



TEXCHEM RESOURCES BHD

Company Registration No. 197301002868 (16318-K)

RECHARGING
to DELIVER



Sustainability Statement 2023

(extracted from Annual Report 2023 pages 40 - 57,
including the Performance Data Table from Bursa Malaysia's ESG Reporting Platform)

SUSTAINABILITY STATEMENT

Dear Esteemed Stakeholders

It is my pleasure to present Texchem Resources Berhad's ("TRB Group" or "the Group") Sustainability Report for the financial year ended 31 December 2023 ("FY2023"). This report underscores our ongoing commitment to build long-term value for stakeholders by integrating Environmental, Social and Governance ("ESG") considerations into our core business practices.

FY2023 presented a dynamic global landscape, bringing both challenges and opportunities as well as new economic and geopolitical hurdles. In the ever-changing environment, TRB Group will continue to assess and enhance sustainability matters as a key pillar of our strategy. This focus strengthens our resilience, empowers us to manage risks and positions us to respond and evolve.

During the year, we charted good progress on our sustainability journey as we took concrete steps toward embedding ESG aspects across our operations. We integrate sustainability-linked Key Performance Indicators ("KPIs") across our Board of Directors and Key Senior Management, fostering accountability and driving quantifiable improvements. Furthermore, we also refined our material topics to align with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") latest requirements to ensure we remain at the forefront of best practices.

Besides that, we expanded our reporting in FY2023 to include additional indicators and data points, providing our stakeholders with a more comprehensive understanding of our sustainability performance.

TRB Group recognizes that combating climate change is a global imperative and a pertinent issue that recognises the urgent need for action. As a responsible corporate citizen, we are committed to minimising our environmental footprint and contributing to a sustainable future. We are putting together plans to proactively tackle climate change by analysing our operations, pinpointing climate-related risks and exploring solutions for enhanced resilience.

Our Sustainability Journey

Sustainability is an ongoing focus for the Group and influences the way we do business. We are dedicated to constant improvement in our ESG performance, offering both transparency and measurable progress in our reporting. Staying true to our dedication to progress, we are constantly evolving our sustainability disclosures to mirror our initiatives.

Looking ahead, we plan to integrate sustainability even deeper into our core strategies. One key area of focus is reducing our environmental impact through improved energy management. We are also dedicated to fostering an inclusive workplace and uplift our local communities. Our employees are our greatest strength and we prioritize a safe and fulfilling work environment for all. Finally, ethical conduct and accountability continue to be at the heart of our company.

In closing, we understand that achieving true sustainability demands collaboration. We eagerly seek partnerships with fellow stakeholders to explore new avenues for creating positive change. Our ultimate ambition is to deliver enduring value for our stakeholders while shaping a better, more sustainable world.

Thank you.

Yap Kee Keong

Chairman, Sustainability Steering Committee

Sustainability Statement (cont'd)

At Texchem, our fundamental sustainability commitment is to enhance our value chain by integrating our Economic, Environmental, Social and Governance (“EESG”) responsibilities to build a solid and inclusive economy and create shared value for our stakeholders. Sustainability is embedded in all our business activities so that we can foster meaningful and long-lasting relationships with all our stakeholders and contribute to national growth.

1. About This Statement

This Statement provides an overview of Texchem’s sustainability performance during the period of 1 January 2023 to 31 December 2023. Historical information from previous years was included, wherever applicable, to provide a basis for comparison.

To align with the Bursa Malaysia Main Market Listing Requirements in relation to enhanced sustainability reporting framework, FY 2023 represents the first year of reporting on certain new sustainability matters where only current year data have been disclosed without historical information.

In forthcoming reports, our aim is to augment the indicators associated with the material matters covered in this Report, fostering a more comprehensive representation of our evolving sustainability initiatives. We are dedicated to continual improvement and the enhancement of our key sustainability matters.

The last Report dated 10 April 2023 has been posted on the Company’s website, www.texchemgroup.com in the 2022 Annual Report Section.



ASSURANCE

We strive to improve our data collection in Texchem to ensure completeness and accuracy. The information in this Report has been reviewed by the Sustainability Steering Committee and Group Internal Assurance & Consulting Department. This Report has yet to be externally assured.



SCOPE AND BOUNDARY

Texchem’s businesses and operations span across South East Asia region. The Report includes operations for which we have full control and subsidiaries in Malaysia, Singapore, Thailand, Indonesia, Vietnam and Myanmar. It excludes operations of our associate companies.



REPORTING GUIDELINES

Principal Guidelines

- Bursa Malaysia’s Sustainability Reporting Guideline (3rd Edition)
- Malaysia Code on Corporate Governance 2021 (“MCCG”)

Reference Guidelines

- United Nations Sustainable Development Goals (“UNSDGs”)




FEEDBACK

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Sustainability department at esg@trbgroup.com

Sustainability Statement (cont'd)

2. Sustainability Governance

Texchem takes a top-down approach in regards to the management of EESG matters. Pertinent information on the progress of EESG initiatives implementation are reported back up the sustainability governance chain of command to the Board of Directors (“Board”) for deliberation and subsequent directive. The composition, roles and responsibilities of the sustainability governance structure are as follows:

Role	Responsibilities	Composition
Texchem’s Board of Directors (“Board”) Retain overall responsibility for Texchem’s sustainability performance 	<ul style="list-style-type: none"> Leads Texchem’s Sustainability Agenda Manages Texchem’s Sustainability Initiatives Provides the final review and approval on sustainability matters related to Texchem 	<ul style="list-style-type: none"> Executive Directors Non-Executive Directors 
Sustainability Steering Committee (“SSC”) Responsible for establishing Texchem’s sustainability strategy 	<ul style="list-style-type: none"> Develops Texchem’s sustainability strategies and objectives in line with the Board’s agenda Oversees the SSC on progress in sustainability matters and programs Ensures sustainability disclosures are aligned with the Listing Requirements 	<ul style="list-style-type: none"> President & Group Chief Executive Officer (Chair) Divisional Presidents & CEOs Group Chief Financial Officer Chief HR Officer Legal Director Sustainability Officer 
Sustainability Working Committee (“SWC”) Responsible for implementing and monitoring sustainability initiatives at the operational level 	<ul style="list-style-type: none"> Assists the SSC in preparing the disclosures for Texchem’s sustainability report Assists the SSC in its duties to carry out Texchem’s sustainable strategies, policies and initiatives 	<ul style="list-style-type: none"> Key department representatives

The Board strives to continuously be equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic capacity building programmes. The Board is also cognisant of ensuring that the required competencies in relation to sustainability is periodically assessed to strengthen Board leadership and oversight of sustainability matters.

Sustainability-linked Key Performance Indicators (“KPIs”) have been established and embedded within the Board’s and senior management’s performance evaluation scorecard to drive group-wide accountability in steering our sustainability performance.

3. Material Matters

We believe that sustainable development can be achieved by adopting sound principles and the current best practices. Cognisant of our role in building a better and more sustainable future, we have assessed the EESG sustainability issues that are affected by our operations.

As part of our strategy, we reviewed the sustainability issues that are material to Texchem and our stakeholders in the year under review to determine whether each issue is still relevant or must be replaced with emerging ones.

For FY 2023, our relevant sustainability matters have been refined in order to align with the Bursa Malaysia Main Market Listing Requirements in relation to enhanced sustainability reporting framework i.e. Common Sustainability Matters.

We have re-categorised and re-arranged our existing ten (10) material sustainability matters into nine (9) Common Sustainability Matters to be reported in FY 2023 plus two (2) other sustainability matters, namely Economic Performance and Product & Services Quality, as follows:

Sustainability Statement (cont'd)

3. Material Matters (cont'd)

Key Pillars	Key Sustainability Matters FY 2022	Key Sustainability Matters FY 2023	In alignment to UNSDGs
Economic	<ul style="list-style-type: none"> Business Performances & Business Continuity Food Safety 	<ul style="list-style-type: none"> Economic Performance Product & Services Quality Supply Chain Management 	 
Environment	<ul style="list-style-type: none"> Energy Efficient 	<ul style="list-style-type: none"> Energy Management Water Management 	    
Social	<ul style="list-style-type: none"> Employee Wellness & Engagement Safety & Health Talent Management Human Rights Community Investment 	<ul style="list-style-type: none"> Community/Society Diversity Health & Safety Labour Practices & Standards 	   
Governance	<ul style="list-style-type: none"> Corporate Governance & Regulatory Compliances 	<ul style="list-style-type: none"> Anti-corruption Data Privacy & Security 	

4. Sustainability Assessment Process

Our materiality assessment process is done through our evaluation of various stakeholders' engagement throughout the year, peer comparison reviews and cognizance of the current economic, environmental as well as social trends both locally and globally. On top of this, there is a continual scanning of the business environment done to ensure that we stay on top of the business risks and opportunities that abound as a result of the rapidly changing global environment.

This would surmise to determine the key material matters that would impact Texchem and stakeholders based on our interaction with stakeholders and from internal discussions in the Sustainability Steering Committee.

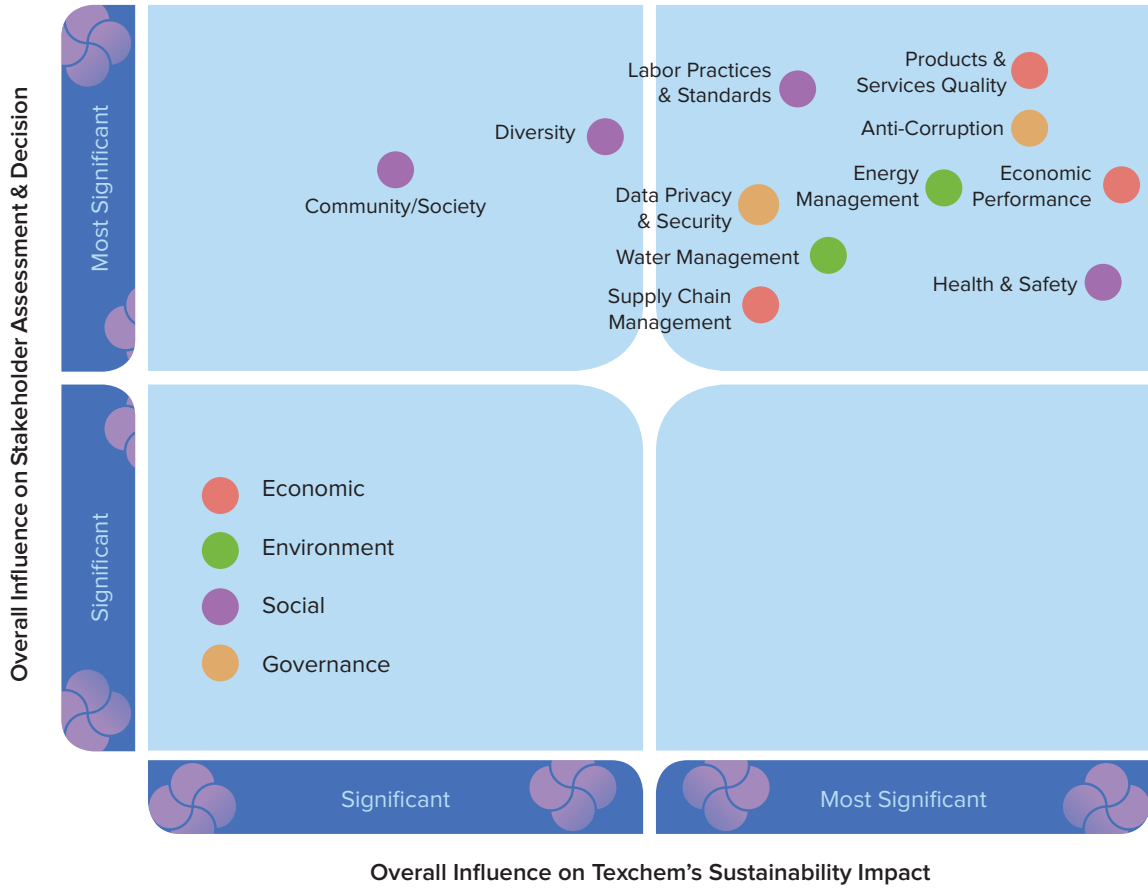
5. Materiality Matrix

This year we reviewed the re-categorised and re-arranged material sustainability matters with our key internal stakeholders to ensure that their interest and concerns and those they perceive of interest and concern to our key external stakeholders are addressed. Our material matters will then influence our business decision on allocation of our resources.

The items mapped on the upper right-hand quadrant of the matrix are the ones deemed most significant by both Texchem and our stakeholders.

Sustainability Statement (cont'd)

5. Materiality Matrix (cont'd)











Sustainability Statement (cont'd)

6. Stakeholder Engagements

Stakeholders represent the diverse group of parties that have a degree of interest and influence on Texchem and the way it operates. Texchem is committed to regularly engage with its key stakeholder base that include customers, employees, government/regulators, investors/media and our Board to find out issues that concern them and to build a balanced, holistic business strategy that is incorporated based on the prioritization of the respective stakeholders. These actions strengthen Texchem’s relationship with our various stakeholders.

Some of our key stakeholders and the type of engagement we have with them is summarised below:

Stakeholder Group	Type of Engagement	Sustainability Concerns
Customers 	<ul style="list-style-type: none"> • Dialogue/Conference calls • Status Updates and Operational Presentations • Customer visits • Customer surveys 	<ul style="list-style-type: none"> • Competitive prices, quality, product safety • Customer satisfaction • Creating total solutions • Timely delivery
Board of Directors 	<ul style="list-style-type: none"> • Board Meetings • Audit Committee Meetings • Other Committee Meetings 	<ul style="list-style-type: none"> • Revenue and profit growth, financial results • Corporate Governance compliance to all relevant Regulations and Law • Adequate Procedures on Anti-Corruption and Bribery • EESG progress
Employees 	<ul style="list-style-type: none"> • Annual Performance Development Review • Employee Engagement activities • Employee Survey • Education and Training Programs • Volunteer and Corporate Social Responsibility (“CSR”) programs 	<ul style="list-style-type: none"> • Employee development and career planning • Building high performance culture • Talent management and retention • Healthy and safe work environment • Building values of empathy among employees
Investors 	<ul style="list-style-type: none"> • Quarterly results briefing • Annual General Meetings 	<ul style="list-style-type: none"> • Revenue and profit growth • Good dividend payout • Good EESG practices
Vendors/Suppliers 	<ul style="list-style-type: none"> • Supplier qualification and selection • Supplier evaluation and periodic audits • Engagement and meetings 	<ul style="list-style-type: none"> • Sustainable and consistency in supply • Quality of goods and services • Fair and mutual agreements
Government/Regulators 	<ul style="list-style-type: none"> • Quarterly results announcements • Consultative activities and meetings • Industry events and seminars 	<ul style="list-style-type: none"> • Adherence to Law and Regulations • Corporate Governance and Compliance • Covid-19 prevention measures
Community 	<ul style="list-style-type: none"> • CSR programs • Corporate volunteer programs 	<ul style="list-style-type: none"> • Uplifting the needy groups in our society • Foster better relationships and partnership • Good corporate citizen
Bankers 	<ul style="list-style-type: none"> • Timely business and financial updates • Periodic dialogues and discussions 	<ul style="list-style-type: none"> • Financial performance • Good EESG practices • Risk management

Sustainability Statement (cont'd)

7. Management Approach for Material Matters

ECONOMIC

Economic _____
Performance

Related
UNSDGs:



WHY IS THIS IMPORTANT?

Texchem's financial performance supports the creation of long-term value and Texchem's sustainability agenda. We are mindful of our responsibilities to create decent employment opportunities and promote economic development within the local communities. Our ultimate goal is to ensure long-term resilience by leveraging our assets and sharing the generated wealth with our stakeholders.

OUR APPROACH

We are committed to creating sustainable value for our customers, shareholders, employees and the local communities in which we operate. Economic performance serves as a strategic necessity, contributing positively to our environmental and social factors.

OUR PERFORMANCE

For details of our financial results, please refer to the Management Discussion and Analysis and the Audited Financial Statements in this Annual Report, a summary of which is provided below:

	FY2023 RM'mil	FY2022 RM'mil	FY2021 RM'mil
Economic Value Generated			
Total Revenue	994	1,143	1,087
Economic Value Distributed:			
Total Operating Costs <i>(excluding depreciation, impairment, staff costs & benefits, share based payments)</i>	761	887	858
Staff Costs & Benefits <i>(excluding share based payments)</i>	172	174	152
Income Tax Expenses	8	15	5
Dividend Returns to Shareholders	-	16	12

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

ECONOMIC

Products & Services Quality _____ Related UNSDGs: 



WHY IS THIS IMPORTANT?

Texchem strives to achieve and maintain high quality values in our products and services to create sustainable competitive advantages and meet globally recognised standards and protocols by implementing quality management systems and obtaining certifications. This aligns with our sustainability development and improvement agenda.



OUR APPROACH

Our dedication to quality extends to enhancing customer satisfaction through a dual-pronged approach to quality management, based on quality control (built-in quality activities) and quality assurance (activities that win over customers' trust).



OUR PERFORMANCE

Brands Certified Halal



Brand – SUSHI KING

Operations –
121 outlets

Country –
Malaysia



Brand – HOSHINO COFFEE

Operations –
5 outlets

Country –
Malaysia



Brand – KOKUBU

Operations –
Food logistics & warehouse operations

Country –
Malaysia

Sustainability Statement (cont'd)

Accreditation & Certification

Division	Certifications	Total
INDUSTRIAL	ISO 9001:2015	4
	ISO 14001:2015	1
	ISCC Plus	1
	ecovadis	1
	OEKO-TEX Eco Passport	1
POLYMER ENGINEERING	ISO 9001:2015	10
	EN ISO 134585:2016	6
	ISO 14001:2015	9
	Sony Green Partner	1
	IATF 16949:2016	1
FOOD	HACCP (Hazard Analysis and Critical Control Point)	7
	HALAL (Myanmar)	3
	Certificate of Good Aquaculture Practice (GAqP)	1
	U.S. Food and Drug Administration Registration	3
	GHP Certificate (Good Hygiene Practices)	1
	ISO 22000	1
	GMP Certificate (Good Manufacturing Practice)	1
	Halal MS 1500:2019	30
	MeSTI Certificate (<i>Makanan Selamat Tanggungjawab Industri</i>)	1
	OEM Halal	1
	VHM (Veterinary Health Mark) Cert V283	1
RESTAURANT	ISO 9001:2015	1
	Halal (Warehouse)MS2400-2	1
	Halal (Transportation) MS2400-1	1
	MyFood Tag	1
	HACCP Codex Alimentarius 2020	1
	“Sijil Pengiktirafan BeSS (<i>Bersih, Selamat dan Sihat</i>)” Bagi Pergusaha Premis Makanan)	3
	Halal MS 1500	126
VENTURE	ISO 9001:2015	1
	ISO 14001:2015	1
	ISO/IEC 17025:2017	1

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

ECONOMIC

Supply Chain Management

Related UNSDGs:






WHY IS THIS IMPORTANT?

Texchem is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by incorporating sustainability elements throughout our procurement lifecycle. In a commitment to support the local economy and foster community development, Texchem participates in local procurement, engaging with nearby suppliers. This practice not only contributes to the domestic economy but also aids in minimizing environmental impacts associated with our business activities by sourcing materials locally.



OUR APPROACH

Texchem’s procurement policy is designed to uphold confidentiality, prevent conflicts of interest, and ensure ethical dealings with suppliers. We are also committed to maintaining an ethical supply chain through robust governance and close collaboration with vendors and suppliers.

As part of Texchem’s Anti-Corruption Programme, we have notified our suppliers, vendors, contractors, and other third-party partners of Texchem’s commitment to maintain the highest standards of integrity, accountability and professionalism in our business dealings and relationships as well as our zero tolerance policy against all forms of bribery and corruption.

These entities are informed of and expected to comply with Section 17A of the Malaysian Anti-Corruption Commissions Act 2009 (“MACC Act”) and Texchem’s Anti-Corruption Policy and Procedures (“ACP”). All agreements with third-party partners include commitment by each party to comply with relevant anti-corruption laws and standards.

Our approach to local procurement and supply chain is an ongoing process. We are dedicated to continual improvement and the enhancement of our supply chain policies and procedures. Throughout this journey, we ensure that all legal requirements are taken into account, and corresponding measures are implemented as necessary.



OUR PERFORMANCE

	FY 2023
Proportion of spending on local suppliers	42%

FY 2023 represents the first year Texchem is including Supply Chain Management in its EESG reporting.

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)



WHY IS THIS IMPORTANT?

Texchem acknowledges that our energy consumption and GHG emissions contribute to climate change impacts. We recognise that as a corporate citizen, it is our responsibility to reduce our carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy.

OUR APPROACH

We are fully committed to reduce our environmental impacts by prioritising energy conservation and improving our energy efficiency. In managing our energy and emissions impacts, we use technology and new equipment to implement energy-saving and cost-effective techniques in our manufacturing processes to reduce our operations carbon footprint and energy consumption.

We reduce our electricity demand from the national grid by utilizing renewable energy from solar rooftop photovoltaic (“PV”) panels installed at our buildings that are feasible to be fitted with such panels. Our Sushi King restaurants use energy-saving LED lighting.

While we continue to deploy solar-based energy into our operations, we have embarked on our next phase in energy conservation to identify areas where energy is being wasted and provide a roadmap for improvement opportunities. It involves analyzing energy consumption, identifying potential inefficiencies, and benchmarking against industry standards.

We are committed to progressively reduce fossil fuel consumption without compromising our production output and operational efficiency.

OUR PERFORMANCE

Period	Renewable MWh	Non-Renewable MWh	Total MWh
FY 2023	2,585	94,536	97,121

FY 2023 represents the first year Texchem is including Energy Management in its EESG reporting.

We started using solar-based energy in various stages in FY 2022 that enabled us to reduce our carbon footprint as follows:

Period	Renewable energy MWh	Reduction of CO ₂ * tonnes
FY 2023	2,585	1,652
FY 2022	1,526	975

* using ratio of 0.639 tonnes CO₂/MWh per the Sustainable Energy Development Authority Malaysia (“SEDA Malaysia”).

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

ENVIRONMENT

Water Management _____ Related UNSDGs:

06
CLEAN WATER
AND SANITATION

13
CLIMATE ACTION

12
RESPONSIBLE
CONSUMPTION AND
PRODUCTION

WHY IS THIS IMPORTANT?

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, the Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

OUR APPROACH

Texchem implements water conservation initiatives and raise employees' awareness on proper water management at all our business and operating sites. These initiatives include:

- diverting water from production which would normally be discharged into drain systems to flush toilets. This is an initiative by our Polymer Engineering Division.
- Raising awareness among employees for responsible water usage behavior at our business and operating sites
- closely monitor potential leaks and increases in water consumption

OUR PERFORMANCE

Period	Total Volume of Water Used (megalitres)
FY 2023	1,564

FY 2023 represents the first year Texchem is including Water Management in its EESG reporting.

SOCIAL

Community/Society _____ Related UNSDGs:

02
ZERO HUNGER

03
GOOD HEALTH
AND WELL-BEING

WHY IS THIS IMPORTANT?

A sustainable business should have the support and approval of its employees, stakeholders and the community it operates in. Texchem is determined to fulfil its role as a responsible corporate citizen by giving back to the surrounding communities in which we operate. Our community programs focus on community good health and well-being and zero hunger to support the future generation's education pursuit.

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)



OUR APPROACH

Empathy, being one of Texchem's core values, is diligently practiced and cascaded down to our employees. To this end, many of our community programs are participated jointly by the Texchem and our employees. Our Cultural Ambassadors are entrusted to plan and carry out Texchem's community programs.



OUR PERFORMANCE

Community Programs in FY 2023			
Community Programs	Amount Contributed RM	Estimated number of beneficiaries	Description
"Back to School" Fund Raising Program	34,594	70	Providing free meals to school children from B40 families in Malaysia.
Adopt a Kidney Patient	30,000	1	Sponsor treatment of 1 chronic kidney disease patient for a year through the Tzu Chi Foundation, a United Nations recognized non- government organization ("Tzu Chi").
Natural Disaster Relief & Environment Protection	10,301		Contribution towards Tzu Chi's Natural Disaster Relief & Environment Protection fund.
"One Person, One Kindness, Away from Disasters"	4,220		Collaborating with Tzu Chi, Texchem hosted a "One Person, One Kindness, Away from Disasters" fundraising campaign that aims to help those in need get through calamities. This was held at Texchem's Headquarters in Penang.
St. Nicholas' Home Charity Food Fair	4,552	58	St. Nicholas' Home, Penang is a non-profit charitable organization, which aims to respond to the evolving needs of the blind and visually impaired community in Malaysia, irrespective of their religion, race and background. Sushi King sponsored a stall featuring our popular sushi items.
TOTAL	83,667	129	

Community Investment in the Past 3 years			
	FY 2023	FY 2022	FY 2021
Total amount invested where the target beneficiaries are external to Texchem (RM)	83,667	82,142	55,284
Total number of beneficiaries of the investment in communities	129	63	27

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

SOCIAL

Diversity _____ Related
UNSDGs:

05
GENDER EQUALITY



08
DECENT WORK AND ECONOMIC GROWTH



WHY IS THIS IMPORTANT?

Diversity and inclusion are fundamental principles. Texchem is committed to cultivating an optimal working environment that fully utilises the talents, skills, knowledge, and potential of all employees by maintaining a diverse and inclusive workplace.

This approach enables the organisation and its workforce to benefit from a broad array of perspectives, thoughts, experiences, and abilities, fostering a dynamic and high-performance work culture.

OUR APPROACH

Texchem is committed to providing job opportunities for individuals in the countries where we operate. Our local employment approach values diversity and equality, creating an inclusive environment with employees from diverse racial backgrounds.

All gender expressions are accepted without prejudice, all different cultural celebrations are equally observed and honored, and individual ethnic sensitivities are respected. Texchem is committed to providing equal opportunities based on meritocracy in all its employment practices.

OUR PERFORMANCE

% of Employees by Gender & Age Group						
FY 2023	Gender		Age (Years)			
Employee Category	Male	Female	< 34	35-44	45-60	>60
Top Management	87%	13%	-	12%	69%	19%
Senior Management	61%	39%	-	15%	83%	2%
Management	61%	39%	9%	38%	51%	2%
Executive	41%	59%	54%	28%	18%	-
Non-Executive	59%	41%	69%	18%	12%	1%
Total	53%	47%	59%	23%	17%	1%

% of Directors by Gender and Age Group			
% of Directors by Gender			
	FY 2023	FY 2022	FY 2021
Male	71%	71%	83%
Female	29%	29%	17%
% of Directors by Age Group			
Age	FY 2023	FY 2022	FY 2021
< 34	-	-	-
35-44	-	14%	17%
45-60	43%	29%	33%
> 60	57%	57%	50%

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

SOCIAL

Health & Safety

Related
UNSDGs:

03
GOOD HEALTH
AND WELL-BEING

08
DECENT WORK AND
ECONOMIC GROWTH

WHY IS THIS IMPORTANT?

Texchem is committed to fostering a safe and healthy workplace for all its employees and contractors that sets the foundation for our businesses to thrive and underpins our financial performance and moral obligations.

Occupational Health & Safety (“OSH”) also protects Texchem against financial, operational and legal ramifications as these safeguards our employees, assets, maintains trust with stakeholders and secures the sustainability of our operations.

OUR APPROACH

In compliance with the Occupational Safety and Health Act 1994, Health & Safety Committees have been established in our operation sites to identify, plan and resolve OSH-related concerns.

The Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) process is regularly reviewed and assessed to ensure that it remains relevant in identifying all potential hazards and providing effective mitigation measures. An incident reporting line has been established to communicate information for Management’s attention.

We provide health and safety training to employees and contractors. Our H&S training programmes include emergency response, hazard, and risk management, as well as health awareness. These programmes are reviewed regularly to ensure their relevance.

OUR PERFORMANCE

Period	Total number of hours worked in the reporting period	LTIR [1], [2]	Work Related Fatality
FY 2023	8,971,554	0.38	0

[1] LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period.

[2] The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).

FY 2023 represents the first year Texchem is including number of work-related fatalities and Lost Time Incident Rate (“LTIR”) in its EESG reporting.

	FY 2023	FY 2022	FY 2021
Number of employees trained on Health & Safety Standards	2,089	1,466	1,000

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

SOCIAL

Labor Practices & Standards _____ Related UNSDGs: 

WHY IS THIS IMPORTANT?

Texchem believes that our employees are our most valuable assets and are the driving force for our success and growth. We are committed to recruiting, developing, and retaining high-performing employees while providing work environment that is both conducive and empowering. On top of that, we invest in development programmes to ensure our employees remain competitive, progressive and future ready.

OUR APPROACH

Continuous learning and development are the key essences of Texchem’s success. In promoting sustainable growth across our businesses, we provide learning opportunities to our employees for upskilling and to be equipped with the latest industry knowledge. Our training objectives are to improve organisational effectiveness, optimise human capital, build and strengthen staff capabilities, and create a sustainable performance culture.

OUR PERFORMANCE

Employee training hours			
	FY 2023	FY 2022	FY 2021
Total training hours	81,631	61,665	44,776

Employee Composition

	FY 2023
Full Time	79%
Part Time	21%
Total	100%

Total employees in FY 2023 – 3,746

Employee Turnover

	FY 2023
Top Management	0.1%
Senior Management	0.1%
Management	0.8%
Executives	6.2%
Non-Executives	20.4%
Total	27.6%

Our overall turnover rate is 27.6% for the reporting period. Due to the nature of the business, our Restaurant Division’s employee turnover was at 17.6%. We will continuously work towards improving our turnover rate.

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)

Human Rights

We recognise the importance of respect for human rights, and conduct our business in ways that prevent and/or mitigate adverse impact on human rights. We treat our employees with dignity and respect, comply with all applicable laws wherever we operate, and support the elimination of all forms of forced labour, human trafficking, and discrimination. We promote freedom of association, strive for safe and healthy work environment, and comply with applicable local laws and regulations relating to hiring of minors.

Our policies are aligned with the rights set out in the United Nations (“UN”) International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organisation (“ILO”) Declaration on Fundamental Principles and Rights at Work.

We have established a Whistleblowing Policy which creates a platform for employees and stakeholders to lodge reports in good faith without fear of reprisal. In FY 2023, there has been no reported incident of human rights violation.

GOVERNANCE

Anti-Bribery and
Anti-Corruption

Related
UNSDGs:



WHY IS THIS IMPORTANT?

Texchem endeavors to observe high standards of transparency, accountability and integrity. We believe that good corporate governance will help achieve long-term success and sustainable growth as well as to ensure trust and confidence from stakeholders.

Details of Texchem’s corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement in the Annual Report and Corporate Governance Report which is available on the Company’s website at www.texchemgroup.com

OUR APPROACH

Texchem has established policies, procedures and guidelines in order to comply with the best practices of good governance guided by the Listing Requirements and the Malaysian Code on Corporate Governance throughout its operations. These policies, procedures and guidelines are subject to regular reviews and have been communicated to all employees via various communicating channels.

Communication of Texchem’s Anti-Corruption Policy and Procedures (“ACP”)

We communicate our ACP to our people via various platforms, including our employee engagement platform (REN EcoSystem), online training sessions and orientation programmes. Our employees across all management levels are also provided with training on the ACP via online learning, covering elements or types of corruption, including bribery, sanctions on non-compliance and other sub-policies.

Our employees and business partners must practice integrity and respect in all activities, as prescribed by our Code of Conduct and Ethics. The Code outlines our ethical and behavioral policies. As stated in our ACP, we condemn all acts of bribery and corruption in accordance with the Malaysian Anti-Corruption Commission Act 2009. Our Whistleblowing Policy provides a platform where our stakeholders can raise concerns about possible breaches of policies and other questionable practices without fear of reprisal or retaliation.

Sustainability Statement (cont'd)

7. Management Approach for Material Matters (cont'd)



OUR PERFORMANCE

Anti-corruption training has been conducted for all Board members, senior management, and employees. In FY2023, all employees have undergone this training, with employees required to sign and affirm their compliance with the ACP policy.

	FY 2023
Top Management	100%
Senior Management	100%
Management	100%
Executives	100%
Non-Executives	100%
Total	100%

Recognising the importance of risk assessment in good management practice and maintaining the integrity of Texchem’s infrastructure, top-level management emphasizes the need for effective risk assessment embedded at all organisational levels.

As part of its rotational audit planning, Texchem’s Group Internal Assurance & Consulting Department commenced its assessment of corruption-related risks starting July 2023 and have covered 39% of our total operations as at the end of the reporting period.

In FY 2023, our stakeholders reported no incidents of bribery and corruption in our operational activities.

GOVERNANCE

Data Privacy and Security

Related UNSDGs:



WHY IS THIS IMPORTANT?

In the recent years, data has become more susceptible to cybersecurity risks. Consequently, we have a responsibility to manage the growing threat of cyber-attacks.

Texchem adheres fully to the Personal Data Protection Act 2010, and consistently upholds rigorous privacy and cybersecurity measures to safeguard the confidentiality of extensive data stored for clients, customers, and internal teams.



OUR APPROACH & PERFORMANCE

Texchem has established firewall system, shielding our networks from external cyber threats. To combat phishing emails received by employees, ongoing training is provided to help them distinguish between genuine and deceptive emails. Employees also have the option to forward suspected phishing emails to the Group’s Information Technology team for authentication.

In FY 2023, there were no recorded data breaches, and no substantiated complaints were received regarding customer data losses or breaches of customer privacy.

Performance Data Table from Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2023
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	42.21
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	97,121.39
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,563.516238
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	83,667.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	129
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Under 34	Percentage	0.00
Top Management Between 35-44	Percentage	12.50
Top Management Between 45- 60	Percentage	68.75
Top Management Above 60	Percentage	18.75
Senior Management Under 34	Percentage	0.00
Senior Management Between 35-44	Percentage	14.63
Senior Management Between 45- 60	Percentage	82.93
Senior Management Above 60	Percentage	2.44
Management Under 34	Percentage	9.68
Management Between 35-44	Percentage	37.63
Management Between 45- 60	Percentage	50.54
Management Above 60	Percentage	2.15
Executive Under 34	Percentage	54.07
Executive Between 35-44	Percentage	27.78
Executive Between 45- 60	Percentage	17.56
Executive Above 60	Percentage	0.60
Non-executive Under 34	Percentage	69.75
Non-executive Between 35-44	Percentage	17.91
Non-executive Between 45- 60	Percentage	11.60
Non-executive Above 60	Percentage	0.75
Gender Group by Employee Category		
Top Management Male	Percentage	87.50
Top Management Female	Percentage	12.50
Senior Management Male	Percentage	60.98
Senior Management Female	Percentage	39.02
Management Male	Percentage	61.29
Management Female	Percentage	38.71
Executive Male	Percentage	41.37
Executive Female	Percentage	58.63
Non-executive Male	Percentage	58.44
Non-executive Female	Percentage	41.56
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.43
Female	Percentage	28.57
Under 34	Percentage	0.00
Between 35-44	Percentage	0.00
Between 45-60	Percentage	42.86
Above 60	Percentage	57.14
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.38
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,089
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Total Employees	Hours	81,631
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	20.85
Bursa C6(c) Total number of employee turnover by employee category		
Top Management	Number	3
Senior Management	Number	4
Management	Number	30
Executive	Number	234

Sustainability Statement (cont'd)

Performance Data Table from Bursa Malaysia's ESG Reporting Platform (Cont'd)

Indicator	Measurement Unit	2023
Non-executive	Number	764
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	100.00
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	39.39
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

