective Operations Manager shall extract and compile the data in a template, to be reviewed and approved by respective Operations head. (Refer to PN9A-9, PN9A-10 and PN9A-11 for the mandatory indicators) <p><u>Data to be extracted and compiled</u></p> <ul style="list-style-type: none"> - Emissions : Emissions data by fleet, machines and factories - Waste : Volume of wastewater treated, total weight of poultry internal organs, poultry manure etc. - After year end, respective Operations Manager to submit the emissions and waste volume data for the year to SSC.
Diversity & HR	
HR Manager	<ul style="list-style-type: none"> - After year end, respective HR managers shall compile the employee data required and submit to SSC. (Refer to PN9A-3 & PN9A-6 at page 17-18)
Training	
Training Dept. / Operations Officer	<ul style="list-style-type: none"> - After year end, the respective Training and Development Manager or Operations Officer shall compile the training details in a template supplemented with attendance records (refer to PN9A-6 at page 18) and submit to the SSC.
OSH Matters	
OSH Manager / Executive	<ul style="list-style-type: none"> - Data on the incident occurred and the total working hours to be recorded by respective OSH Officers for the computation of Lost Time Incident Rate ("LTIR"). Refer to PN9A-5 at page 19 for the LTIR formula. - After year end, the annual records supplemented with official documentations [JKKP 8] submitted to regulatory body shall be reviewed and submitted to the SSC.

* Indicators and data requirements on the above are subject to periodic review by the Sustainability Steering Committee ("SSC") in order to reflect the latest changes in the indicators mandated by MMLR PN9A and the Bursa LINK platform.