



SUSTAINABILITY REPORT

Serving Today,
Sustaining Tomorrow

20
24

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ABOUT THIS REPORT

[GRI 2-2, 2-3, 2-5]

Welcome to the second QSR Brands (M) Holdings Bhd. ('QSR Brands', 'QSR', or the 'Group') report, updating the Group's sustainability performance for the 2024 financial year.

Frameworks and standards

This report has been prepared in accordance with the 2021 Global Reporting Initiative (GRI) Standards and the applicable indicators in the GRI 13 Agriculture, Aquaculture, and Fishing Standards for our upstream businesses. We have also referenced the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) on a voluntary basis. Additionally, our material topics have been mapped against the applicable United Nations Sustainable Development Goals (SDGs), outlining QSR's alignment with the global sustainability agenda.

Assurance

We engaged Grant Thornton Consulting Sdn. Bhd. to provide independent limited assurance on the data and disclosures of selected material sustainability indicators in this report, specifically under the topics of ethics and governance, environmental resilience, workplace environment, responsible production and supply chain, and community engagement.

► [Assurance statement \(p.99\)](#)

Scope, boundaries, and reporting period

The scope of this report includes our active operations in Malaysia, specifically our following core businesses:

- 1. Downstream:** QSR Stores Sdn. Bhd., Kentucky Fried Chicken (Malaysia) Sendirian Berhad, Pizza Hut Restaurants Sdn. Bhd., PHD Delivery Sdn. Bhd., and Efinite Value Sdn. Bhd.¹
- 2. Upstream and Midstream:** Ayamas Integrated Poultry Industry Sdn. Bhd., Ayamas Food Corporation Sdn. Bhd., Integrated Poultry Industry Sdn. Bhd., Ladang Ternakan Putihekar (N.S.) Sdn. Bhd., Pintas Tiara Sdn. Bhd., Region Food Industries Sdn. Bhd., QSR Manufacturing Sdn. Bhd., and QSR Trading Sdn. Bhd.
- 3. Group HQ:** QSR Brands (M) Holdings Bhd.

Unless noted, performance data is from 1 January 2024 to 31 December 2024 and is augmented with historical data where relevant. The scope of this report excludes our operations in countries outside of Malaysia, specifically Brunei, Cambodia, and Singapore. It also excludes business entities that contribute less than 1% to Group revenues, unless they are critical to supporting our restaurant business, as indicated above.

¹The scope of this report has expanded to include Efinite Value Sdn. Bhd., the customer service arm of our downstream operations.

2024 HIGHLIGHTS

[GRI 205-3]

ETHICS AND GOVERNANCE

NO

Major Non-Compliance With Regulatory, Health, Employee Rights, or Safety Requirements

NO

Confirmed Incidents of Corruption

Maintained

ZERO

Data Breaches Throughout the Year



Improved Ecovadis Assessment Score to

46, Up from 36



ENVIRONMENTAL RESILIENCE

Observed **Lower Environmental Impacts** (Energy, Water, Emissions) Year-On-Year, Mainly Due to Temporary Fluctuations In Operational Scale

Reduced the number of Plastic SKU to

31 from 39 in 2022

Recycled

100%

of Our Used Cooking Oil in Downstream, Amounting to Over 2,000 MT During the Year in Review

Expanded the Harvest Programme from 30 to

84

Stores



Diverted

6,445 KG

of Surplus Food to Under-Served Communities through Kechara Soup Kitchen and The Lost Food Project

WORKPLACE ENVIRONMENT

Maintained A Diverse Workforce With Over

46%

Female Representation

and

150

Employees Who Are Persons with Disabilities

Invested

RM 3.05 Million

in Employee Training and Development, Introducing New In-House Programmes such as Mentorship and People Grower, as well as Diploma Programme in Collaboration with National Integrated College

Recorded an LTIFR of

0.61

and Rolled Out the Appointment and Training of OSH Coordinator at Restaurant Level to Strengthen Safety Compliance

Funded

18

Employees



to Pursue the Micro-Credential Degree Programme in Partnership with Universiti Sains Malaysia

2024 HIGHLIGHTS

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

Over

80%

of Our 2024 Purchases
Were Sourced from
Local Suppliers

Over

80%

of Our Food Ingredient Suppliers
are Now Certified Under A GFSI-
Recognised Scheme

Obtained

FSSC 22000

Certification for Our Internal
Warehouses across Malaysia

COMMUNITY ENGAGEMENT

Invested a Total of

RM 2.58 Million

In Community Programmes, Benefitting
More Than **30,000 Individuals**Launched Two Flagship CSR
Programmes, **Sehati Feed to Educate**
and **KFC Scholarship** with a Total
Pledge of Over

RM 4 Million

Continued to Support Government Initiatives In
Education and Workforce Development Through
The **2u2i Student Industrial
Placement** and **The National
Dual Training System
(SLDN) Programme**Continued Efforts to Improve Food Accessibility
and Affordability Through Initiatives Such as **The
Launch of Kad Siswa**, Offering
Discounts on Over-The-Counter
Purchases for University
Students, Alongside **Value-
Based Meal Offerings**

AWARDS AND RECOGNITION

Ecovadis Commitment Badge



Jobstreet Seek People & Purpose Awards 2024



CEO/MD STATEMENT

[GRI 2-22]



Dear Stakeholders,

QSR brands began 2025 with a tremendous sense of optimism. Although we faced our share of challenges in 2024, it was also a year of transformational growth, and we emerged with a stronger foundation, better able to face the future.

Nehchal Khanna

*Chief Executive Officer (CEO)/ Managing Director (MD),
QSR Brands (M) Holdings Bhd.*



I am proud of this second sustainability report and eager to share our 2024 progress. Our achievements reflect our adaptability in the face of various environmental and climate challenges, our deepening commitment to sustainability, and our contributions to nation-building through responsible growth and long-term value creation.

Our progress in sustainability

In 2024, we launched our revised Sustainability Strategy to align with QSR Brands' company-wide transformation and to better reflect the evolving needs of our people, customers, and the communities we serve. This strategy is built on five pillars: **Ethics and Governance, Environmental Resilience, Workplace Environment, Responsible Production and Supply Chain, and Community Engagement**. These pillars form the foundation of our approach to sustainability, supporting transparent and comprehensive reporting today, while guiding meaningful progress towards the future.

In many ways, 2024 was a pivotal year for QSR Brands. We continued to build on our previous successes, as outlined in our first sustainability report. We collected data across key operational areas, set baselines to measure future progress, and aligned our reporting methodology with recognised standards and frameworks.

We also invested in building awareness and fostering ownership of sustainability matters across our organisation. From sustainability reporting workshops to cross-functional alignment sessions, our initial efforts

helped embed sustainability into our organisational culture, ensuring consistency in how we track, report, and communicate the impact of our activities.

I am pleased to share that these efforts are already yielding results. We substantially improved our EcoVadis score, proudly earning a Commitment Badge that recognises our progress in the areas of transparency, governance, and continuous improvement.

As we look ahead, we remain focused on strengthening our data systems and reporting mechanisms. These powerful tools enable us to translate our sustainability commitments into concrete actions. More importantly, we are aiming to increase our level of accountability to demonstrate the impact of these actions in 2025 and beyond.

Our commitment to communities

QSR Brands is a home-grown Malaysian company. We take pride in being members of the communities we serve. This deep connection brings with it a strong sense of responsibility and a sincere desire to give back to the local populations we serve.

In 2024, we continued to build on and prioritise our community support initiatives. These include impactful long-term programmes like the Sehati Feed to Educate campaign, which addresses child hunger and educational disparities among underprivileged students in 28 schools, and the KFC scholarship, which provides vital financial support to 40 B40 students, covering tuition fees and living expenses to help them continue their studies.

CEO/MD STATEMENT

Through these programmes, **QSR Brands has pledged over RM4 million to uplift lives, improve access to education, and support community development. We also contribute to dedicated wakalah funds, extending our commitment to helping people in need across Malaysia.**

Building on our long-standing KFC Add Hope initiative, we introduced the Add Hope Charter in 2024 to guide how we choose and manage projects. Focused on three key areas—community support, feeding programmes, and education—the Charter helps us bring more clarity and consistency to our efforts, ensuring they make a lasting and meaningful difference.

Another key 2024 initiative was the **expansion of the KFC Harvest Programme**. We partnered with Kechara Soup Kitchen and The Lost Food Project to redirect surplus, unsold food to underserved communities in the Klang Valley, Negeri Sembilan, Johor, and Pahang. This initiative provides meals for those in need while reducing food waste and mitigating our greenhouse gas emissions. It is another example of how our community commitments intersect with our sustainability initiatives.

Our continuous transformation journey

Sustainability is central to QSR's activities and is embedded in our broader transformation agenda. Our revised Sustainability Strategy is underpinned by the QSR Transformation Strategy and guided by the Core Values that comprise the QSR Flywheel: **putting customers first, growing people as builders, being bold to innovate, and never giving up**. These values continue to shape our evolution, even when we are facing adversity.

In 2024, we accelerated our Digital & Data Transformation initiatives to deepen customer engagement, drive repeat business, and improve operational efficiencies.

Building on the success of our Customer Data Platform, the K-Town mini games in the KFC App, and the Hut Rewards loyalty programme, we are now developing a consolidated Customer Engagement Platform to enable real-time personalisation at scale. This platform will create omnichannel experiences that unify customer data, deliver targeted promotions, and reward loyalty, helping to grow and increase the frequency of digital sales, while boosting customer lifetime value across both KFC and Pizza Hut brands.

Digital channels continue to drive strategic growth. **The K-Town gamified loyalty programme has effectively grown engagement and retention on the KFC App.**

The Hut Rewards programme has increased repeat orders through compelling bonuses like free pizza and chicken wings. These initiatives strengthen our omnichannel ecosystem and allow us to build deeper, data-driven relationships with our customers.

Our operations team is developing an in-house AI-enabled integrated sales forecasting and demand planning system, scheduled to go live in 2026.

This soon-to-launch tool will leverage AI to forecast the inventory needs of individual stores based on sales patterns, seasonality, and local conditions. When implemented, it will reduce food waste, optimise store operations, improve worker productivity, and create a more consistent customer experience by accurately predicting product demand and anticipating appropriate inventory levels.

Although digital tools are driving innovation at QSR Brands, the heart of our transformation lies in our commitment to growing our people. **In 2024, we launched a series of talent development initiatives, including our People Grower and Mentorship Programmes, to cultivate the next generation of leaders within our organisation. These programmes are empowering future-facing individuals to drive meaningful change from within.**

Concluding remarks

Despite the headwinds in 2024, QSR Brands is on firm footing in 2025. We have made tremendous strides in advancing our sustainability commitments, community partnerships, and company-wide transformation. Our continued growth reflects a business that is committed to building resilience, embracing innovation, and creating shared value for our people, our shareholders, our customers, and our partners in the communities we serve.

On behalf of QSR Brands, I would like to thank all of you for standing with us as we strive to become the leading ASEAN food-technology company.

Together, let us continue to grow boldly, give generously, and never give up.

Nehchal Khanna

CEO/MD, QSR Brands (M) Holdings Bhd.

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ABOUT QSR BRANDS

Operational overview

[GRI 2-1, 2-6] [SASB FB-MP-000.A, FB-MP-000.B, FB-RN-000.A, FB-PF-000.B]

QSR Brands (M) Holdings Bhd. ('QSR Brands', 'QSR', or the 'Group') is a private company that operates a halal food and restaurant ecosystem in Malaysia, Brunei, Cambodia, and Singapore. Headquartered in Petaling Jaya, our operations are categorised into three segments: downstream, midstream, and upstream.

Downstream business

Our downstream operations are nation favourites: KFC and Pizza Hut. KFC was first opened in Malaysia in 1973 and has since expanded to 774 outlets across the country, while Pizza Hut was first opened in 1982 and has since grown to a network of 474 restaurants.

Midstream business

Our midstream operations are led by QSR Trading Sdn. Bhd. (QSRT). This subsidiary manages the marketing and distribution of our Life, Ayamas, and Ayamas Kitchen brands, as well as third-party products, in Malaysia. QSRT also distributes poultry produced by our upstream units in East Malaysia, ensuring an efficient and sustainable supply chain.

Upstream business

Our upstream operations comprise two main businesses. The first is a fully integrated poultry supply chain offering services from hatchery to processing, and managed by subsidiaries such as Ayamas Integrated Poultry Industries (AIPI) and Ayamas Food Corporation (AFC).

The second is our ancillary services that support our downstream restaurants, led by Region Food Industries (RFI) and QSR Manufacturing (QSRM). RFI produces the Life Brand range of sauces, marinades, salad dressings, and cooking pastes, while QSRM operates our Yum!-certified commissaries and bakeries. These facilities produce buns, pizza dough, coleslaw, and sanitised vegetables.

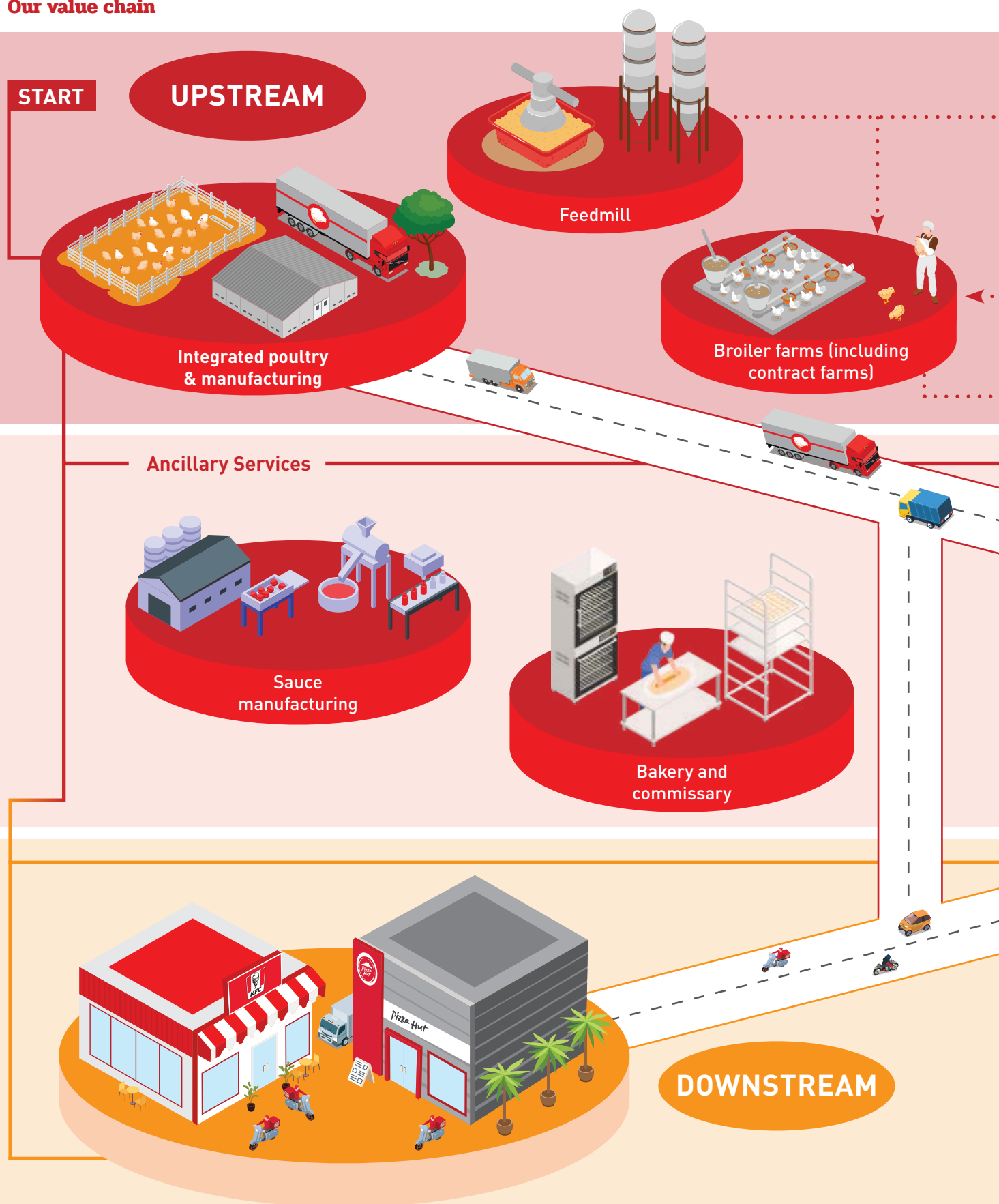
Sharpening focus on downstream

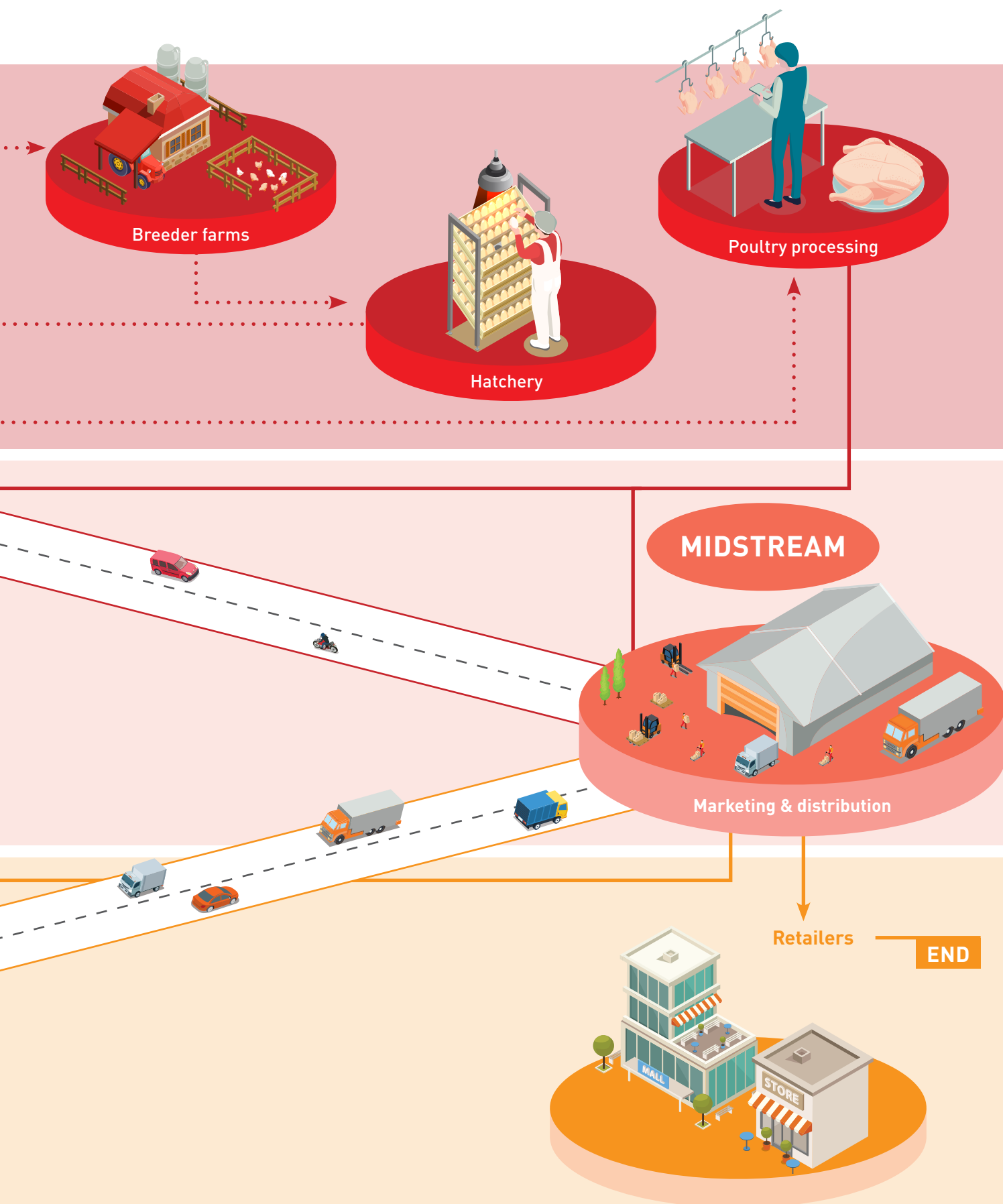
We have recently undertaken a strategic realignment exercise that has enabled us to focus on our downstream businesses and its growth. The restructuring progress began in early 2025 and resulted in a strategic partnership with a third party for our midstream and selected upstream operations. This shift reflects our ongoing commitment to improving operational efficiencies and creating long-term value while laying the groundwork for sustained growth of our core restaurant business.



ABOUT QSR BRANDS

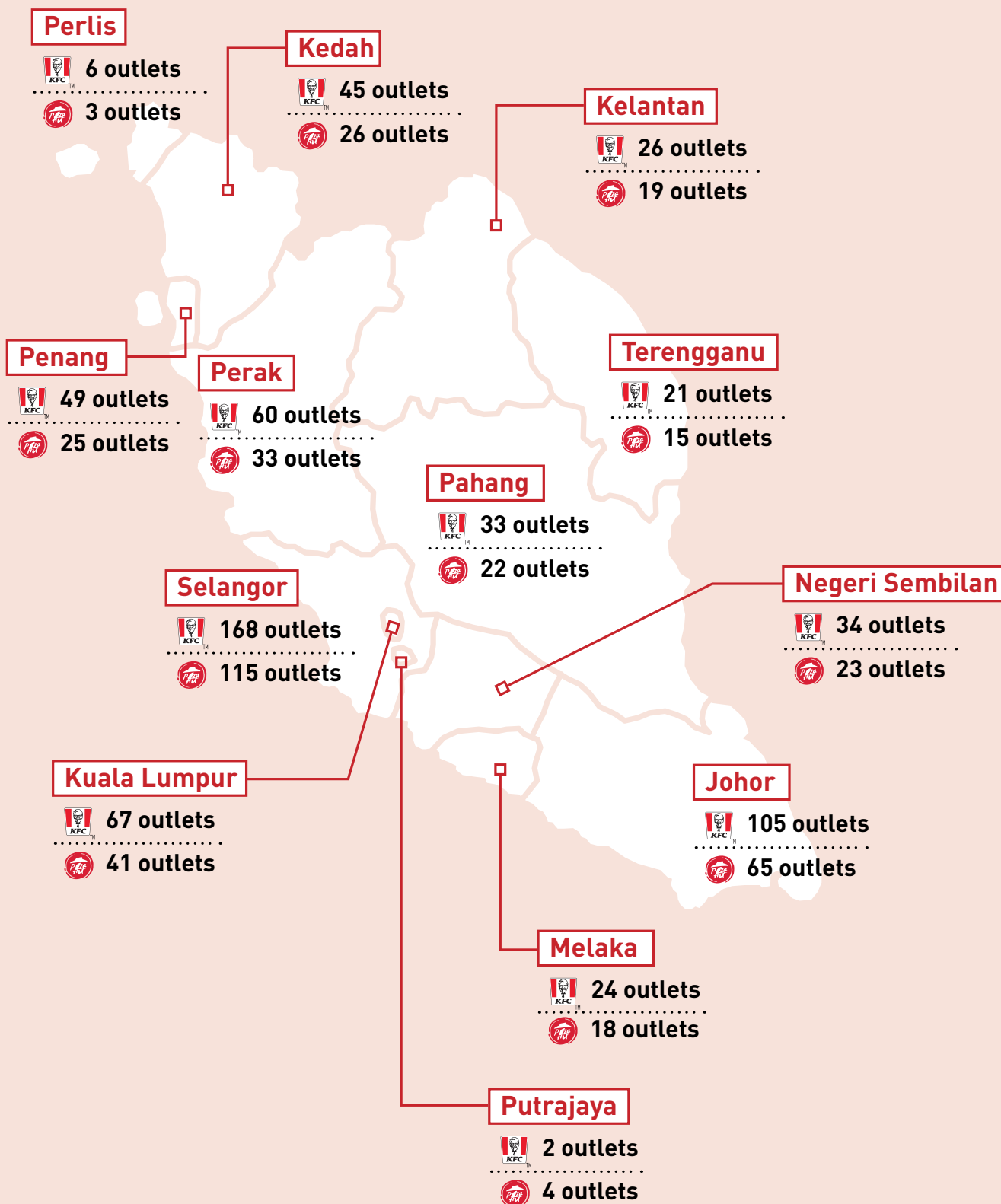
Our value chain





ABOUT QSR BRANDS

Our downstream operational footprint



ABOUT QSR BRANDS



774
KFC outlets



474
Pizza Hut outlets

Labuan

3 outlets



2 outlets

Sabah

69 outlets



33 outlets

Sarawak

62 outlets



30 outlets

ABOUT QSR BRANDS

Transforming the business

[GRI 3-3] [SASB FB-MP-250a.3]

The food and beverage (F&B) industry in Malaysia faces several challenges in the post-COVID era. These include supply chain disruptions, rising operating costs, new regulatory hurdles, evolving consumer expectations, and an increasingly complex global market.

Throughout this time, we have continued to leverage our strengths to best serve our customers by staying open in volatile times, assuring the quality of our meals, and standardising our menus.

At the same time, we recognise the growing demand for more responsible and innovative products and services. In response, we embarked on a transformation journey anchored on three key pillars: business, data & digital, and cultural transformation. Driving this journey is the QSR Flywheel, an initiative that reinvigorates our corporate culture by putting customers first, growing people as builders, being bold to innovate, and never giving up. These frameworks not only strengthen our agility and resilience amid seismic industry shifts but also proactively differentiate us from peers and competitors, creating lasting value for all of our stakeholders.

THIS IS OUR FLYWHEEL



ABOUT QSR BRANDS

As always, our strategies position our customers at the core of our business. Guiding this is our 2022 Transaction Velocity Framework that segments growth into eight key levers based on understanding customer behaviour. A differentiated Customer Data Platform (CDP) is used to implement the Framework—a tool that gathers and organises information from multiple sources, leveraging AI and machine learning to create a 360-degree view of consumer interactions. This platform allows us to:



At the same time, we actively seek customer feedback and continuously improve our products and services to deliver exceptional dining experiences. To ensure that every voice is heard, we engage with customers through various channels, including dedicated customer-care hotlines, social media, and online surveys. Responding promptly to their concerns and suggestions helps QSR build stronger relationships with our customers and improves their overall satisfaction.

In response to the evolving needs of tech-savvy consumers, especially since the COVID-19 pandemic, QSR has focused our investments on building a “digital first” brand experience that bolsters customer engagement while optimising restaurant efficiencies. Thanks to this strategic shift, customers can place orders through various platforms, such as self-service kiosks, our mobile apps, and web platforms. These convenient ordering methods, our advanced point-of-sale (POS) systems, and our dedicated e-commerce strategy have strengthened our brand presence and heightened the overall dine-in and take-out customer experience.

We have also adopted tools on the back end, such as KFC’s Digital Success Routine Checklist and Pizza Hut’s HutBot, to harmonise quality and efficiency programmes and measures across more than 1,000 restaurant outlets. This includes the installation of AI-driven smart kitchens to further optimise processes, reduce waste, and standardise portion sizes and the quality of meals served in our restaurants.

► For more information on our digitalisation approaches, please see our [Sustainability Report 2022-2023, p.75-76](#).

ABOUT QSR BRANDS

Navigating the challenging business environment in 2024

In 2024, QSR Brands navigated an exceptionally challenging operating environment, largely driven by shifting consumer sentiments influenced by external socio-political factors. As a homegrown, Malaysian-based company, we acknowledge the complexity of these sentiments and recognise the importance of rebuilding trust with our stakeholders.

In response, we reflected on the situation and took action to manage the disruption as responsibly as we could. Our priority was to support those affected and maintain business continuity where possible. We also took the opportunity to strengthen our connection with the communities we serve, deepening our outreach and engagement efforts in meaningful ways.

Looking ahead, we continued to adapt our business to evolving consumer needs, including accelerating relevant innovations and service improvements. As a result of these efforts, we began to resume normal operations in early 2025 and remain focused on rebuilding with resilience and purpose.

► For more information on our community programmes, please refer to [page 66](#) of this report.



ABOUT QSR BRANDS

[GRI 2-23, 2-24]

Our approach to sustainability

[GRI 2-23, 2-24]

As a major player in the ASEAN quick-service restaurant sector, QSR Brands is committed to maximising our positive impact, minimising environmental and social risks, and proactively integrating sustainability into our business strategy. We firmly believe that sustainability is crucial to creating long-term value for our stakeholders.

Our approach to sustainability is rooted in a strong governance framework, establishing responsible business practices that extend beyond mere compliance. We strive to deepen our understanding of our business impacts and have adopted robust oversight mechanisms as the foundation of our sustainability initiatives. Our dedicated Sustainability Strategy is guided by our Board Risk and Sustainability Committee (BRSC) and implemented on the ground by a dedicated sustainability team.

Over the course of 2023 and 2024, we further embedded sustainability across the organisation by establishing corporate sustainability key performance indicators (KPIs) that contribute 5% to the overall weighting of all KPIs. We are currently refining these KPIs and will use them to support a formalised list of sustainability targets in 2025.

Revised Sustainability Strategy 2024

The launch of our internal transformation strategy in 2024 provided an opportunity to re-evaluate and restructure our existing Sustainability Strategy, while integrating and aligning it with the organisation's overall goals. It creates group-wide synergies that enable us to implement its initiatives with greater impact. In redeveloping the Strategy, we considered the following:

- Alignment with QSR's Flywheel and transformation strategy pillars
- Updated materiality topics in 2023²
- The changing business landscape - ensuring alignment with internal and external stakeholder expectations
- Investors and shareholders' sustainability expectations and frameworks
- Yum! Global and KFC Global's franchisor and business strategies

The revised Sustainability Strategy spans four years, from 2024 to 2027, and encompasses five key pillars: **Ethics and Governance**, **Environmental Resilience**, **Workplace Environment**, **Responsible Production and Supply Chain**, and **Community Engagement**. To realise the strategy's overarching goals, we refined key initiatives in each of these pillars and implemented group-wide initiatives that will guide the sustainability targets to be set in the coming year.

The revision of the strategy was led by the QSR sustainability department, reviewed by the BRSC, and approved by the Board of Directors in June 2024.

²The previous strategy was based upon an initial materiality assessment conducted in 2022. The material topics were revised in 2023.

ABOUT QSR BRANDS

Sustainability Strategy 2024–2027



Transformation strategy

Business Transformation

Data & Digital Transformation

Cultural Transformation

QSR BRANDS' SUSTAINABILITY STRATEGY 2024–2027

Ethics and governance

Establish strong ethics and governance practices with clear policies, risk mitigation measures, and an organised information repository to ensure transparency and accountability.

- Corporate Governance
- Ethics and Compliance
- Transparency and Reporting
- Data Privacy and Security



Environmental resilience

Build resilience to climate change by understanding our environmental footprint, assessing climate risks, and adapting accordingly.

- Climate Impact
- Waste Management
- Sustainable Packaging
- Water Consumption



Workplace environment

Become the employer of choice by fostering a progressive, safe, and inclusive culture where employees feel valued, empowered, and motivated to thrive.

- Employee Health, Safety and Wellbeing
- Diversity and Inclusion
- Employee Engagement and Development



Responsible Production and Supply Chain

Enhance supply chain understanding and promote responsible practices, including fair labour, ethical conduct, animal welfare, and upholding food safety and quality standards.

- Labour Practices
- Animal Welfare
- Food Safety and Quality
- Sustainable Sourcing and Supply Chains



Community Engagement

Drive long-term community impact by supporting and uplifting the communities we serve.

- Community Support
- Food Accessibility and Affordability
- Public Health and Responsible Marketing



ABOUT QSR BRANDS

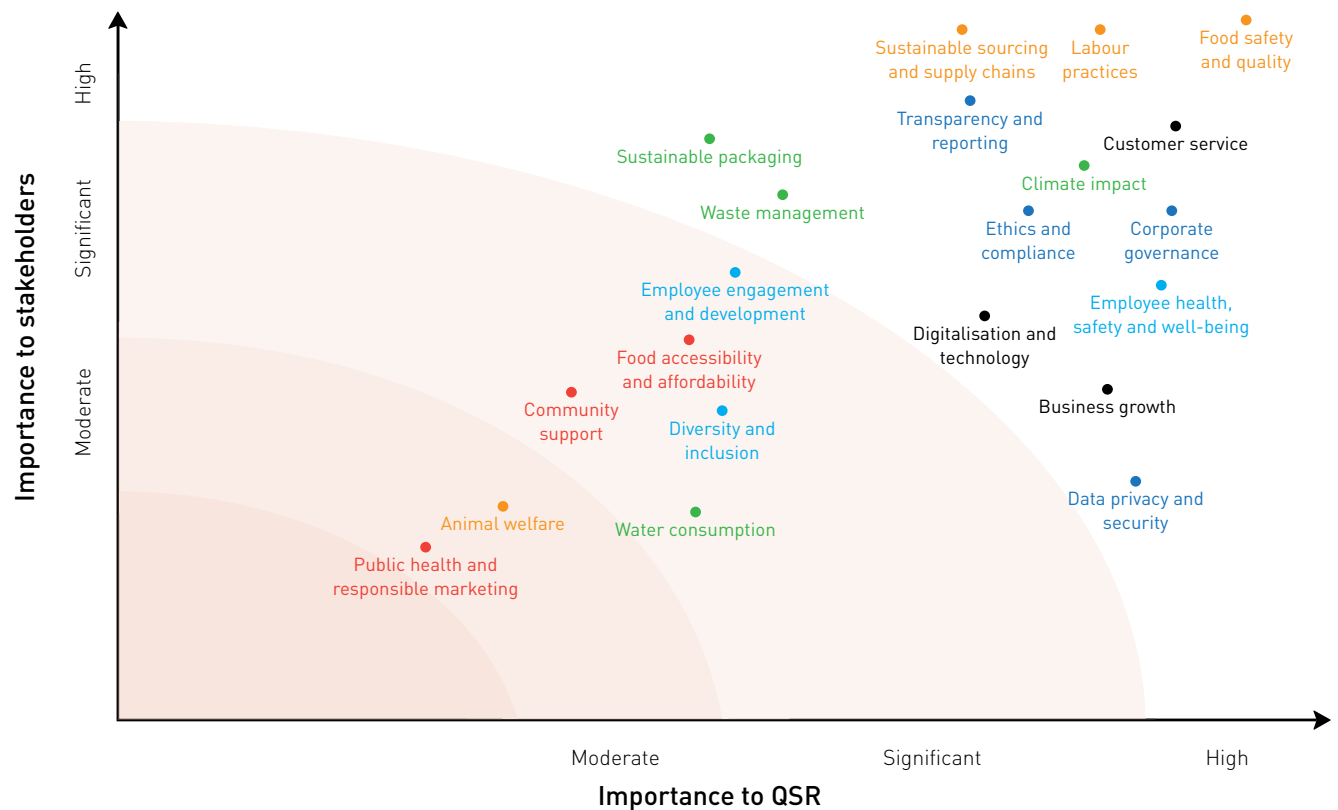
Materiality

[GRI 2-14, 3-1, 3-2]

Our first materiality assessment was conducted in 2022. The process covered alignment with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) frameworks while engaging key internal stakeholders. In 2023, we re-benchmarked our findings, comparing them to industry peers' practices and market trends. This re-evaluation included further external stakeholder engagement. As a result, 21 material topics were identified and plotted in a matrix that presents the importance of these issues to QSR and our stakeholders.

Our materiality assessments support our Sustainability Strategy and guide our reporting activities. We review our material issues every two to three years to ensure they remain relevant and address evolving challenges. Our next comprehensive materiality assessment is scheduled for 2025.

- For an overview of the materiality process, please see our [2022-2023 Sustainability Report, p.20.](#)



Legend:

Ethics and governance

Workplace environment

Environmental resilience

Responsible production and supply chain

Community engagement

Cross-cutting
(under Transformation Strategy)

- For a complete list and description of our material topics, please refer to [page 76](#) of this report.

ABOUT QSR BRANDS

Stakeholder engagement

[GRI 2-28, 2-29]

QSR strives to be at the forefront of the sustainability dialogue. We collaborate with supply chain partners, industry associations, regulators, customers, and employees to implement comprehensive initiatives that address key F&B industry challenges. We hold regular Board meetings to provide strategic oversight, employee town halls to foster internal engagement, and customer surveys to gather feedback. Our comprehensive approach includes systematic supplier audits, active participation in industry initiatives and platforms, ongoing discussions about regulatory compliance, franchisee quality alignment exercises, and transparent media relations and communications.

Through these activities, we ensure our sustainability initiatives remain relevant and impactful while meeting evolving industry standards and consumer expectations.

- For an overview of our interactions with relevant stakeholder groups, please refer to [page 74](#) of this report.

Industry affiliations

As a responsible Malaysian food and beverage operator with a broad reach, we work with retailers, peers, and other businesses to promote industry growth nationwide. QSR Brands is a proud member of the Malaysian Franchise Association (MFA). Our participation enables us to contribute sector-specific insights, share operational expertise, and support joint initiatives that promote innovation, food safety, talent development, and sustainable growth within the retail and franchise ecosystem.



ETHICS AND GOVERNANCE

Our goal is to establish robust ethics and governance practices with clear guidelines, effective risk mitigation measures, and a structured information repository, ensuring transparency and accountability.

Aligned UN SDGs



Corporate governance	22
Ethics and compliance	24
Data privacy and security	27
Transparency and reporting	28

ETHICS AND GOVERNANCE

Corporate governance

[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 3-3, 405-1]

QSR Brands adheres to the highest corporate governance standards and is committed to conducting business ethically, fairly, and transparently. Our robust corporate governance framework fosters a culture of integrity, accountability, and continuous improvement that delivers sustainable stakeholder value.

Our [Board of Directors](#) is chaired by Tan Sri Jamaludin Ibrahim and comprises our Chief Executive Officer/Managing Director (CEO/MD), nine non-executive directors, and two alternate directors. The Board's responsibilities include reviewing, monitoring, and guiding our Sustainability Strategy.

QSR BOARD DIVERSITY AS OF MAY 2025		
 2 non-Malaysians	 5 women	 5 independent members

Note: Effective May 2025, Lim Chern Han replaced Atiff Ibrahim Gill as the alternate director for Sigit Prasetya. As a result, the Board now comprises two non-Malaysians instead of three.

► For more information, please see our Board Charter at <https://qsrbrands.com/corporate-governance/> and Board profile at <https://qsrbrands.com/board-of-directors/>.

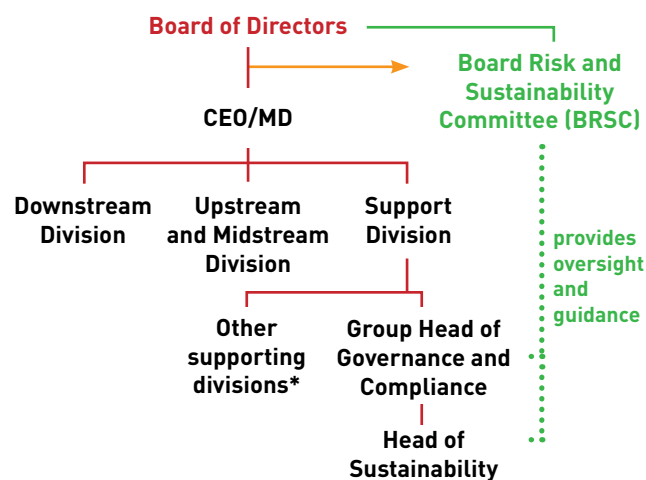
Board Risk and Sustainability Committee

In 2024, the Board Risk & Compliance Committee and the Board Sustainability Committee were merged into a single entity—the Board Risk and Sustainability Committee (BRSC). This integration was driven by the committees' shared objective of long-term resilience and strengthens oversight by enabling a more holistic view of risks and opportunities. The expanded BRSC helps the Board ensure that:

1. **Risk management** across QSR Brands and its subsidiaries supports our overall goals, optimises resources efficiently, and complies with applicable policies, procedures, laws, and regulations
2. **Key risk and compliance areas are managed cohesively**, including enterprise risk management (ERM), compliance management and governance, business continuity management (BCM), cyber risk management, and corruption risk assessments
3. **Sustainability efforts, including environmental, social, health and safety programmes**, are embedded in our business practices.

The Group sustainability department leads the implementation of sustainability efforts and practices throughout the organisation at the operational level. Led by the Head of Sustainability, the team reports to the Group Head of Governance and Compliance, who then reports to the CEO/MD.

QSR sustainability governance structure



*Other supporting divisions: Group Finance, Supply Chain Management, Digital, Group People Management Office, Data Management, Talent Management, Audit, Corporate Communication, Secretarial Affairs, Group Strategy, and Group Brand Management.

ETHICS AND GOVERNANCE

Risk mitigation

Effective risk management is key to our operations. Our Enterprise Risk Management (ERM) framework complies with the ISO 31000:2018 standard and helps us identify and manage potential risks. It also allows QSR Brands to stay current with emerging risks, including cybersecurity, sustainability, and climate-related issues, thus supporting management efforts to promote risk awareness across the Group.

Corporate Governance, Risk & Compliance and Sustainability (CORES) campaign

In November 2024, we conducted our Corporate Governance, Risk & Compliance and Sustainability (CORES) campaign. This week-long event aimed to promote:

- Corporate governance and regulatory compliance
- Strong governance, integrity, and ethical conduct across QSR Brands
- Sustainability practices within the company and employees' daily lives
- Awareness of emerging cybersecurity trends and their impact on the organisation

This comprehensive programme engaged staff through a mix of in-person workshops, online training modules, and experiential place-based learning. Sessions covered ERM, BCM, diversity, equity and inclusion (DEI) principles, cybersecurity fundamentals, and carbon market basics. Employees also participated in experiential learning activities, which included recycling initiatives and volunteering at a soup kitchen and food distribution programme.

We aim to establish CORES as an annual campaign, expanding it to include more participation from our colleagues to maximise its impact across our organisation.



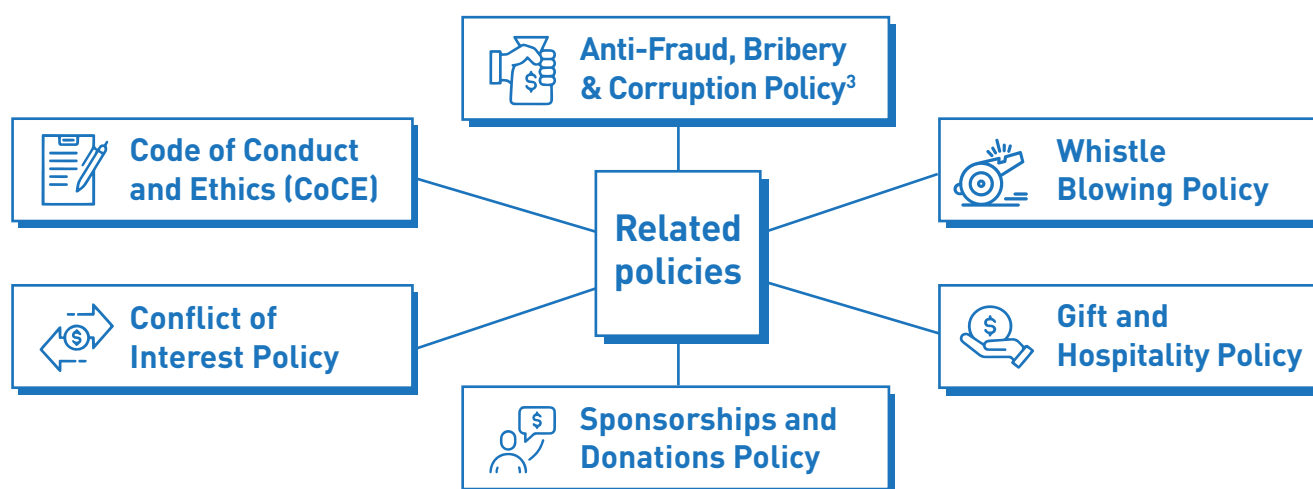
ETHICS AND GOVERNANCE

Ethics and compliance

[GRI 2-23, 2-24, 2-27, 3-3, 205-1]

QSR Brands is committed to ethical business practices. Our dedication to these principles is guided by our Code of Conduct and Ethics (CoCE) and reinforced by other related policies, such as our Anti-Fraud, Bribery & Corruption Policy.

The CoCE and associated policies apply to all QSR employees, Board members, and any parties acting on behalf of the Group. To ensure their understanding and compliance, all staff receive training on the CoCE during onboarding, and it is easily accessible on our Qatalyst platform.



► For more information, please see our [Sustainability Report 2022-2023, p.30](#).

QSR ensures compliance with regulatory, health, employee rights, and safety requirements as a bare minimum. Beginning in 2023, we enhanced our training on risk and compliance, while strengthening the use of our Risk and compliance platform via CURA-GRC system. This has provided greater visibility into instances of non-compliance, enabling us to track, monitor, and develop improvement plans more effectively. In 2024, a total of 14 non-compliance cases were reported, which were typically minor infractions. These breaches were addressed through our systematic approach to instances of non-compliance, which enables us to identify and rectify root causes more effectively, helping to prevent their recurrence.

Instances of non-compliance 2023–2024

Regulatory, health, employee rights, and safety requirements

	2023	2024
Fine or penalty received	13	13
Warning received	1	1

Note: All fines and warnings were related to minor infractions.

³As of November 2024, we expanded the scope of the Anti-Fraud, Bribery & Corruption Policy to include our Asset Declaration Policy.

ETHICS AND GOVERNANCE

Integrity and Anti-Corruption

We have adopted the ISO 37001 Anti-Bribery Management System (ABMS) as the foundation of our anti-corruption framework. In line with the T.R.U.S.T.⁴ Principles, we are committed to implementing adequate procedures to prevent, detect, and respond to corruption. With the full support of our leadership team, we have established corruption risk assessments, internal controls, enforcement, and employee awareness measures to ensure effective implementation.

QSR Brands is currently progressing towards ABMS certification. As of December 2024, we have completed a comprehensive gap analysis and are actively addressing areas for improvement to further strengthen our system and enhance resilience against corruption risks.

Key initiatives in 2024



Certifications

QSR Brands enforces stringent food safety, quality control, and hygiene standards at every level of our operations. Our facilities nationwide comply with all relevant certification requirements and are subject to comprehensive audits and inspections to ensure their compliance.

Our upstream operations meet the following internationally recognised standards and certifications:

- Hazard Analysis and Critical Control Points (HACCP): MS1480:2019, MS-1480 LRQA
- International Organisation for Standardisation (ISO): ISO 9001:2015 QMS
- Malaysian Good Agricultural Practices (myGAP)
- SIRIM Quality Assurance Standards International

As a Yum! franchisee, our downstream restaurants must comply with food safety standards and certifications recognised by the Global Food Safety Initiative (GFSI). In addition to GFSI, two of our restaurants (KFC Alamanda and KFC Genting Grand) have also been HACCP-certified as of December 2024.

⁴T.R.U.S.T. Principles are issued by the Malaysian Anti-Corruption Commission (MACC) to guide organisations in establishing adequate procedures against corruption.

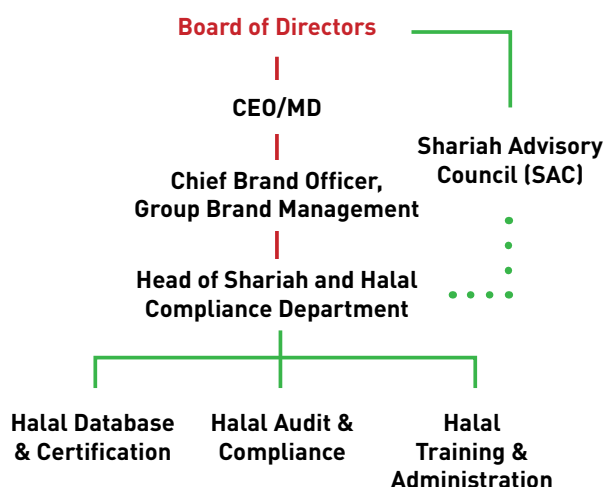
ETHICS AND GOVERNANCE

100% halal - maintaining the highest standards

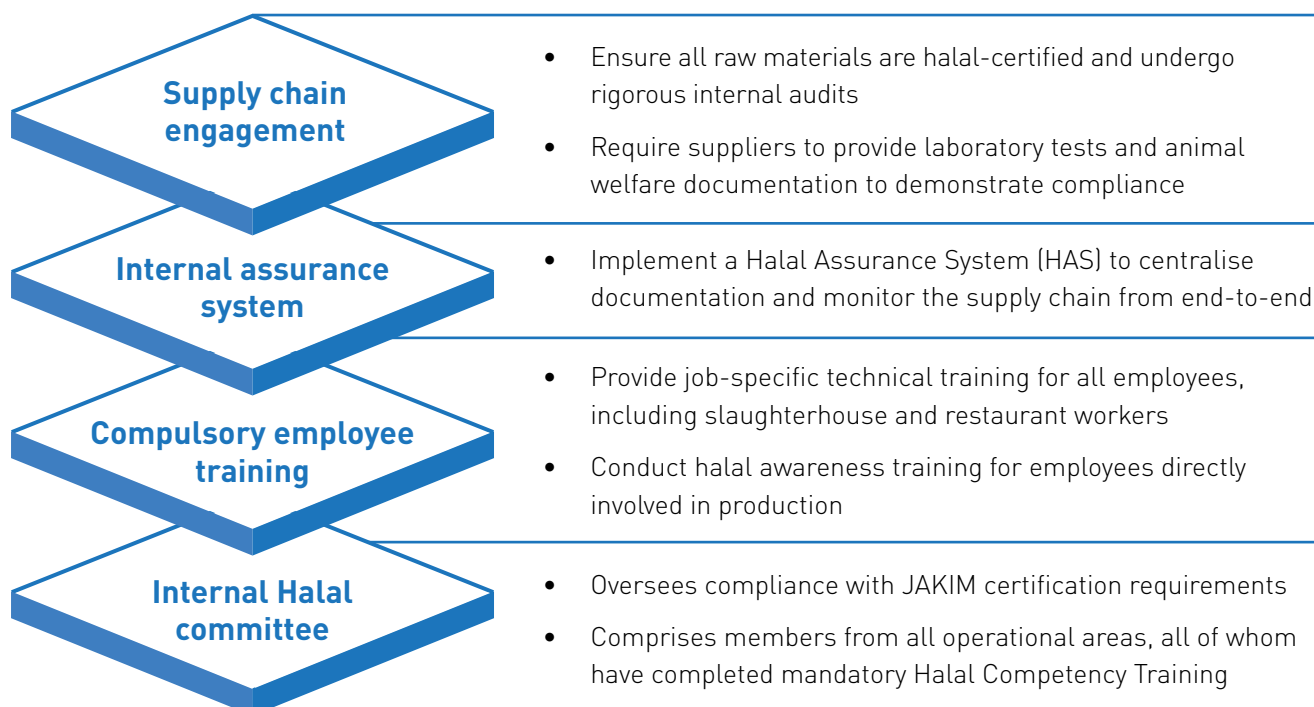
Our operations are 100% halal certified. QSR Brands has been granted over 1,200 restaurant outlet certificates and 600 menu and product certificates, positioning us as one of Malaysia's leading corporate holders of halal certifications⁵.

As a result of these certifications, QSR Brands fully complies with the statutory and regulatory requirements of the Department of Islamic Development Malaysia (JAKIM), the State Islamic Religious Council (MAIN), and the State Islamic Religious Department (JAIN), underscoring our commitment to the highest standards of halal integrity. Our Halal Policy ensures we adhere to strict halal food production, hygiene, and animal welfare standards, allowing us to deliver **Halalan Toyyiban** products. Additionally, QSR's Shariah Advisory Council (SAC) oversees halal compliance, advises the Board on Shariah-related matters, implements our Halal Policy, and recommends improvements as needed.

Halal governance structure



Approach to maintaining strict halal compliance



⁵Our halal-certified operations also include slaughterhouses, manufacturing plants, and logistics facilities operated by AFCSB, QSRM, and RFL.

ETHICS AND GOVERNANCE

We invite customers to direct their concerns and complaints to our Shariah and Halal Compliance Department at halal@qsrbrands.com.my. They can also use our other customer feedback channels or contact Malaysian authorities directly. Additionally, we encourage QSR employees to report any non-compliances observed internally to the Shariah and Halal Compliance Department for further action.

► For more information on our halal practices, please see our [Sustainability Report 2022-2023, p.32](#).

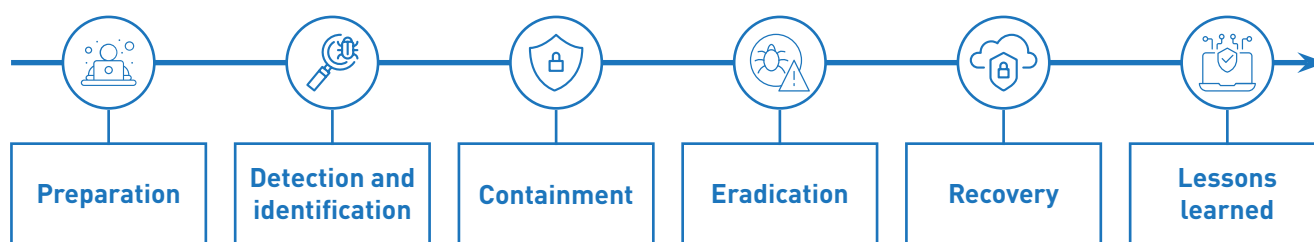
Data privacy and security

[GRI 3-3, 418-1]

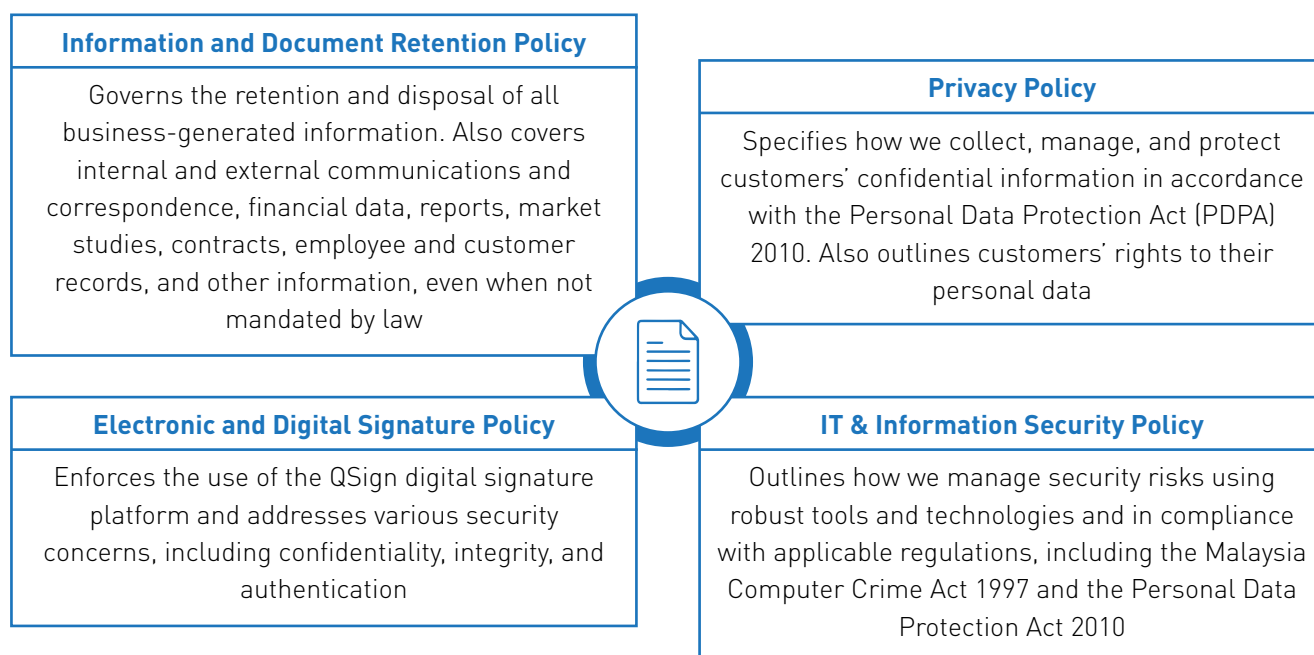
As we increasingly embrace technological advancements for the business, we recognise the heightened risks of cyberattacks. To counter such threats, QSR has invested in robust cybersecurity tools and adheres to strict security measures to protect our daily operations, safeguard stakeholder data, block unauthorised access to our systems, and prevent potential breaches. Due to these effective policies, practices, and safeguards, we experienced no data breaches or cyberattacks in 2024.

Information Security Incident Response

Our Information Security Incident Response Plan is designed to limit the impact of potential breaches and speed recovery times. It comprises the following steps:



To protect customer and company data, we have implemented the following policies:



ETHICS AND GOVERNANCE

Data loss prevention initiatives

In 2024, we took the following actions to improve our cybersecurity posture, ensure data integrity, and protect our operations:

Initiative	Description
Awareness and training	Cybersecurity awareness component of CORES campaign Raised user awareness of responsible Artificial Intelligence (AI) usage and digital asset protection. Phishing Prevention Conducted an email campaign to increase user awareness of phishing scams. Users were directed to our phishing education portal for further training, as required.
Information security strategy	Data Loss Protection—DLP Phase 2 Following the launch of our data loss prevention (DLP) initiative in 2023, we rolled out its second phase in 2024 alongside the Data Governance Policy and Framework to ensure compliance with data protection regulations, mitigate penalty risks, and maintain data integrity.
Enhancement programme	QSR BCM Crisis Simulation Exercise (CSE) Conducted a simulation exercise that allowed emergency response stakeholders to review procedures, evaluate information-sharing protocols, and improve cross-functional coordination in crises.

Transparency and reporting

[GRI 3-3]

QSR Brands proactively and transparently reports our sustainability performance to our stakeholders. We published our first sustainability report in December 2024 and made it available on our corporate website. Additionally, we are focused on improving our alignment with the Global Reporting Initiative (GRI) Standards. We are also exploring additional sustainability frameworks on a voluntary basis to help us meet stakeholder expectations, including the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2).

Improved EcoVadis score

In 2024, QSR scored 46 on the EcoVadis Assessment⁶, a substantial improvement from our previous scores of 28 in 2022 and 36 in 2023. This progress was driven by our strengthened performance, specifically in the Ethics category. We also earned an EcoVadis Commitment Badge, awarded to companies that score 45 or higher on the assessment. Despite this achievement, we recognise there is room for further improvement. We hope to better our scores in other categories, such as Sustainable Procurement, in line with our ongoing goal-setting exercises and implementation plans.

⁶EcoVadis is a global sustainability ratings platform that assesses companies' environmental, social, and governance performance.

ETHICS AND GOVERNANCE

Our first sustainability reporting workshop

In October 2024, we conducted a sustainability reporting workshop to enhance data management across our organisation. Dedicated coordinators from each department participated in this half-day programme. This workshop identified data gaps, helped improve our understanding of sustainability reporting requirements, and trained participants in data collection and reporting methodologies. We also used participants' insights to refresh our in-house monitoring tool—Qsustain. Moving forward, we will develop sustainability reporting standard operating procedures (SOP) to ensure continuity and standardisation of reporting.

Whistleblowing

[GRI 2-16, 2-23, 2-24, 2-25, 2-26]

QSR Brands takes all allegations of wrongful conduct seriously, whether involving an employee, supplier, contractor, business partner, or customer. We are committed to transparency and ethical practices, as outlined in our Whistleblowing Policy and Procedures, which are published on our website and made available to employees through the Qatalyst platform.

Employees and the public can raise concerns through multiple channels, including a dedicated telephone hotline, email, and postal mail. All reports received are reviewed by the Group Integrity Officer, who assesses the information provided. Cases that fall under the Whistleblowing Policy can be investigated by the Group Integrity Unit, with support from designated personnel where necessary.

Employment-related complaints and grievances can be referred to the Group People Management Office (GPMO) and handled in accordance with the Grievance Policy and relevant human resource guidelines.

Employees and stakeholders can also report suspected wrongdoing or misconduct directly to external authorities, including the Malaysian Anti-Corruption Commission (MACC) and the police.

In 2024, a total of 11 whistleblowing complaints were received through the established reporting channels. One of these was substantiated as an incident of employee misconduct and was addressed in accordance with internal procedures, including escalation to the relevant authorities.

► For more information on our grievance mechanism, please see [page 42](#) of this report.

ENVIRONMENTAL RESILIENCE

Environmental resilience is a core pillar of QSR's sustainability strategy. Our company is committed to expanding and scaling initiatives across our operations to reduce our carbon footprint, enhance waste management, and improve sustainable packaging.

Aligned UN SDGs



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Waste management	33
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ENVIRONMENTAL RESILIENCE

The impacts of climate change and extreme weather events are becoming increasingly frequent, severe, and widespread. To address this imminent threat, businesses must strengthen their capacity to adapt and manage any associated risks. At QSR Brands, we recognise that building environmental resilience is essential not only to ensure business continuity but to seize opportunities presented by emerging sustainability trends. We are guided by the precautionary approach and are committed to taking proactive measures that eliminate or minimise our environmental footprint, particularly in material areas such as energy management, water consumption, waste management, and packaging material.

We began tracking our environmental data in 2022. As we are still in the early stages of this journey, establishing a baseline and understanding our footprint are critical to charting a clear path forward and identifying areas for improvement. Given the scale and operational complexity of our business, collecting consistent and accurate data remains a challenge. Nevertheless, we are actively working to enhance our processes, thus improving data quality and coverage. We maintain oversight of our environmental impacts at the Group level and actively work with individual entities to align initiatives and resources.

Climate impact

[GRI 3-3]

Energy management

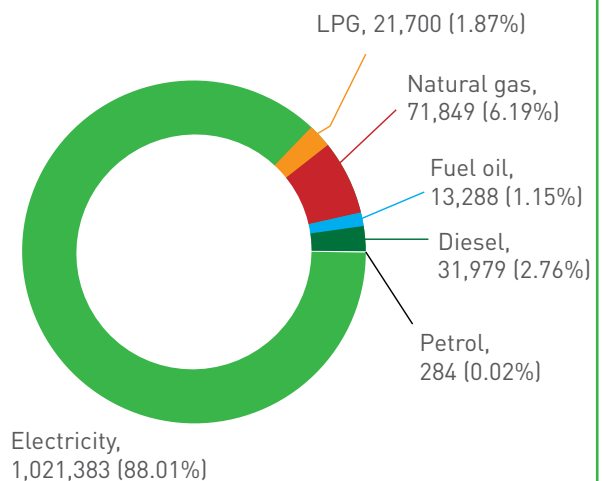
[GRI 302-1, 302-4] [SASB FB-MP-130a.1, FB-RN-130a.1, FB-PF-130a.1]

We operate in an energy-intensive industry, primarily driven by the need to handle food in temperature-controlled environments and maintain processes to uphold high standards of product quality at every stage. Our downstream operations accounted for 71.5% of our total electricity consumption in 2024, while upstream/midstream operations used 27.9%.

Our total energy consumption was 1,160,484 GJ. Compared to the previous year, overall energy consumption declined as a result of temporary fluctuations in the scale of our operations. This presented an opportunity to better understand our consumption patterns and identify areas for long-term improvement.

The majority of our energy sourced comes from purchased electricity, as our operations rely heavily on the national grid.

Energy consumption by source 2024 (GJ)
Total: 1,160,484 GJ

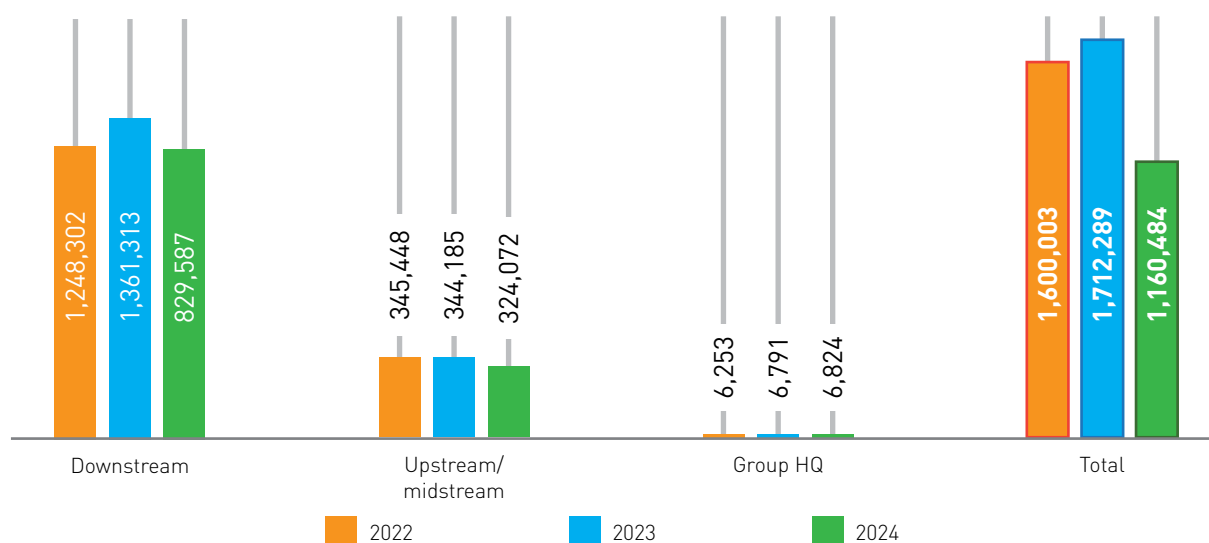


Notes:

1. No diesel was used at AIPI feedmill in 2024, as its dual-fuel boiler operated solely on fuel oil throughout the year.
2. Data on electricity for downstream operations excludes workers hostels.

ENVIRONMENTAL RESILIENCE

Energy consumption by business division 2022–2024 (GJ)



Notes:

1. All purchased electricity data are based on actual consumption figures, except for our downstream operations in 2022 and 2023, where we estimate consumption by converting payable amounts from our General Ledger account.
2. 2024 data for upstream and downstream excludes workers hostels.
3. Diesel, petrol, and fuel oil data for 2022 and 2023 exclude consumption from RFI and certain AIPI business units (hatchery, breeders, and broilers) due to unavailability of data.
4. LPG and natural gas data for 2022 and 2023 exclude consumption from AIPI hatchery and broilers due to unavailability of data.
5. All data presented are compiled on a best effort basis.

Energy conservation measures

We have deployed various energy conservation measures at our restaurants since 2013, including energy-tracking tools, LED lighting, and energy-efficient air conditioning and freezer/chiller systems. Meanwhile, we are also addressing energy consumption behaviour by introducing energy-saving practices for equipment use.

Given the rapid development of energy-saving solutions, we continuously pilot new technologies and models to enhance energy efficiency and determine the most suitable options for large-scale deployment. This includes the successful installation of energy-efficient technologies at eight outlets in 2024. Our facilities are also trialling variable-speed air conditioners, exhaust hood sensors, power and voltage optimisers, humidity filters, and solar-powered water heaters. We hope to expand this pilot to more outlets in the coming months and eventually deploy these energy-saving technologies across our operations.

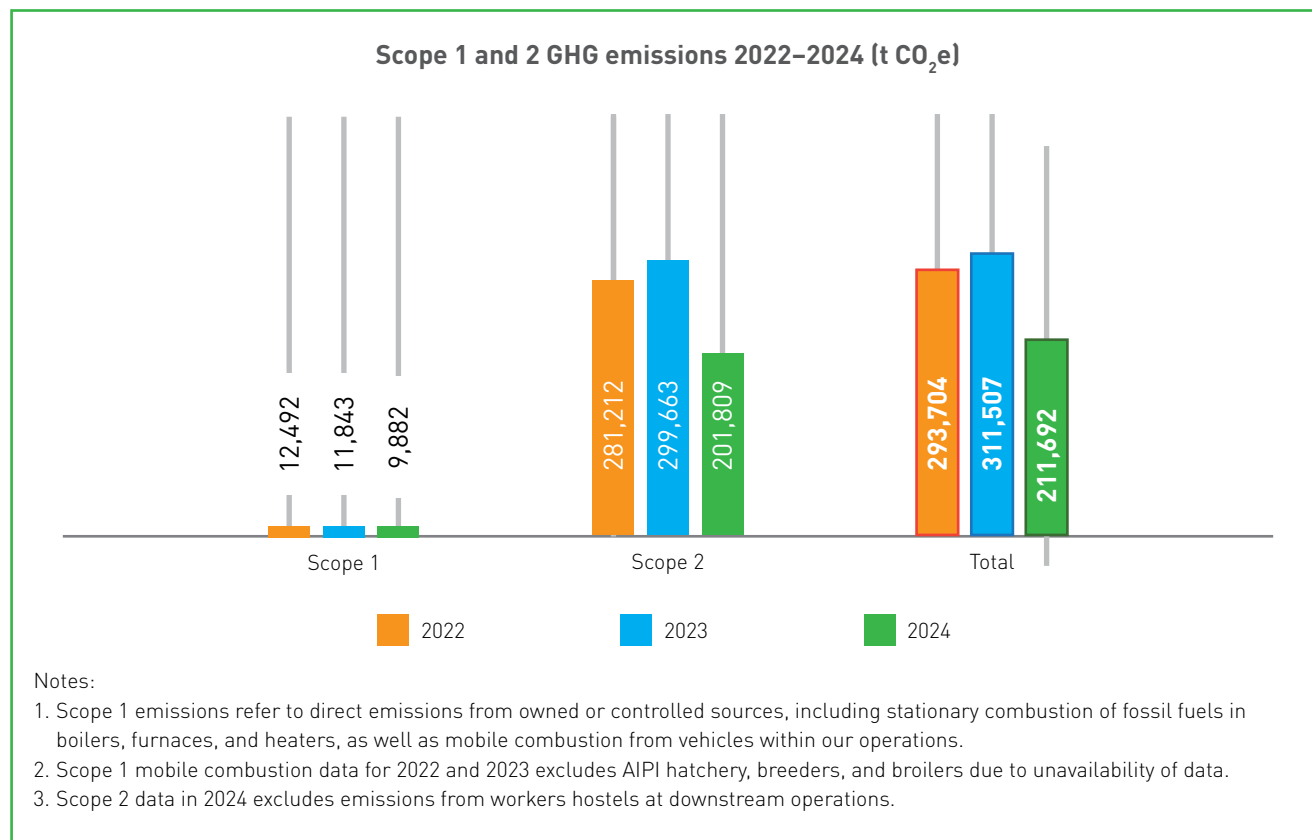
GHG emissions

[GRI 3-3, 305-1, 305-2, 305-5] [SASB FB-MP-110a.1, FB-MP-110a.2]

Since 2023, we have begun to account for our greenhouse gas (GHG) emissions by combining our actual consumption and expenditure data with government-approved conversion factors. We are now embarking on a Group-wide GHG inventory exercise using the globally recognised GHG Protocol. This exercise will support the development of meaningful reduction targets, sustainability measures, and green investment strategies per division, facility, and operational area. Additionally, we began mapping our emissions in Q1 2025 and hope to report our findings in our next sustainability report.

ENVIRONMENTAL RESILIENCE

From our assessment, we observed a 32% reduction in total GHG emissions, going from 311,507 metric tonnes of CO₂ equivalent (t CO₂e) in 2023 to 211,692 t CO₂e. The most significant decline was observed in Scope 2 emissions, largely driven by lower purchased electricity resulting from short-term variations in our operational scale.



Waste management

[GRI 3-3, 306-1, 306-2, 306-4]

Waste management remains a key environmental focus for QSR Brands. Due to the nature of our operations and the volume of materials used daily across our restaurants and supply chain, we manage multiple waste streams, including food waste, used cooking oil, packaging waste, and general operational waste.

Our approach is tailored to each waste type, with a focus on responsible disposal in compliance with local regulations, such as the Environmental Quality Act 1974 (Act 127) and the Solid Waste and Public Cleansing Management Act 2007 (Act 672). In addition, we continuously explore opportunities for reuse and recycling to reduce our environmental footprint and support more circular practices.

Upstream

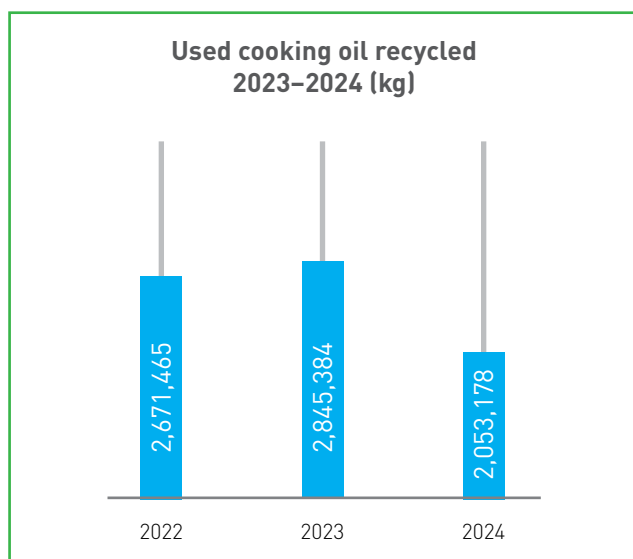
Waste is generated at every stage of our integrated poultry process, including chicken manure and other byproducts. We focus on repurposing byproducts, such as converting them into fertilisers for third parties, resorting to landfill disposal only when reuse is not feasible.

ENVIRONMENTAL RESILIENCE

Downstream

Recycling our spent cooking oil for biodiesel

We sell all used cooking oil from our KFC and Pizza Hut outlets to licensed third-party vendors for recycling into biodiesel, an eco-friendly alternative to fossil fuels. In 2024, we collected 2,053,178 kg of spent cooking oil for recycling. Due to changes in the number of restaurants in operation, less cooking oil was used, and therefore recycled. We also installed grease traps at all our restaurants to prevent fat, oil, and grease from entering wastewater and sewage systems, thereby reducing both pollution and the risk of clogging public plumbing infrastructure.



Reducing food waste at our stores

Food waste is a critical environmental challenge for our restaurant business, occurring across the entire food supply chain. We aim to address this issue starting at the preparation stage in our restaurants, primarily through improved inventory management practices. Our operations, supply chain, and marketing teams closely collaborate to anticipate demand and right size of our inventory. Additionally, we use data analytics and other digital tools to optimise inventory management, further reducing food waste.

Expansion of Harvest programme



Since 2019, QSR has partnered with Kechara Soup Kitchen (KSK) to implement the Harvest Programme in selected KFC Malaysia outlets, aligning with Yum! Brands' global food donation initiative.

In 2024, we extended the partnership to include The Lost Food Project (TLFP) and expanded the number of participating KFC outlets from 30 to 84. The expansion was carried out in two phases. The first phase focused on relaunching the programme at 54 stores, including locations outside the Klang Valley, such as Negeri Sembilan and Johor. The second phase extended the programme to an additional 30 stores, including outlets in Pahang.

Unsold food that surpasses the holding period undergoes a quality assessment, after which it is frozen to extend its shelf life and subsequently distributed to community members through KSK and TLFP within the stipulated timeframe.

As of 2024, we have donated 6,445 kilograms (kg) of food through the Harvest Programme. Moving forward, we aim to broaden our outreach by partnering with more organisations extending coverage beyond major cities, and enhancing the measurement of our impact.

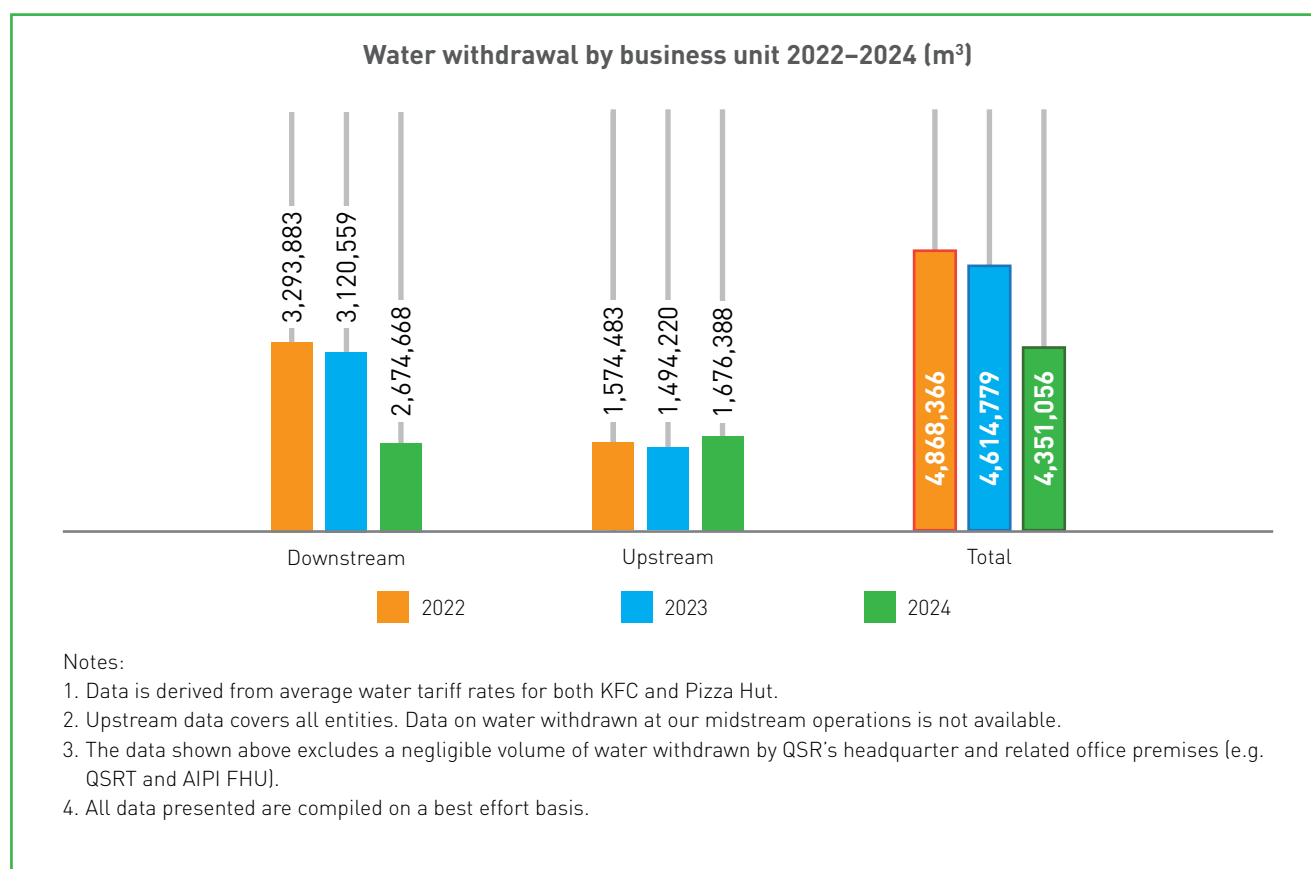
ENVIRONMENTAL RESILIENCE

Water consumption

[GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5] [SASB FB-MP-140a.1, FB-MP-140a.2, FB-RN-140a.1, FB-PF-140a.1, FB-PF-140a.3]

Water is a vital resource in our operations, particularly for food preparation, cleaning, and hygiene. While our business is not classified as water-intensive at the macro level, responsible water management remains essential to ensure operational efficiency and minimise environmental impact.

In 2024, we continued to monitor water consumption across our operations, recording a total usage of 4,351,056 cubic metres (m³), primarily sourced from municipal supply. The reduction in our water usage during the year was largely influenced by the same operational factors that reduced our energy consumption.



Wastewater treatment

We treat and safely release wastewater from our upstream facilities into local waterways in accordance with Malaysian environmental regulations. Specifically, we adhere to Schedules 5 and 7 of the Environmental Quality (Industrial Effluent) Regulations 2009, as outlined by the Department of Environment (DoE). Additionally, we reuse a portion of this treated water for our operations, thus conserving it and promoting sustainability. Our business units operate several types of wastewater treatment plants, including a membrane bioreactor (MBR), a sequential-batch reactor (SBR), and an up-flow anaerobic sludge bed reactor (UASB). These technologies efficiently treat and reclaim water, reducing our reliance on municipal water and reinforcing QSR Brands' commitment to environmental sustainability.

► For an overview of our wastewater treatment highlights, please see our [Sustainability Report 2022-2023, p.42](#).

ENVIRONMENTAL RESILIENCE

Sustainable packaging

[GRI 3-3]

Packaging plays a crucial role in ensuring food safety, product quality, and customer convenience. However, we recognise the environmental impact of packaging waste, alongside the need to adapt to evolving regulations, shifting consumer preferences, and changing market expectations. Consequently, we are committed to transitioning towards more sustainable packaging solutions.

In 2024, we continued to collaborate with suppliers to identify opportunities for material substitution and packaging design improvements that minimise environmental impact without compromising functionality. While we continue to navigate the challenges of balancing costs, performance, and sustainability, we are working to align with Yum! Brands' global packaging targets, which are outlined below:

Eliminate unnecessary plastics, such as single-use straws.

- Since 2022, both KFC and Pizza Hut have phased out plastic straws, replacing them with straw-less sipper lids and/or paper straws

Reduce virgin plastic content by 10%, such as switching to alternative materials, where feasible.

- We are actively evaluating alternative packaging materials, including fibre-based options
- Since 2023, Pizza Hut has replaced all plastic pasta container with aluminium containers

Move to reusable, recyclable or compostable consumer-facing plastic packaging

- Biodegradable or compostable carryout bags are currently used in all Pizza Hut outlets and some KFC outlets, with a target to achieve 100% adoption in the near future
- We are also exploring aqueous-based coatings for paper packaging as a sustainable alternative to polyethylene coating

To date, we have successfully reduced the number of plastic Stock Keeping Units (SKUs), which refer to the distinct packaging formats and item types ordered, from 39 in 2022 to 31 in 2024. Alongside this reduction, we have ensured that 100% of our paper packaging is made from Forest Stewardship Council (FSC)-certified paper.

WORKPLACE ENVIRONMENT

QSR Brands relies on a sizeable workforce across our operations. While technological advancements have enhanced efficiency in areas such as food preparation and poultry processing, it is ultimately our frontline workers who drive our success.

Aligned UN SDGs



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Employee engagement and development	48

WORKPLACE ENVIRONMENT

We remain committed to upholding fair labour practices and respecting workers' rights at every level. To this end, we fully comply with the Malaysian Employment Act, which outlines clear standards on wages, working hours, rest days, protection against unfair treatment, and other essential labour practices. We also strive to create a safe and inclusive workplace that promotes equal opportunities, while investing in continuous training and development programmes to empower our employees.

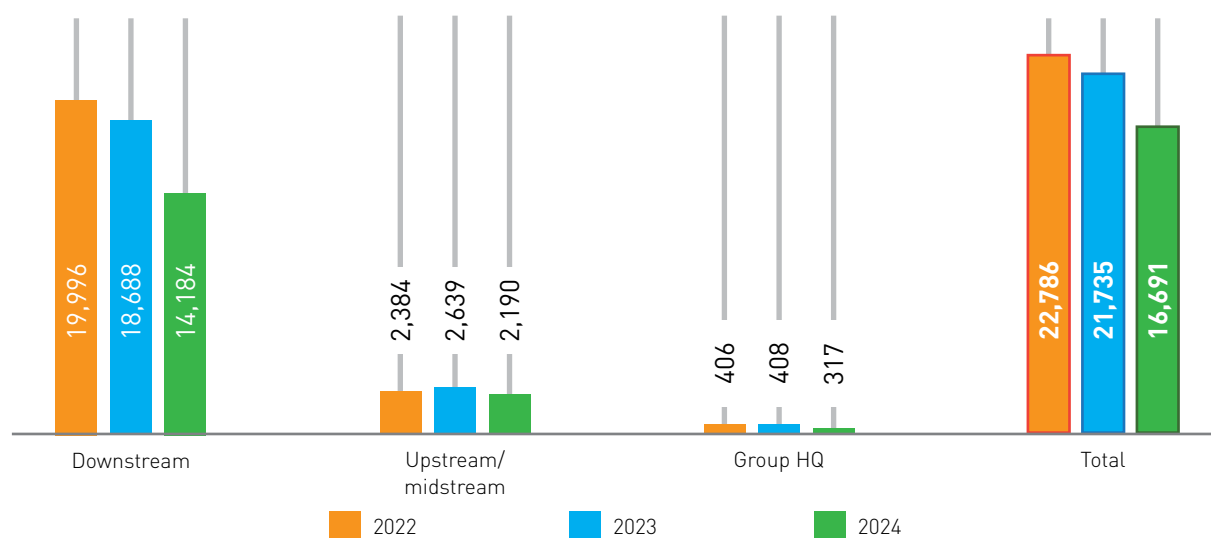
Employee overview

[GRI 2-7, 401-1, 401-2, 13.20.1] [SASB FB-RN-310a.2, FB-RN-000.B]

As of December 2024, we employ 16,691 people. Of these, 85% work at our KFC and Pizza Hut restaurants. Approximately 94% of our workers occupy non-executive positions, primarily due to our large restaurant employee pool.

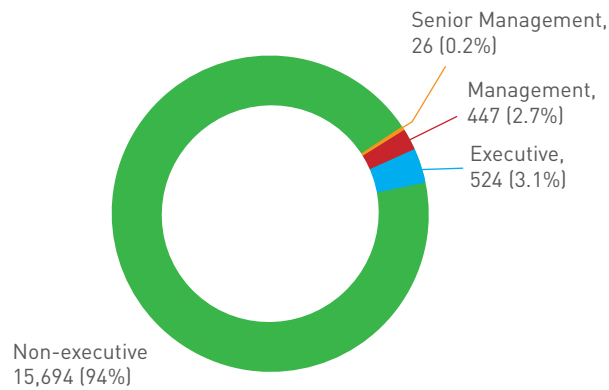
Due to the nature of employment in quick-service restaurants, majority of our downstream workforce are part-time employees. This sector is characterised by natural workforce mobility, particularly in part-time roles, which creates opportunities for flexibility and entry pathways into employment. While we have observed shifts in both part-time and permanent employee numbers in recent years, reflecting broader industry patterns, these trends were more visible amid QSR Brands' challenging operating environment in 2024. We remain focused on supporting our people, monitoring workforce developments closely, and ensuring a stable, engaging, and supportive workplace for all.

Employee overview by division 2022–2024 (no.)

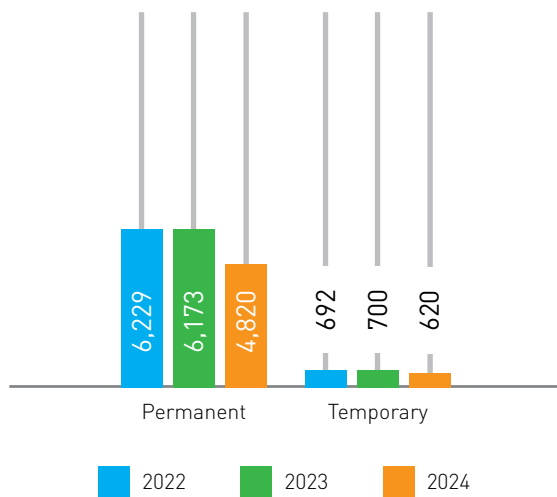


WORKPLACE ENVIRONMENT

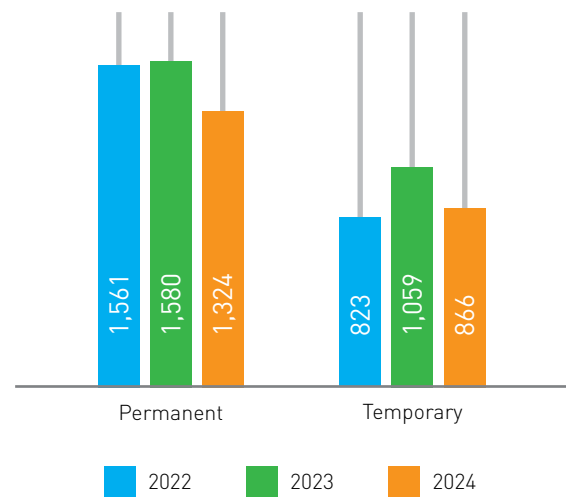
Employees overview by category 2024 (no., %)



Downstream employees (full-time) breakdown 2022–2024 (no.)



Upstream/midstream employees (full-time) breakdown 2022–2024 (no.)



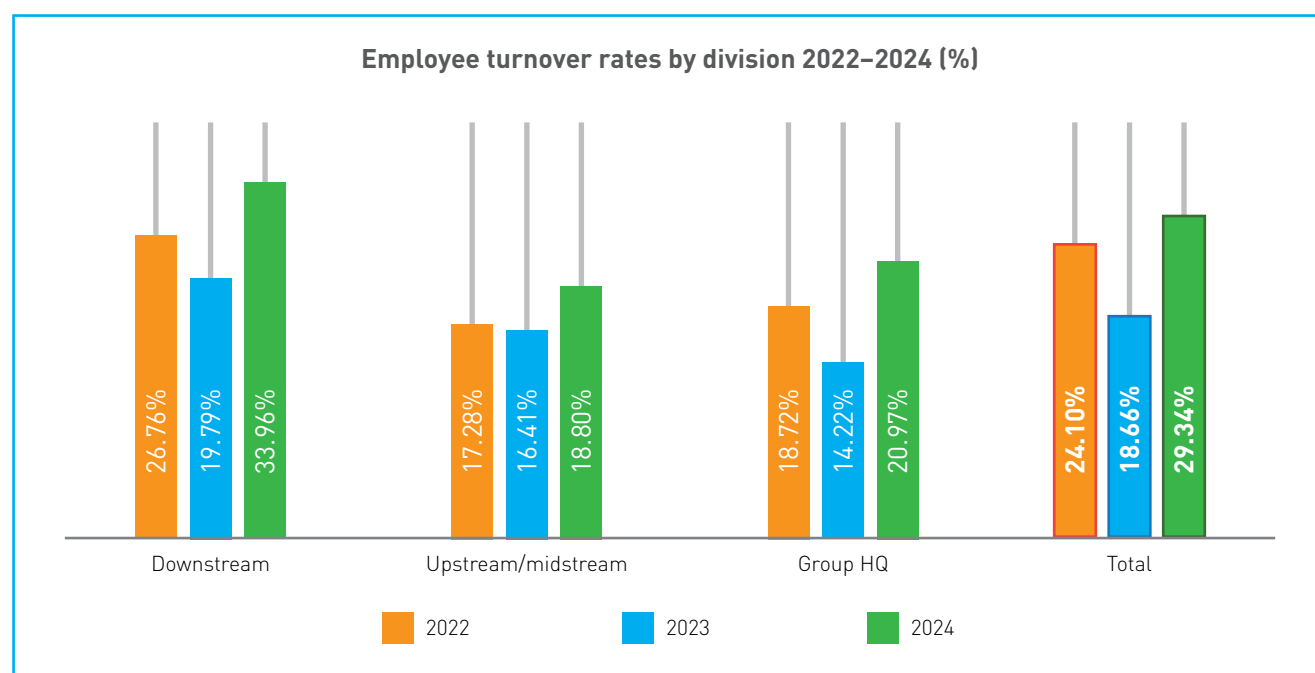
Notes: QSR defines employee categories as follows:

- Full-Time Employee:** An employee classified as such in the First Schedule of the Malaysian Employment Act 1955, whose working hours do not exceed 8 hours a day or 45 hours a week.
 - Permanent Employee:** An employee with a contract that does not have a fixed term (i.e. an ongoing contract).
 - Temporary Employee:** An employee with a contract of a limited duration (i.e. a fixed-term contract) that expires at the conclusion of the specified period.
- Part-Time Employee:** An employee categorised as such in the First Schedule of the Malaysian Employment Act 1955, whose average work hours per week are more than 30%, but less than 70%, of a full-time worker employed in a similar capacity within the same enterprise. At QSR, only our downstream operations recruit part-time employees, all of who are engaged on a temporary basis.

WORKPLACE ENVIRONMENT

Employee retention

Employee retention remains a significant challenge across the F&B industry. Competition for skilled and committed workers is intense, with many quick-service restaurants and food establishments targeting the same limited talent pool. This challenge is further heightened by the rise of the gig economy and the growing appeal of food delivery platforms, which attract many potential employees seeking flexibility over fixed-shift restaurant jobs.



Note: Turnover rates are calculated based on total employees at the end of the financial year (i.e. 31 December). For our downstream operations, turnover rates are based on full-time employees only and excludes part-time workers who prefer short-term employment opportunities.

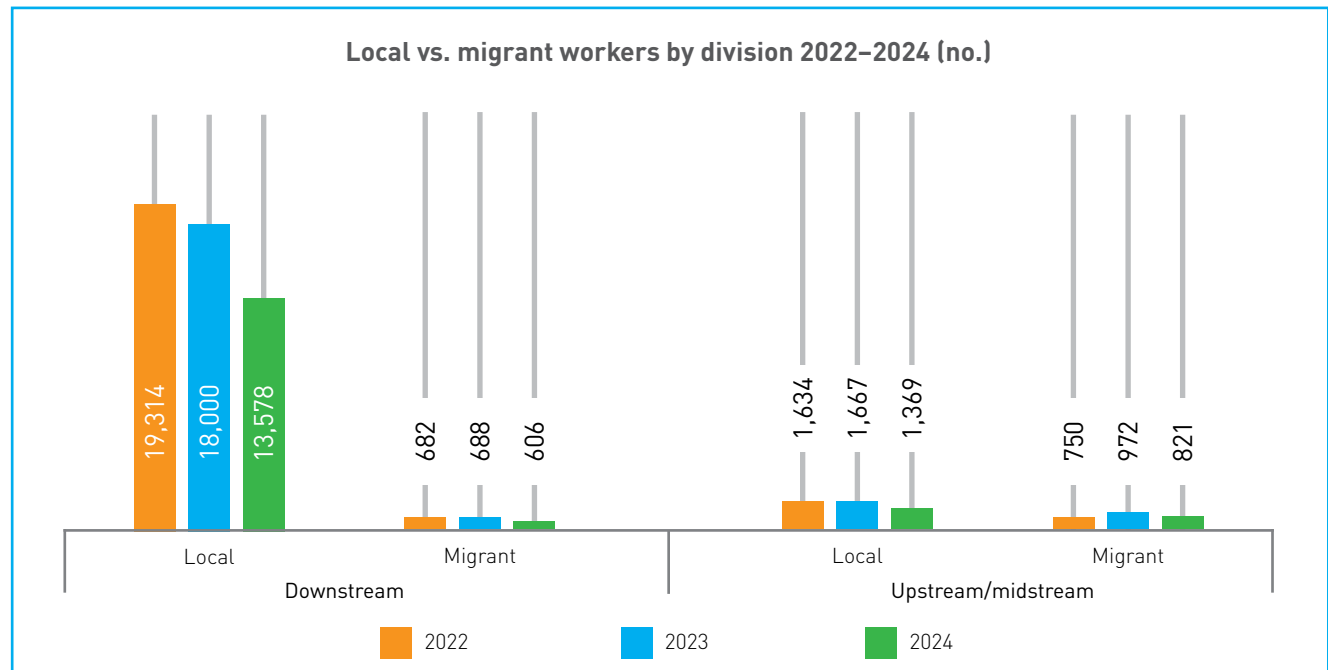
Employing local talent

QSR Brands prioritises recruiting local talent. Malaysians comprise 91% of the workforce across our downstream, midstream, and upstream operations. Our company is committed to creating employment opportunities in areas with limited job prospects, particularly in less developed regions. By investing in local hiring, we contribute to job stability and skills development, thereby fostering long-term benefits both for our employees and the communities we operate in.

WORKPLACE ENVIRONMENT

Migrant workers

The remaining 9% of our workforce comprises migrant workers at our factories and manufacturing facilities. Of the 1,427 migrant workers in our workforce, the majority (close to 60%) are employed by our upstream entities, which primarily support our poultry business. Roles at these facilities often involve physically demanding tasks and challenging working conditions, making it difficult to attract and retain local workers. Nevertheless, all employees, including migrant workers, are treated equally and enjoy fair work benefits.



SEEK People and Purpose Award by JobStreet

QSR Brands won the Top Voted Employer Award in the Food and Beverage category at the inaugural SEEK People & Purpose Awards hosted by JobStreet in 2024. The award recognises organisations and individuals who are making a positive impact on employees and communities, while motivating the human resources community to work towards positive change.

QSR was recognised at the Platinum tier, the highest level of distinction, reserved for companies that garnered the strongest overall sentiment from employees and JobStreet voters. This award reflects QSR Brands' exceptional workplace purpose, culture, and impact.

WORKPLACE ENVIRONMENT

Wages and benefits

QSR Brands is committed to providing equitable wages and comprehensive benefits that support the well-being of our employees while ensuring full compliance with local statutory requirements. We contribute to the Employees' Provident Fund (EPF) and the Social Security Organisation (SOCSO), offering our employees essential financial security, retirement savings, and social protection. In line with the Malaysian Employment Act, 100% of our employees are paid at least the minimum wage. As part of our continued commitment to fair compensation, we are currently transitioning from the RM1,500 minimum wage to RM1,700, in accordance with the government mandate effective 1 February 2025.

We offer competitive salary structures to attract and retain top talent. To ensure that employee compensation is fair and aligned with the market, we conduct comprehensive benchmarking studies that assess industry salary trends. Full-time and part-time employees at our restaurants and other operations are eligible for a range of benefits that include annual leave and sick leave, maternal and paternal benefits, medical insurance, retirement and retrenchment benefits, as well as health screenings. In addition to the above benefits, we also provide restaurant workers with free meals during their shifts.

Furthermore, we are helping employees protect their financial interests through the Earned Wage Access (EWA) programme, introduced in partnership with Paywatch in 2022. This Shariah-compliant financial wellness initiative enables employees to access their earned wages ahead of their regular pay cycle, allowing them to manage their finances better while reducing their reliance on high-interest loans. As of 31 December 2024, a total of 1,349 employees had collected advance wages through this programme.

Freedom of association

[GRI 2-30, 3-3, 407-1]

In compliance with the Malaysian Employment Act, QSR Brands recognises freedom of association as a fundamental human right. All employees are free to join or organise a trade union and participate in union activities without interference from QSR. As of December 2024, 13 of our employees are members of the National Union of Hotel, Bar and Restaurant Workers, Peninsular Malaysia (NUHBRW).

Employee grievances

Our Scheme of Service includes a Grievance Policy that outlines clear procedures and guidelines for employees wishing to file complaints and disputes. The policy ensures that all grievances are addressed fairly, consistently, and in a timely manner. It reinforces our commitment to fostering a safe and conducive workplace by providing employees with a secure and accessible platform that allows them to be heard and have their concerns resolved.

Additionally, we offer a dedicated Whistleblowing Channel for reporting serious concerns, including unethical conduct and fraud.

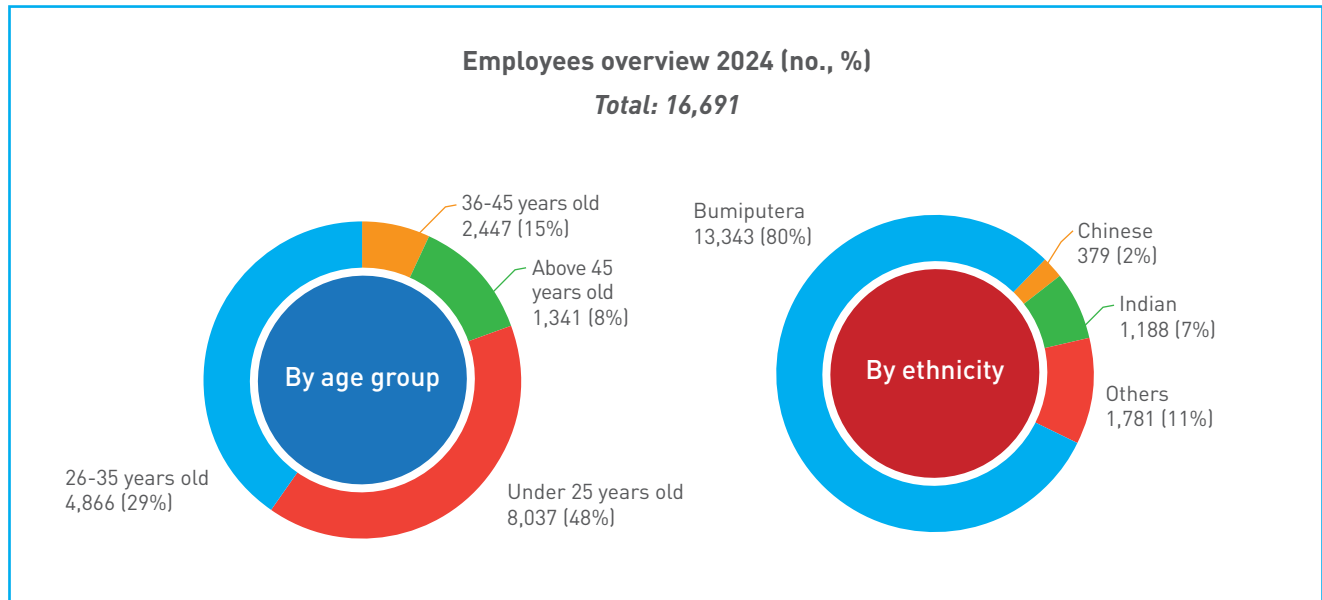
- For more information on our whistleblowing mechanism, please refer to [page 29](#) of this report.

WORKPLACE ENVIRONMENT

Diversity and inclusion

[GRI 3-3, 405-1]

QSR Brands is committed to a people-first culture that upholds diversity, inclusion, and fairness. We prioritise equal opportunity, foster engagement, and enhance the employee experience to create a workplace where everyone can thrive and contribute to our collective success.



Empowering abilities in our workforce

QSR is a strong advocate for inclusive employment, offering job opportunities at our restaurants to individuals from the disabled community. Currently, we operate three dedicated outlets staffed entirely by hearing impairments employees in Sentul Raya (Kuala Lumpur), Tanjung Aru (Sabah), and Matang (Sarawak), the first of which opened in 1986. These Community Care Restaurants offer equipment and amenities designed to support individuals with hearing impairments, along with signage informing customers that some team members communicate using sign language. We also provide sign language courses for hearing employees to facilitate communication with team members who are hard of hearing.

As of 2024, QSR Brands employs 150 persons with disabilities (PWDs), 130 at KFC outlets, including employees at dedicated 'Community Care Restaurants', 5 at our upstream/midstream operations, 6 in Efinite Value and 9 at Pizza Hut restaurants – many of whom have advanced to management roles using our customised training modules⁷. Pizza Hut adheres to the same principles as KFC, providing a supportive and enabling working environment for people with disabilities across the company's outlets.

- For more information, please see <https://kfc.com.my/social-responsibility>.

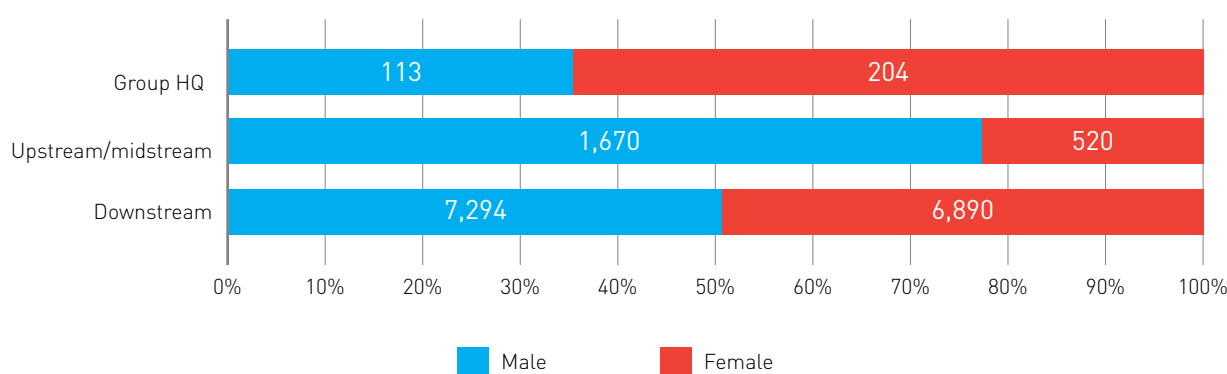
⁷KFC Malaysia has employed people with disabilities (PWDs) since 1982. In 1986, we opened Asia's first "Community Care Restaurant" in Kuala Lumpur, entirely operated by hard of hearing employees.

WORKPLACE ENVIRONMENT

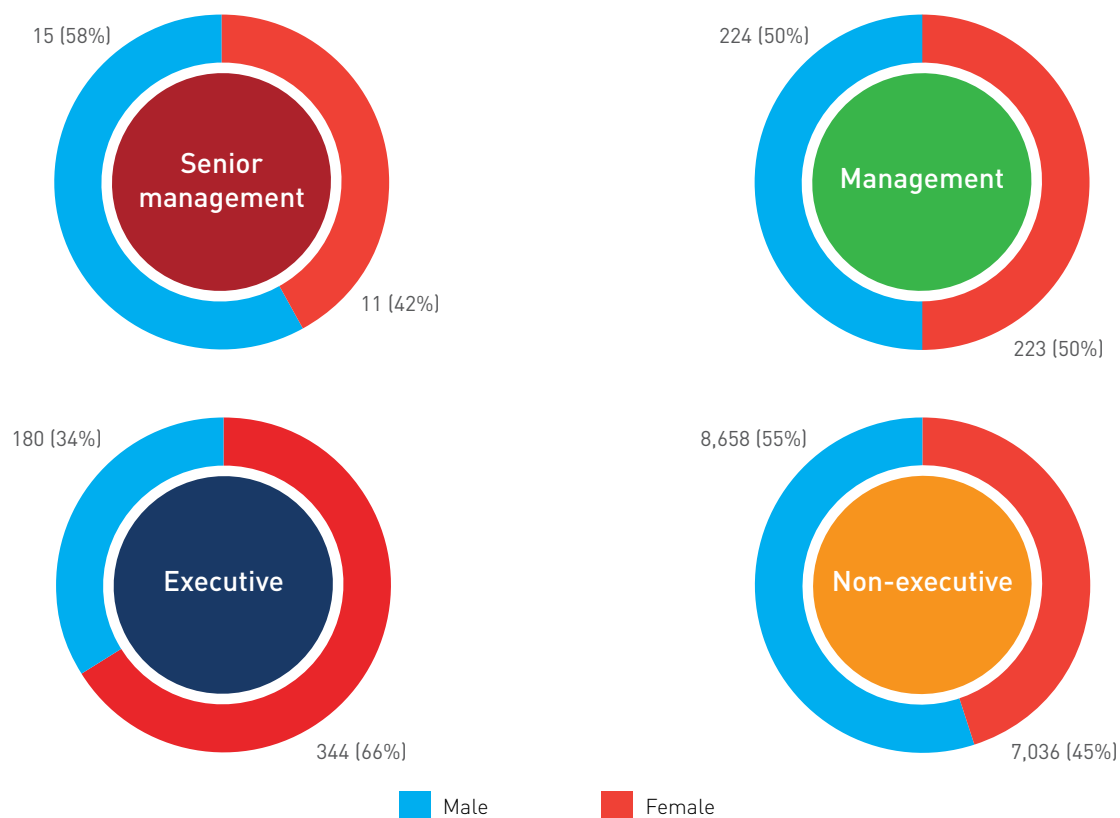
Women in our workforce

QSR is proud of our gender diversity, with women comprising over 46% of our total workforce. The even split between men and women is best reflected at our corporate headquarters and restaurant operations. Some of our facilities and operations employ more men due to the type of work involved. In particular, more than 76% of our upstream and midstream employees are men because of the physically demanding nature of jobs at poultry farms and processing plants. At the same time, we have strong female representation at the managerial level, with women making up 42% of our executive team and 50% of our management team.

Gender representation by division 2024 (no., %)



Gender representation by employee category 2024 (no., %)



WORKPLACE ENVIRONMENT

Employee health, safety, and well-being

[GRI 2-23, 2-24, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-9] [SASB FB-MP-320a.1]

To ensure our employees' health, safety, and well-being, QSR Brands fully complies with the Occupational Safety and Health Act (OSHA) 1994 and the OSH (Amended) Act 2022. Our dedicated Safety and Health Committee oversees the implementation of our occupational safety and health (OSH) related initiatives. This committee includes employee representatives from our various divisions and meets quarterly to facilitate communication between workers and managers regarding OSH concerns.

Our approach to workplace safety is guided by our Safety and Health Policy and is structured around the procedures, frameworks, and initiatives outlined below:

Emergency Preparedness & Response Plan	Includes fire drills, evacuation procedures, and crisis management to ensure emergency readiness.
Incident Reporting & Investigation Procedures	Ensure thorough documentation of workplace incidents, enabling comprehensive root cause analyses and the implementation of corrective measures to prevent their recurrence and improve overall safety.
Compliance with Management Standards	Ensures that our safety practices align with the latest regulatory requirements, including the OSH (Amended) Act 2022. All divisions have dedicated Standard Operating Procedures (SOPs) to ensure compliance with the necessary OSH standards and regulatory requirements.

We also employ a targeted approach to address workplace safety and health issues, specifically catering to employees' needs, according to their roles. For example, we offer a fully equipped in-house gym at our headquarters to promote a more active lifestyle, recognising that our primarily office-based staff face a higher risk of repetitive strain injuries and health issues associated with a sedentary work environment. These facilities are complemented by our Sports Club, which organises regular classes and sporting events during lunch breaks and after work. These initiatives aim to enhance employee well-being and engagement by promoting physical activity and fostering social interaction.

► For more information on our Sport Club, please refer to [page 51](#) of this report.

Health and safety training and awareness programmes

QSR provides comprehensive training and has established clear guidelines to ensure that employees can safely handle and operate machinery and equipment in their work environments. We communicate OSH-related matters through internal channels and conduct regular training sessions to update and inform employees about the latest industry standards and regulations. Training topics are specific to job roles and include safe equipment operation, chemical handling, road safety, and first aid. We also organise Emergency Response Team (ERT) refresher training to improve the effectiveness of our emergency preparedness and response.



WORKPLACE ENVIRONMENT

2024 sports and fitness activities:

Sports and wellness at Region Food Industries (RFI)

The RFI team championed health and wellness through regular sports initiatives and tournaments, including:

- Weekly Zumba Fitness (Every Thursdays, May–December 2024)
- RFI Bowlanza (19 May 2024)
- FMM Bowling Tournament (27 July 2024)
- Ping Pong & Pool League (1–23 August 2024)
- RFI Badminton Tournament (10 November 2024)



Sukaneka QSRM 2024

In December 2024, QSRM organised its annual *Sukaneka*, a day dedicated to fun and friendly competition, promoting healthy lifestyles while fostering teamwork and employee bonding.



Sukan Tertutup JCorp 2024

Held every two years and organised by Persatuan Keluarga Johor Corporation (PKP Induk), these internal games events bring together employees from JCorp subsidiaries in friendly competition. In 2024, QSR sent 30 employees to the games to compete in sports including netball, carom, billiards, and bowling.



Strengthening health and safety compliance through dedicated OSH Coordinators

In 2024, we expanded the OSH Coordinator role to cover individual restaurant outlets, thus enhancing workplace safety compliance. In June 2024, we conducted in-house OSH Coordinator training in partnership with a DOSH-registered consultancy to equip all our OSH Coordinators with the necessary skills to perform their duties and better align our safety measures with the OSH (Amended) Act 2022.

Between August and December 2024, we conducted 14 training sessions and certified 321 KFC and 28 Pizza Hut restaurant managers as OSH Coordinators. Additionally, eight participants from our upstream operations completed the training and were certified.

Upon completing their training, OSH Coordinators are responsible for conducting regular workplace inspections, identifying potential hazards, and recommending practical control measures to mitigate identified risks. They are also responsible for promoting a culture of safety by organising and participating in awareness campaigns, safety briefings, and training sessions for employees. Additionally, they support incident investigations, maintain safety records, ensure regulatory compliance, and act as a liaison with authorities like DOSH.

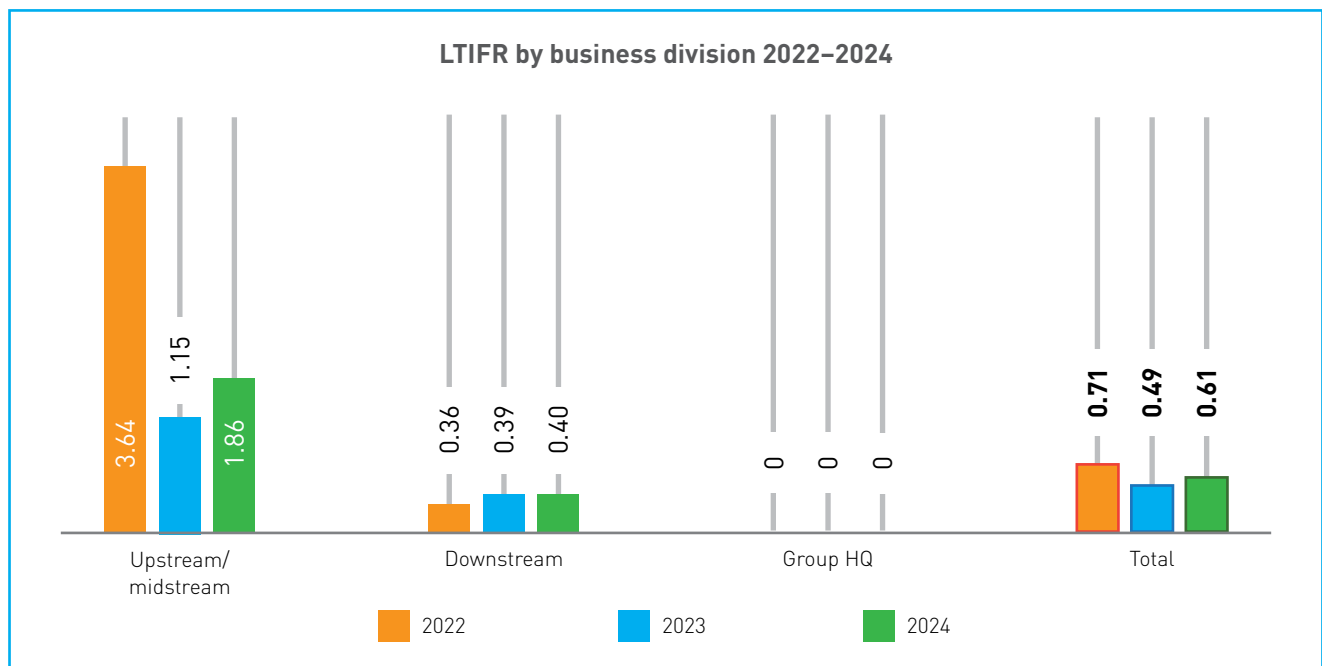
Due to the scale of this deployment, we are still in the process of appointing OSH Coordinators for all our restaurant outlets, in order to comply with the latest regulatory changes.

WORKPLACE ENVIRONMENT

Accident reporting

We track all accidents across our operations. In 2024, total Lost-Time Injury Frequency Rate (LTIFR) rose by 24% compared to 2023 and the total accident severity rate increased by 20% compared to 2023. These figures were primarily due to a rise in the number of incidents at our upstream and midstream operations. Two of these were serious workplace incidents. The first incident involved a slip and fall, while the second resulted from a hand injury during equipment installation. Both caused serious injuries requiring extensive recovery time. The remaining accidents primarily consisted of slipping, tripping, falling, and caught-between incidents, all of which contributed to an increase in total lost days.

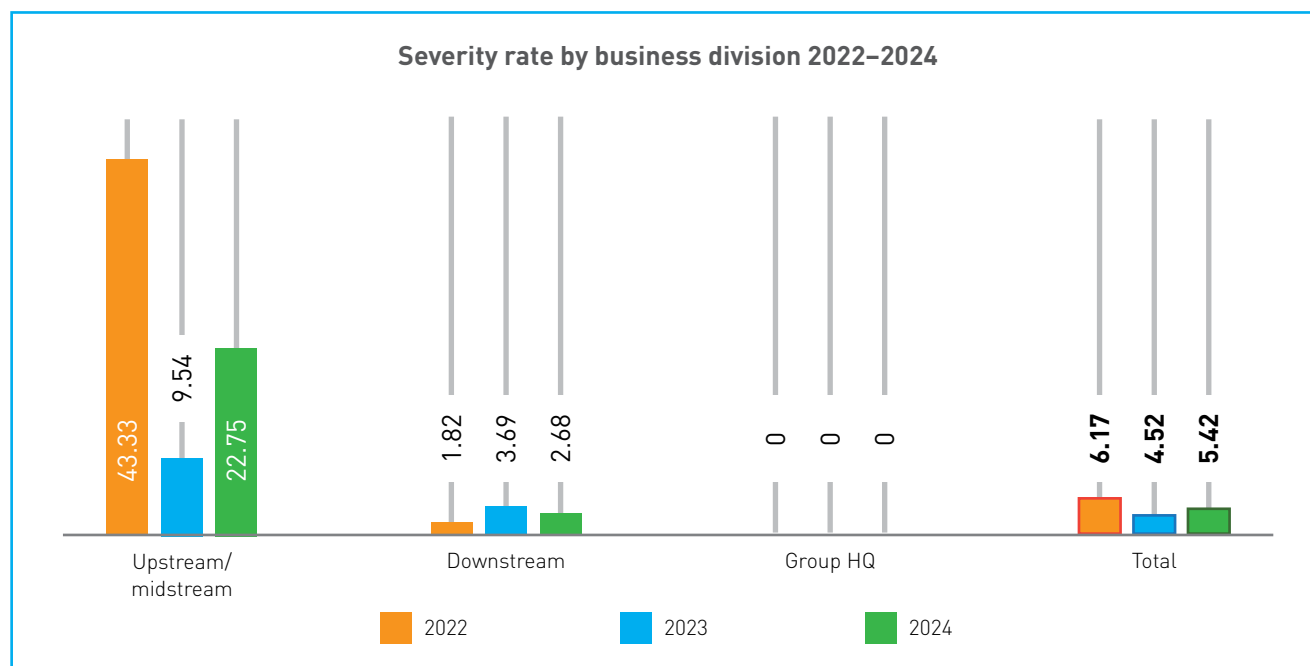
Although the LTIFR at our downstream operations increased slightly by 3.7% from 0.39 in 2023 to 0.40 in 2024, the severity rate decreased by 27%, from 3.69 to 2.68. These results confirm that we are actively and successfully addressing workplace risks through regular audits, shared learnings across outlets, and follow-up training to reinforce safety practices. Active supervision by restaurant managers has further strengthened our safety culture and reduced incident severity.



Note:

1. LTIFR measures lost productivity due to injury and is calculated as follows: the number of injuries divided by the average manhours worked, multiplied by 1,000,000.

WORKPLACE ENVIRONMENT



Note:

- The severity rate measures the seriousness of accidents and is calculated as follows: the total number of days lost divided by the average manhours worked, multiplied by 1,000,000.

Employee engagement and development

[GRI 3-3, 404-2, 404-3]

At QSR, investing in our people is the foundation of our success.

We adopt a people-first culture by customising our employee strategy for each business division, ensuring that recognition programmes, career development opportunities, and competitive rewards and benefits are tailored to meet diverse needs. We are committed to fostering workplace diversity, equity, and inclusion, while driving meaningful employee engagement and enhancing the overall employee experience.

We maintain open and transparent communication with our employees and foster a participative workplace culture through:

- Awareness initiatives such as campaigns, webinars, and competitions
- Informative content including posts and videos shared across internal communication channels like Viva Engage, email, and our Qatalyst⁸
- Annual celebrations of key events such as International Women's Day, Malaysia's National Day, and other special occasions

⁸Qatalyst is our intranet system designed to boost employee engagement. It centralises corporate information, optimises resource searches, and fosters a collaborative work environment.

WORKPLACE ENVIRONMENT

Employee engagement activities 2024

Flood relief efforts

In response to the 2024 floods that severely impacted parts of Malaysia, QSR Brands provided one-time financial assistance totalling RM87,050 to 213 affected employees. This relief effort was supported by the *Wakalah* Fund, Yayasan Jcorp, Waqaf An-Nur JCorp, and both of our brands (KFC and Pizza Hut).



Sumbangan Prihatin Syawal 2024

We provided financial assistance to 191 employees through the *Sumbangan Prihatin Syawal* initiative in collaboration with Mutiara Johor Corporation. This effort supported workers in need, ensuring they could celebrate *Hari Raya* with ease and joy, demonstrating QSR's commitment to employee well-being and inclusivity. Eligible recipients received a one-time payment of RM100 each.



WORKPLACE ENVIRONMENT

Festival celebrations

16 February 2024 – QSR organised a series of activities to celebrate the 2024 Chinese New Year, including a Yee Sang toss and a Lion Dance performance.

27 March 2024 – In celebration of Ramadan, QSR organised the preparation and distribution of Bubur Lambuk, a traditional rice porridge of deep cultural significance. This activity brought our staff together in the kitchen, fostering teamwork and a shared sense of community.

29 April 2024 – QSR celebrated Hari Raya 2024 by bringing together employees from diverse backgrounds, reflecting our commitment to inclusivity and community outreach. At QSRM, the celebration at Dewan KT Anggerik brought staff together in a festive spirit of unity. At the same time, RFI extended the spirit of giving by celebrating with children at *Rumah Anak Yatim Nur Kasih* in Klang.

30 October 2024 – In celebration of the Festival of Lights, QSR Brands showcased the colourful tradition of Kolam design, brightening our office with beautiful patterns that honoured the spirit of the festival.

December 2024 – To celebrate Christmas, QSRM colleagues organised a gift exchange, a thoughtful activity that reflected the spirit of generosity and camaraderie.



WORKPLACE ENVIRONMENT

QSR Sports Club

The QSR Sports Club promotes employee well-being and engagement through regular fitness classes and sporting events held during lunch breaks and after work. In 2024, its members organised several activities to promote active lifestyles among employees.

One key highlight was the QSR Fit Challenge, a six-week programme held from 16 August to 1 October 2024. Led by a professional instructor, this activity brought together 48 participants who worked systematically to improve their overall health and fitness. Winners were selected based on criteria that included body fat loss, weight reduction, attendance, participation in mini contests, and regular fitness sessions, such as brisk walks.

In addition, QSR organised a variety of weekly fitness activities throughout the year, including futsal, badminton, walkie-talkie, line dancing, pickleball, netball, and circuit workouts.



International Women's Day 2024

We celebrated International Women's Day with a roundtable session titled 'Rise Together: Empowering Women Leaders for Transformation,' inviting female senior managers from the company to share their personal experiences of growth in their respective fields. This session highlighted the various challenges women face in the corporate landscape and emphasised the importance of fostering a positive work environment for employee growth, regardless of gender.



WORKPLACE ENVIRONMENT

National Day 2024

QSR Brands held a National Day celebration at Menara QSR, celebrating the birthdays of 17 employees who were born on 31 August, making them Anak Merdeka (Children of Independence). As part of these festivities, a *Best Dressed* competition was also held, allowing our staff to showcase their creativity and enthusiasm. At QSRM, the celebration brought together staff from every department, including our non-Malaysian colleagues, in the spirit of unity and camaraderie.



Q-WALK

Q-WALK is a leadership initiative connecting Senior Leaders, Next Gen leaders, and frontline teams in KFC stores. Through authentic store visits, leaders experienced operations, engaged with staff, and captured insights. Shared highlights foster learning, recognition, and appreciation—reinforcing a people-first culture and bridging strategic goals with frontline execution.



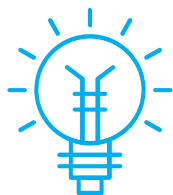
WORKPLACE ENVIRONMENT

A culture of performance and progress

QSR is committed to building a high-performing, dynamic organisation with a strong corporate culture that promotes employee growth and retention. To strengthen our talent pipeline and ensure effective leadership succession, we invest in skills and knowledge development through structured programmes. These efforts are guided by a comprehensive training framework targeting three distinct groups:

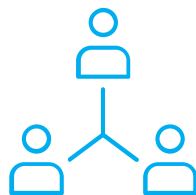
SEED

Aimed at executives and senior executives, this track focuses on building critical foundational skills such as digital fluency, analytical thinking, and problem-solving.



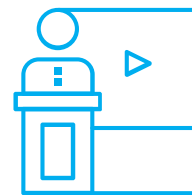
PEOPLE GROWER

Designed for assistant managers and managers, this track emphasises the development of managerial capabilities essential for leading teams and delivering business outcomes.



GROW

Tailored for managers and senior managers, this track prepares the next generation of QSR leaders by equipping them with strategic thinking skills to drive business transformation and long-term impact.



Our training framework ensures a systematic approach to talent development across all levels of the organisation. By tailoring learning pathways to specific career stages, it enables employees to acquire relevant skills at the right time, enhancing their readiness for current and future roles. Furthermore, this approach promotes internal mobility, strengthens the leadership pipeline, and supports succession planning. It also fosters a culture of continuous learning, collaboration, and accountability, all of which drive sustainable businesses and successful business transformations.

Additionally, we conducted functional and thematic training on topics such as health and safety, integrity, and risk and compliance, thus ensuring employees remain up to date with the latest regulatory requirements and industry trends relevant to their roles. To achieve the desired learning outcomes, we adopted a hybrid training approach that combines in-person and online materials that enhance both accessibility and the overall instructional experience.



32,684

Total training hours for QSR

Note: Excludes Brand-specific learning training for KFC & Pizza Hut



RM 3.049 mil

Spent on employee training and development

WORKPLACE ENVIRONMENT

Brand-specific learning pathways

As a franchisee of Yum! Brands, we also provide a stand-alone training and development track mandated by the franchisor, with instructional materials that includes customised learning pathways for our restaurant crews. The training sessions were delivered by our internal Field HR and Field Training Officers, as well as external trainers.



16,560

Total training hours for
Pizza Hut restaurant crews



43,127

Total training hours for KFC
restaurant crews

Note: Training hours shown reflect physical sessions only and exclude e-learning



WORKPLACE ENVIRONMENT

Performance and Leadership Development

Group-Level Performance Management System (PMS)

The core of our employee development efforts is a comprehensive Group-level Performance Management System (PMS). At the beginning of every year, employees establish individual KPIs, which are then reviewed and approved by their supervisors, managers, and department heads. To conclude the year, employees complete self-assessments, which are followed by one-to-one annual appraisal sessions with their immediate superiors. After reviewing their yearly performance and assessing their skills, department heads can nominate individual employees for promotions.

Transform Together mentorship programme

In September 2024, we launched Transform Together – a new mentorship programme that fosters team growth, facilitates knowledge sharing, and aims to inspire QSR's future leaders. The programme encourages participants to reflect on their career aspirations, define their growth paths within QSR Brands, and set ambitious goals to advance their careers.

To guide our mentorship sessions and equip our leaders with the tools needed to work effectively with mentees, we introduced organisational behaviour principles into the programme and developed an exclusive QSR Decision-Making Framework.

To date, the programme has recruited 50 mentor-mentee pairs across the Group.

Improving access to higher education

Micro-credential degree programme

In 2023, we partnered with Universiti Sains Malaysia (USM) to offer the country's first fully accredited micro-credential degree programme. It enables high-potential employees to pursue higher education while continuing to work. Fully funded through our QSR Brands Education Sponsorship, the programme enables employees to earn a Bachelor of Management (Hons) in Strategy and Organisational Management with a minor in Food Technology. It offers flexible, online learning tailored to the fast-food industry.

One of the challenges faced by enrolled employees is managing lectures, assignments, and online learning sessions alongside their day-to-day roles. To support them in balancing their work and studies, programme participants have access to the following support tools:

- Dedicated WhatsApp support groups that enable students and Internal Programme Coordinators to communicate in real-time, fostering peer support and collaboration
- Tutoring and academic support to help employees navigate course materials and manage assignments more effectively
- Direct access to instructors and mentors for ongoing support on their learning journeys

A total of 18 students participated in the programme's first cohort in 2024. QSR Brands is committed to sponsoring up to 100 participants over the next five years.

WORKPLACE ENVIRONMENT

National Integrated College (NIC) Diploma Programme

Our latest collaboration with National Integrated College (NIC) is a strategic partnership that allows non-executive employees and restaurant-level staff to pursue tertiary education through a flexible learning. This fully online diploma programme is designed to enable employees to continue earning while learning. The 2.5-year course of study is certified by the Malaysian Qualifications Agency (MQA), ensuring students earn recognised credentials. This programme was launched in 2024 and officially kicked off in 2025.

People GROWER Programme

Launched in July 2024, the PEOPLE GROWER Programme equips first-time managers with skills to embed the organisation's four core values, fostering a culture of excellence and growth. Spanning 3–4 months, it focuses on three areas:

- **Leading self with a customer-centric mindset:** Embedding a deeper understand of customer needs into leadership practices
- **Developing others as builders:** Equipping participants with mentorship and team development skills to support QSR's commitment to nurturing talent
- **Driving business innovation:** Fostering creative problem-solving and strategic thinking

Participants were engaged in a real-world Business Challenge sponsored by QSR leaders where they address people-related challenges, present solutions, and sharpen communication and presentation skills. Two cohorts with 66 managers were selected; Cohort 1 graduated in October 2024, and Cohort 2 will graduate in January 2025, showcasing impactful leadership development outcomes.



RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

Responsible production is essential to QSR Brands' operations and supply chain. It shapes our impact on people, food quality, and the planet. To embody its principles, we are committed to safeguarding public health by providing safe, halal-compliant food made from responsibly sourced ingredients, while also playing a stewardship role by promoting ethical practices across our value chain.

Aligned UN SDGs



Sustainable sourcing and supply chains	58
Food safety and quality	58
Labour practices	61
Animal welfare	63

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

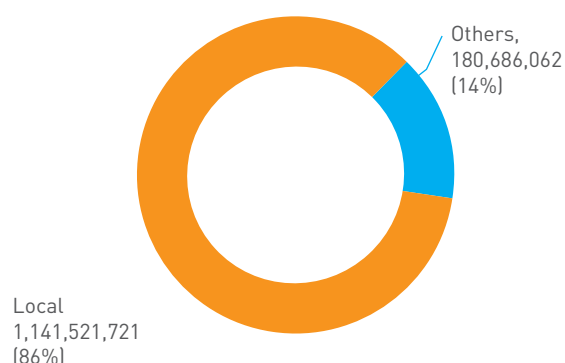
[GRI 2-6, 3-3, 201-1, 204-1, 13.23.3, 13.23.4] [SASB FB-MP-250a.2, FB-RN-430a.3, FB-RN-430a.2, FB-RN-430a.3, FB-PF-250a.2, FB-PF-430a.1, FB-PF-430a.2]

Sustainable sourcing and supply chains

QSR Brands has established strong relationships with trusted suppliers to maintain rigorous food safety and quality standards, thereby ensuring a consistent supply of essential ingredients and products. Our supply chain comprises internal and external suppliers, including a diverse network of food ingredient suppliers and ancillary suppliers of packaging materials, storage and distribution products and services, as well as transportation services.

Although our vendor and supplier selection is based strictly on merit and overall value, we recognise the importance of supporting local businesses as an excellent way to strengthen local economies and enhance supply chain resilience. Consequently, approximately 86% of our 2024 purchases were from local suppliers.

**Total spending on local suppliers 2024
(RM, %)**



Food safety and quality

[GRI 3-3, 416-1, 416-2, 13.10.4, 13.10.5] [SASB FB-MP-250a.1, FB-MP-250a.3, FB-MP-250a.3, FB-RN-250a.1, FB-RN-250a.2, FB-RN-250a.3, FB-PF-250a.1, FB-PF-250a.4]

Delivering safe, high-quality food is fundamental to our business success and brand integrity. To uphold such standards, we have implemented a comprehensive Food Safety and Quality System (FSQS), which outlines stringent protocols across all our facilities. In parallel, as one of the leading corporate holders of halal certifications in Malaysia and other countries where we operate, we maintain strict halal compliance throughout our operations. As a result, all our facilities and sourced food ingredients are fully halal certified.

- For more information on our halal practices, please refer to [page 26](#) of this report.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

Oversight in supply chain

As a franchisee of Yum! Brands, we fully comply with the franchisor's standards and requirements to ensure consistency in product and service delivery. To monitor our supply chain, we categorise all ingredients, products, and services based on their relevance to both our brands and associated food safety risk levels. Each category is governed by specific requirements to ensure the appropriate controls are in place.



Note: Quality classifications only apply to food facilities.

We assess suppliers based on their classification and require them to meet defined performance standards as outlined by Yum! Food Safety and Quality Systems (FSQS) criteria. Non-compliance with these standards may result in suppliers being delisted.

Yum! requires all KFC and Pizza Hut food ingredient suppliers to be certified under a GFSI-recognised scheme, replacing the previous Yum! Food Safety Audit. This move allowed us to adopt a more streamlined and standardised approach to vetting suppliers, while maintaining robust food safety standards across the supply chain.

We implemented this requirement in phases, starting with Class 1 and 2 suppliers in 2022. We will extend it to Class 3 suppliers by 2026. Throughout the process, we have worked closely with suppliers, providing guidance, resources, and support to ensure a smooth transition and their continued compliance.

Percentage of food ingredient and packaging suppliers, and distribution centres certified under a GFSI-recognised scheme in 2024



KFC
88.8%



Pizza Hut
96.9%

While the GFSI certification has become the new baseline for food ingredient suppliers, Yum!'s Quality System Audit remains in place for core ingredients due to their critical importance to our brands, their impact on the customer experience, and their potential effect on our overall business performance. This approach ensures core ingredients consistently meet the highest brand, quality, and safety standards.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

Implementation at restaurant level

At the restaurant level, we have implemented rigorous food safety and hygiene protocols in compliance with the Ministry of Health (MOH) guidelines. All restaurant employees are required to complete mandatory Food Handler Training and must be vaccinated against typhoid upon employment and every three years thereafter.

We have also digitised daily operational and food safety checks to enhance monitoring and ensure that procedures are consistently followed across all outlets. In addition to these practices, our food safety and quality controls include the following:



Temperature and shelf-life control

Our products are cooked and prepared in accordance with our strict temperature and shelf-life control measures, ensuring they are safe for consumption.



Sanitation and hygiene

We conduct routine hygiene inspections at all our facilities and operations to ensure they meet regulatory standards. We also provide employees with adequate handwashing facilities and training. We use only food-safe equipment and utensils for food preparation, and we sanitise all equipment before use, in accordance with our standard daily procedures. Additionally, ready-to-eat products are handled with disposable gloves, scoops and tongs.



Product handling

We follow strict procedures to minimise the risk of cross contamination between raw and ready-to-eat products. All foods are carefully packaged and clearly labelled to provide accurate information, prevent contamination, and reduce food loss and waste.



Training and awareness

We invest in regular training and awareness programmes to strengthen food management practices across our operations, including warehouse facilities. These efforts help build employee capability while promoting consistent standards in food management. Staff are equipped with the knowledge to manage inventory efficiently, including training on shelf-life monitoring and the proper application of the First Expired First Out (FEFO) inventory management method.



Pest management

We maintain proper hygiene and cleanliness at our facilities to prevent pest infestations. We have implemented additional pest management measures at our restaurants, including installing flycatchers and arranging regular treatments by licensed pest control vendors. Additionally, our restaurant staff monitors all premises for pest activity and engages in regular reviews with managers, quality assurance personnel, and vendors to undertake the necessary corrective actions. We use only pesticides approved by the Department of Agriculture, and our Quality Assurance Team keeps Material Safety Data Sheets on file in case of emergency.



Restaurant audits

All restaurants are regularly assessed by independent auditors appointed by Yum! Brands to ensure their compliance with operational, food safety, and quality standards. KFC restaurants are audited four times a year under the Restaurant Operations Compliance Check (ROCC), while Pizza Hut restaurants are audited twice a year through the Yum! Assured Customer Experience (ACE) programme.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

In December 2024, KFC and Pizza Hut achieved full compliance with the Supplier Food Safety Audit and obtained FSSC 22000 certification for our internal warehouses across Malaysia. This achievement was made possible by our comprehensive training and capacity-building efforts, including FSSC 22000 V6 Awareness Training, Food Defense and Food Fraud Training, and Internal Auditing Training for the warehouse team. Additionally, we established and implemented procedures to meet FSSC 22000 requirements, ensuring compliance with the highest food safety and quality standards across our supply chain.

	KFC	Pizza Hut
Number of restaurants inspected at least once by a food safety oversight body* during the reporting period	139	7
*Food safety oversight body refers to MoH and local council		
Number of inspected restaurants that were cited for non-compliance during the reporting period	4	2

Note: There were no confirmed foodborne disease outbreaks at any of our restaurants, and no product recalls were issued during the reporting period.

Labour practices

[GRI 3-3, 407-1, 408-1, 409-1, 13.20.1]

Within our operations

We are committed to upholding high labour standards across our supply chain. We employ a substantial number of migrant workers, particularly at our upstream operations, and recognise the need for a structured and proactive approach to protecting their rights and well-being. This includes addressing human rights risks, adhering to legal standards, and aligning with international best practices to safeguard the dignity and fair treatment of all workers.

Although we comply with all applicable legal requirements, we continually revise our workplace policies to ensure a safe, fair, and inclusive environment for all employees. We are a member of the United Nations Global Compact (UNGC) and adhere to its Ten Principles, further reinforcing our commitment to human rights, labour standards, environmental responsibility, and anti-corruption measures.

QSR Brands is developing a group-level Human Rights Policy, slated to be finalised in 2025. This policy will serve as a framework for all business units, with guidelines on upholding fair and ethical labour practices, reinforcing non-discrimination and equal opportunity, and protecting the rights of all employees, including migrant workers. Once finalised, we will conduct a comprehensive human rights due diligence exercise to identify, assess, and mitigate risks across our operations in alignment with the new framework.

- For more information on our internal labour practices, please refer to [pages 40-42](#) of this report.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

Supplier labour practices

We integrate labour practice assessments into our broader supplier screening and due diligence processes to ensure ethical and responsible business practices. Specifically for palm-based ingredients, we only source from Roundtable on Sustainable Palm Oil (RSPO)-certified suppliers who adhere to the RSPO Principles and Criteria (P&C) on human and labour rights.

In the coming years, we plan to expand these considerations into a more structured and targeted assessment across our supplier base.

Participating in the 2024 UNGC Business and Human Rights Accelerator Programme

QSR Brands participated in the 2024 UNGC Business and Human Rights Accelerator Programme as part of our ongoing efforts to strengthen our human rights commitments. This six-month-long initiative helps businesses translate human rights policies into concrete action by providing tools and best practices to identify, assess, and address human rights risks within companies' operations and supply chains. Through expert-led workshops, peer learning sessions, and practical guidance, we gained a deeper understanding of how to integrate human rights due diligence into our business strategy in alignment with international frameworks such as the United Nations Guiding Principles on Business and Human Rights (UNGPs).

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

Animal welfare

[GRI 2-23, 2-24, 3-3, 13.11.1, 13.11.2]

Animal welfare is a top priority for QSR, reflecting our commitment to the ethical treatment of animals, which supports healthier livestock and enhances the quality of our food products. The Yum! Brands' Global Animal Welfare Policy is employed across our business units, using the Five Freedoms as a guiding framework for animal health and welfare in our supply chain.



Malaysia's Department of Veterinary Services (DVS) enforces stringent regulations governing animal health, biosecurity, and food safety. QSR Brands complies with all DVS requirements, including those related to disease prevention, farm biosecurity, and humane livestock treatment throughout the supply chain. These rigorous standards help us prevent disease outbreaks and maintain the highest food safety standards.

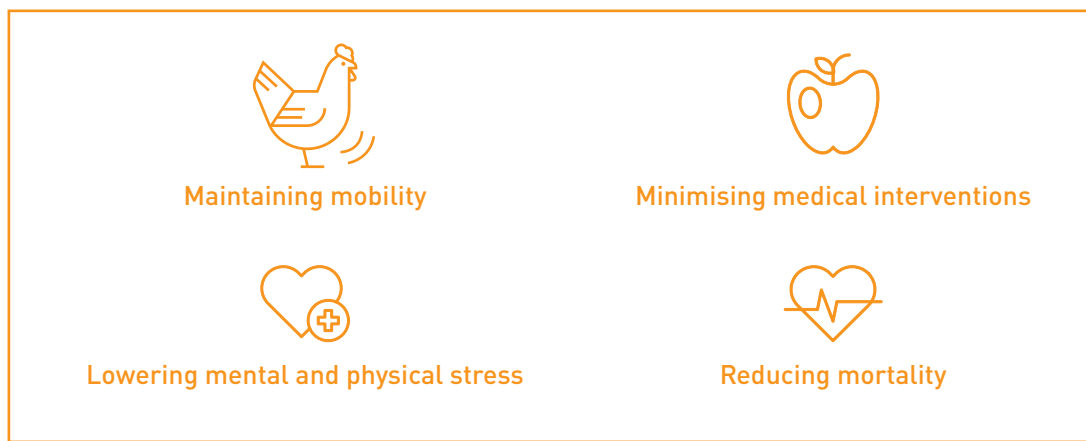
Additionally, our adherence to Halal standards ensures that our chicken products meet religious requirements while upholding high animal welfare standards. Halal meat production is founded on the principles of Shariah, which uphold compassion, mercy, and the humane treatment of animals. These principles ensure minimal suffering and ethical handling throughout an animal's life, including the provision of a safe living environment, proper health management, and responsible transportation.

The Malaysian Islamic Development Department (JAKIM) manages the halal certification process, ensuring that our entire supply chain adheres to its principles, from farm to fork. State-specific halal regulations, especially those governing slaughterhouses, further regulate the humane handling and ethical slaughter of livestock.

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN

KFC's Key Welfare Indicators (KWI)

In 2020, KFC established its global Key Welfare Indicators (KWIs) to assess the overall health and welfare of chickens raised for its restaurants. They include:



To meet these KWIs, all KFC franchisees must gather and submit quarterly data on average liveability, average stocking density, antibiotic use, stunning methods, and livestock enrichments for sourced poultry. These KWIs are country and industry-specific.

The Quality Assurance team at our Port Klang processing plant submits quarterly KWI reports via the Yum! portal. Our processing plant is also equipped with an on-site ISO/IEC 17025-accredited microbiology laboratory.

COMMUNITY ENGAGEMENT

QSR Brands has long valued community engagement, proudly serving meals and sharing joyful experiences. As we grow, this commitment remains central to our values. However, we recognise we must go beyond just delivering good food and address the broader challenges posed by changing economic, lifestyle, and dietary needs. This includes addressing food accessibility, affordability, public health, and responsible marketing as integral parts of our community engagement efforts. Through this holistic approach, we strive to nourish and uplift the communities we serve.

Aligned UN SDGs



Community support	66
Food accessibility and affordability	71
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COMMUNITY ENGAGEMENT

[GRI 3-3, 201-1, 203-1, 203-2, 413-2]

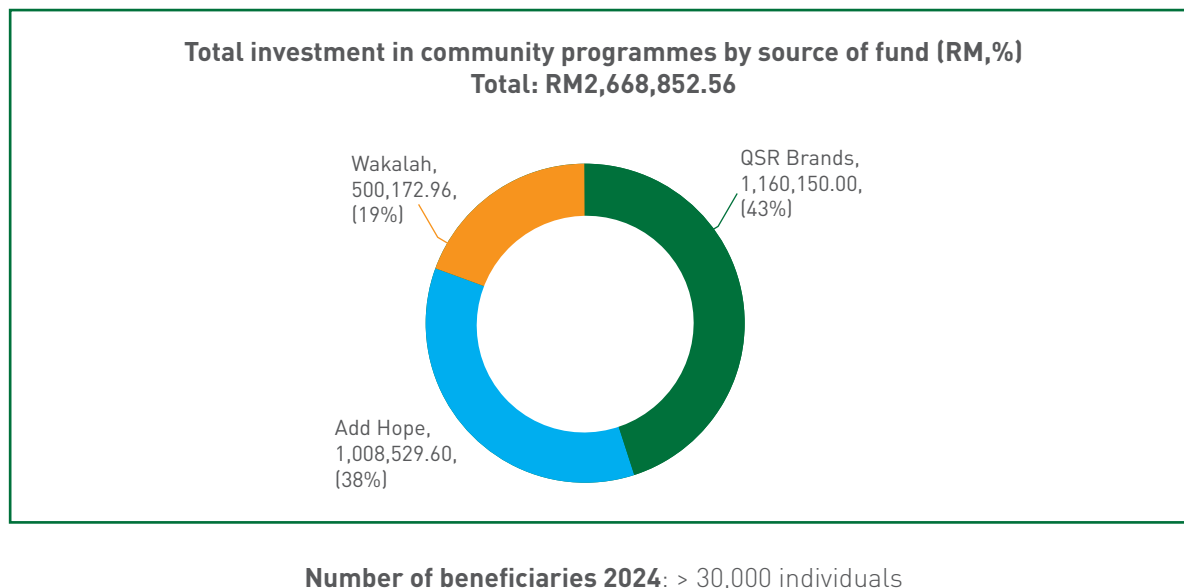
Community support

Over the years, we have actively supported a wide range of CSR initiatives through a combination of direct company funding and customer contributions collected via strategically placed donation boxes at our restaurants. Some of our long-standing programmes, such as KFC Malaysia's *Tabung Penyayang*, help those in need. Other initiatives include campaigns that address critical social issues, such as the KFC World Hunger Relief campaign, and Pizza Hut's Hut to Heart programme, which supports cancer research and patient care.

One of our flagship programmes is Add Hope Malaysia. Established by KFC Malaysia in 2015⁹, Add Hope is a community outreach initiative that builds on the work of the global World Hunger Relief campaign. Through this programme, we collect donations from customers through in-store boxes and special campaign meal sales. In 2024, we formalised the governance of customer-contributed funds with the launch of the **Add Hope Charter**. The Charter defines the three core pillars that will guide our efforts moving forward: **community support**, **feeding programmes**, and **education**. Through this framework, we aim to establish meaningful long-term partnerships to collect and distribute funds with greater transparency.

Despite the challenging business environment in 2024, we remain steadfast in our commitment to nation-building. We have intensified our on-the ground engagement and community programmes, continuing to foster strong relationships with local communities and reaffirming our deep-rooted connection with Malaysians.

Overview of community programme investment by source



⁹The QSR 2022–2023 Sustainability Report incorrectly stated that Add Hope was established in 1997.

COMMUNITY ENGAGEMENT

Summary of activities 2024

Contribution as a member of the JCorp Group of Companies

Programme summary:

Under the umbrella of the JCorp Group of Companies, QSR Brands contributed to various strategic initiatives in 2024, supporting national development priorities, including disaster relief, education, technical skills training, health awareness, and cultural advancement. Our contributions included donations to Yayasan Sultan Ibrahim Johor for disaster recovery and Yayasan JCorp for community programmes. We also contributed to Southern Volunteers' flood relief efforts, sponsored the Laksamana Run for Cancer Awareness, and helped fund multi-phase infrastructure upgrades at the Johor Skills Development Centre to enhance Technical and Vocational Education and Training (TVET) readiness.



Amount contributed:

RM855,650 total

- RM60,000 in food aid (over 6,000 KFC meals)
- RM14,000 for cancer patients
- RM500,000 for disaster relief and community welfare
- RM10,000 to JCorp Southern Volunteers' flood operations in Johor
- RM271,650 to refurbishment efforts

In partnership with:

National Disaster Management Agency (NADMA), Malaysian Red Crescent, JCorp Southern Volunteers

Sehati Feed to Educate programme

Programme summary:

QSR Brands launched the Sehati Feed to Educate programme to address poverty and improve educational outcomes through nutritional support. Starting June 2024, the initiative provides monthly food assistance to 1,400 underprivileged students and their families across 28 schools for a period of one year.



Amount contributed:

RM2.1 million pledged

- RM1.085M from the Add Hope fund
- RM1.015M from the QSR Group, including Pizza Hut

RM636,550 disbursed by Dec 2024

In partnership with:

Charity Right

Programme established:

2024

COMMUNITY ENGAGEMENT

KFC Scholarship programme

Programme summary:

A nation-building initiative offering scholarships to 40 university students from the B40 income group, covering tuition, living allowances, and food support.

Amount contributed:

RM2.1 million pledged:

- RM1.05M from the Add Hope fund
- RM1.05M from QSR Brands

RM172,642.30 disbursed in 2024

In partnership with:

Public universities

Programme established:

2024



Back-to-School programme

Programme summary:

This initiative provided over 800 children from charity homes with essential school supplies, including uniforms, shoes, and financial assistance.

Amount contributed:

RM99,200

In partnership with:

18 charity homes nationwide

Programme established:

2024



COMMUNITY ENGAGEMENT

Women's Aid Organisation (WAO) support

Programme summary:

Contributed funds to support women recovering from abuse and trauma as part of Add Hope's broader efforts to uplift marginalised communities.

Amount contributed:

RM10,000

In partnership with:

Women's Aid Organisation



Flood relief

Programme summary:

As part of our commitment to disaster response and humanitarian support, QSR Brands provided critical assistance to flood-impacted communities in 2024. Our contributions included financial aid to the National Disaster Management Agency (NADMA) and local relief organisations. We also distributed in-kind KFC meals to underprivileged individuals and families in need. In Sabah, we extended our support to the Welfare Community Association of Moyog Penampang, providing aid to victims of the recent floods through direct donations to individuals and flood support funds.

Amount contributed:

RM202,028

- RM50,000 to NADMA
- RM98,028 in in-kind meals from the Add Hope fund and *Tabung Penyayang*
- RM54,000 to Moyog Penampang community relief

In partnership with:

NADMA, Welfare Community Association of Moyog Penampang

In-kind KFC meals

Programme summary:

KFC Malaysia provided free meals to individuals and communities in need, including homes, shelters, and under-served groups.

Amount contributed:

RM192,609 (value of donated meals)

In partnership with:

Various community organisations

Blood donation campaign with Pizza Hut:

Programme summary:

To help address blood shortages and promote community health, Pizza Hut organised a blood donation campaign in partnership with TI Properties, a subsidiary of Terengganu Inc., at the iconic Terengganu Drawbridge. The initiative successfully collected 130 pints of blood for *Tabung Darah Hospital Sultanah Nur Zahirah*. The event also included a *Kenali Pizza Hut* booth, designed to raise awareness of Pizza Hut's Malaysian roots and strengthen community connection with the brand.

Amount contributed:

In-kind support (logistics, event set-up, promotional booth)

In partnership with:

TI Properties, *Tabung Darah Hospital Sultanah Nur Zahirah*

COMMUNITY ENGAGEMENT

Giving back through Islamic principles

QSR regularly collaborates with religious organisations and government agencies to promote Islamic values through various support programmes. In 2024, we contributed over RM500,173 to 14,555 *Asnaf*¹⁰ through our dedicated *wakalah* funds. Below are some key highlights of these programmes:

Uplifting *asnaf* through the Back-to-School Programme

In 2024, under the Back-to-school programme, we partnered with *Jabatan Agama Islam Melaka* (JAIM) and *Persatuan Wanita Islam Malaysia* (PEWANIS) to provide RM20,500 worth of school supplies including uniforms and stationery to 150 students.

Distributing fresh meat to *asnaf*

In June 2024, we distributed over RM100,000 in *wakalah* funds to 2,500 recipients during Hari Raya Aidiladha. We delivered fresh beef to eight locations across seven Malaysian states and Cambodia over a three-day period. We partnered with several organisations, including *Jabatan Kemajuan Islam Malaysia* (JAKIM), *Lembaga Zakat Negeri Kedah*, *Lembaga Zakat Selangor*, *Pusat Zakat Sabah*, *Tabung Baitulmal Sarawak*, and *Jabatan Agama Islam* (JAIM) Melaka.

Supporting *asnaf* families with food baskets

In 2024, we distributed RM110,000 worth of food baskets to nearly 1,980 *asnaf* recipients, helping to alleviate food insecurity in vulnerable households.

2u2i programme

QSR is committed to promoting education as a key driver of sustainable development. Since 2019, we have collaborated with the Ministry of Higher Education (MoHE) Malaysia on the 2u2i Programme, which combines academic learning with industry experience. This programme offers a one-year structured industrial placement to students at leading institutions, including Universiti Sultan Zainal Abidin (UniSZA), International Islamic University Malaysia (IIUM), SEGi College, and Universiti Kuala Lumpur (UniKL). The placement is equivalent to 30 university credit hours and is accredited by the Malaysian Qualifications Agency (MQA), thus contributing to students' degree requirements while providing valuable workplace experience. Since its inception, 49 students have successfully completed their placements, while another 22 are currently undergoing the programme.

2u2i student industrial placements at QSR (2019–2024)

Institution	Programme of study	No. of students	Department/Outlet	Attachment period	Status
Universiti Sultan Zainal Abidin (UniSza)	Bachelor of Animal Production and Health	6	AIPI – Mantin Farm	Nov 2019–July 2020	Completed
International Islamic University Malaysia (IIUM)	Bachelor of Business Administration	4	KFC Outlets	March 2020–March 2021	Completed
SEGi College Subang Jaya	Diploma in Restaurant Management	8	KFC Outlets	Feb 2022–Feb 2023	Completed
		1	KFC Outlets	July 2023–July 2024	Completed
Universiti Kuala Lumpur (UniKL)	Degree in Food Safety and Quality Technology	30	AFCSB - Port Klang	Oct 2023–Oct 2024	Completed

¹⁰*Asnaf* refers to individuals or groups who are eligible to receive alms or *zakat*.

COMMUNITY ENGAGEMENT

Institution	Programme of study	No. of students	Department/Outlet	Attachment period	Status
Segi College Kota Damansara	Diploma in Restaurant Management	1	KFC Outlets	Feb 2024–Jan 2025	In progress
Segi College Subang Jaya	Bachelor of Business Administration	1	KFC Outlets	June 2024–June 2025	In progress
Universiti Kuala Lumpur (UniKL)	Degree in Food Safety and Quality Technology	20	10: AFCSB – Port Klang	Oct 2024–Oct 2025	In progress
			5: AFCSB – Bukit Mertajam		
			5: AFCSB – Bandar Tenggara		



Supporting government initiatives

QSR has partnered with the Malaysian government to launch a fast-food workforce development programme. After contributing our expertise to the development of the 2015 National Occupational Skills Standard for Fast Food Preparation, we launched our National Dual Training System (SLDN) pilot programme in June 2023. The first of its kind in Malaysia, this collaboration with Yayasan Johor Corporation and the Johor State Education Department addresses the training needs of B40 students. Through this programme, six KFC restaurants were certified as training locations and 25 students from two schools were awarded training

allowances, received hands-on experience, and earned qualifications that included Malaysia Skills Certificates (Levels 1-3) and KFC Certificates of Completion.

In July 2024, we expanded the second cohort by adding students from four more schools: SMK Munshi Sulaiman (Batu Pahat), SMK Sungai Abong (Muar), SMK Taman Damansara Aliff (Johor Bahru), and SMK Taman Daya 2 (Pasir Gudang). Following the initial positive response to the programme, we tripled the number of certified training restaurants from six to 18, demonstrating our ongoing support for hands-on learning and youth skills development.

Food accessibility and affordability

[GRI 3-3]

As a leading food provider in Malaysia, we actively translate our values into action by making meals more accessible and affordable. Consequently, we offer value-driven menu options, seasonal promotions, and student subsidy programmes tailored to budget-conscious consumers and under-served communities. By leveraging the scale and reach of our KFC and Pizza Hut brands, we continue to pursue innovative ways to make nutritious and satisfying meals more accessible to everyone.

COMMUNITY ENGAGEMENT

Kad Siswa

In September 2024, we collaborated with the Johor State government and Yayasan Pelajaran Johor (YPJ) to offer a 10% discount on over-the-counter purchases at KFC and Pizza Hut for 75,000 university students who hold Kad Siswa Johor cards. Additionally, the state government will provide these students with a one-time RM50 incentive as part of this initiative that addresses the high cost of living in Johor while studying at the state's public universities.



Fun 5 flavours and Belanja RM8

We introduced the Fun 5 Pizza Flavours, offering personal pizzas at just RM5 to ensure affordability and accessibility for all consumers. Additionally, our ongoing RM8 value meal was designed to cater to consumers seeking smaller, affordable meal options.

Jimat Hari-Hari



KFC Malaysia launched our 'Jimat Hari-Hari' promotions on May 1, 2024, featuring nine popular chicken and burger combos at affordable prices, starting at RM7.99. In 2024, we served over 15 million meals through these promotions, offering low-cost, snackable, on-the-go food options and money-saving e-vouchers for youth, including students and marketplace shoppers.

Public health and responsible marketing

[GRI 417-1] [SASB FB-RN-260a.3, FB-PF-260a.2]

QSR Brands is cognisant of our role in shaping consumer choices through the products we offer and the way we communicate. By promoting transparency and healthier options, we help our customers make informed decisions and adopt healthier lifestyles.

To support our commitment to healthy eating, we:

- Comply with Ministry of Health regulations on packaging and nutrition labelling while observing the Responsible Marketing Code when promoting and communicating our brands and offerings;
- Voluntarily display nutritional information in our restaurants to help customers make informed choices at KFC. This information is readily available at our restaurants and on our website, helping customers make informed food choices and plan nutritious meals that fit their lifestyle needs;
- Strive to use healthier alternatives for menu items at our restaurants, including non-hydrogenated palm oil (which is free from trans fats) that is certified by the Roundtable on Sustainable Palm Oil (RSPO) at restaurants; and
- Work towards making allergen information available to better support consumers with food allergies and avoid unwanted health effects from the exposure, in alignment with KFC Global's Done the Right Way initiative.

These efforts are helping us build trust and make meaningful contributions to the well-being of the communities we serve.

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Stakeholder engagement overview

Stakeholder group	Objective of engagement	Method of engagement	Frequency
Board of directors	Review performance and strategies to ensure our businesses are managed ethically and in compliance with applicable laws	- Board meetings - Performance reviews	- Quarterly - Annual
Employees	Communicate matters of employee wellbeing and ensure employee satisfaction	- Intranet (Qatalyst) - Newsletters - Training and employee programmes - Townhalls/meetings - Events and activities - Performance reviews	- Ongoing - Monthly - Ad hoc - Ad hoc - Ad hoc - Annual
Customers	Gather customer feedback and suggestions to ensure customer satisfaction	- Customer service - Customer satisfaction surveys - Membership/loyalty programmes - Social media - Roadshows/product launches	- Daily - Ongoing - Ongoing - Ongoing - Ad hoc
Supply chain partners	Maintain quality and efficiency at our operations to ensure that we comply with food safety, human rights, labour, and other standards impacting our business	- Regular correspondence (calls/emails) - Audits	- Ongoing - Annual or ad hoc
Industry associations	Share industry knowledge, discuss industry-related issues, and identify areas for collaboration	- Discussions - Collaborations	- Annual, quarterly, or ad hoc - Annual or ad hoc
Non-governmental organisation (NGOs) and community groups	To build trust, understand local needs, and collaborate on initiatives that create positive social and environmental impact	Community development and CSR programmes	Ongoing
Regulators and government bodies	Ensure we abide by all applicable laws, contribute to national priorities, and engage in industry-related dialogues	- Site visits - Audits - Discussions	- Ad hoc - Annual or ad hoc - Ad hoc
Franchisor	Align our menus, quality standards, programmes and sustainability measures with global franchise strategies and initiatives	- Audits - Meetings	- Annual or ad hoc - Ad hoc
Media	Communicate with the public	- Press/news releases - Media engagement and visits	- Ad hoc - Ad hoc

APPENDICES

Description of material topics

Material issue	Description	Scope of QSR operations impacted	
		Downstream	Upstream/ Midstream
Ethics and governance			
Corporate governance	Upholding high corporate governance standards by ensuring that organisational processes and practices are properly directed and controlled to facilitate effective decision-making	✓	✓
Ethics and compliance	Upholding the highest ethics and integrity standards; ensuring freedom from corruption; complying with all relevant laws	✓	✓
Data privacy and security	Protecting data privacy and implementing systems to minimise cybersecurity threats	✓	✓
Transparency and reporting	Publishing transparent and clear disclosures aligned with sustainability frameworks and stakeholder expectations; engaging stakeholders on sustainability measures, programmes, and progress	✓	✓
Environmental resilience			
Climate impact	Reducing energy consumption and greenhouse gas (GHG) emissions across our operations; adapting to climate-related risks caused by extreme weather at our operations and in our supply chains	✓	✓
Waste management	Reducing food and other waste at our restaurants and in our factory processes; recycling and reusing waste where possible	✓	✓
Water consumption	Improving water efficiency and finding ways to reduce water consumption	✓	✓
Sustainable packaging	Using more eco-friendly packaging at restaurants and for midstream products; increasing the availability of eco-friendly packaging for consumer use at our restaurants	✓	✓
Workplace environment			
Diversity and inclusion	Creating a culture that champions inclusivity and diversity	✓	✓
Employee health, safety, and wellbeing	Providing safe working conditions for all employees; maintaining the highest health and safety standards; prioritising employee welfare	✓	✓
Employee engagement and development	Creating a culture of employee engagement to build a vibrant QSR community; attracting, retaining, and upskilling employees	✓	✓

APPENDICES

Description of material topics

Material issue	Description	Scope of QSR operations impacted	
		Downstream	Upstream/ Midstream
Responsible production and supply chain			
Sustainable sourcing and supply chains	Upholding high standards in sourcing key ingredients and exploring sustainable sourcing options; engaging further with raw ingredient suppliers to ensure they meet QSR and Yum! Brands quality standards	✓	✓
Food safety and quality	Maintaining the highest food safety and quality standards in alignment with global certification schemes and frameworks, including hygiene measures and halal certification	✓	✓
Labour practices	Upholding labour rights in line with applicable laws and frameworks	✓	✓
Animal welfare	Ensuring high chicken welfare standards, including humane treatment and proper handling before and during production		✓
Community engagement			
Community support	Driving social purpose initiatives to support communities through our corporate social responsibility (CSR) initiatives	✓	✓
Food accessibility and affordability	Serving communities and addressing needs such as food security, supply shortages, and affordability; supporting government-led initiatives	✓	✓
Public health and responsible marketing	Addressing public health concerns by offering more nutritionally balanced foods; responsibly marketing and labelling food items and packaging to help customers make informed choices; offering menu items that reflect consumers' lifestyle choice	✓	✓
Cross-cutting			
Digitalisation and technology	Improving digital platforms for contactless delivery and takeaway services; digitalising processes for efficiency; using data and analytics to optimise operational performance and inventory planning	✓	✓
Business growth	Strategically expanding and developing business operations to generate sustainable value for stakeholders	✓	✓
Customer service	Prioritising customer needs and delivering high levels of customer satisfaction	✓	✓

APPENDICES

Contributing to the SDGs

SDG	SDG target	Material issue and objectives	QSR Pillar
SDG 1 	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Community support: Financially contributing to communities in need as part of our CSR initiatives	Community engagement
		Diversity and inclusion: Hiring members of local communities in remote areas where people may be economically disadvantaged	Workplace environment
SDG 2 	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	Food accessibility and affordability: Implementing programmes that provide accessible and affordable meals	Community engagement
		Community support: Investing in programmes addressing hunger, including soup kitchens, and emergency food assistance during disasters	Community engagement
SDG 4 	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Community support: Offering academic programmes and experiential training to post-secondary students through the 2u2i and SLDN initiatives	Community engagement
	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Diversity and inclusion: Adopting inclusive employment practices for persons with disabilities	Workplace environment
		Employee engagement and development: Investing in training programmes for employees with disabilities	Workplace environment
SDG 5 	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Diversity and inclusion: Supporting QSR's workforce through inclusive programmes such as mentorship and leadership development, which also benefit women employees	Workplace environment
SDG 8 	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Labour practices: Respecting local minimum wage standards; upholding labour rights and equality in our employment practices; providing a grievance mechanism, etc.	Workplace environment
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Employee health, safety, and well-being: Upholding high standards of health and safety; investing in employee well-being	Workplace environment
SDG 10 	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Diversity and inclusion: Creating inclusive employment practices for people with disabilities	Workplace environment

APPENDICES

Contributing to the SDGs

SDG	SDG target	Material issue and objectives	QSR Pillar
 SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	Waste management: Improving waste management initiatives at our upstream operations	Environmental resilience
		Water consumption: Improving water efficiency and finding ways to reduce water consumption; treating wastewater	Environmental resilience
		Animal welfare: Upholding high standards of chicken welfare, including humane treatment and proper handling before and during production, as well as compliance with halal slaughtering practices	Responsible production and supply chain
		Food safety and quality: Maintaining the highest food safety and quality standards in alignment with global certifications and frameworks, including hygiene measures and halal certification	Responsible production and supply chain
	12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including postharvest losses	Waste management: Reducing food waste and other waste at restaurants; investing in programmes addressing food loss	Environmental resilience
 SDG 13 CLIMATE ACTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Sustainable packaging: Transitioning to eco-friendly packaging and increasing its availability at our restaurants	Environmental resilience
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Public health and responsible marketing: Addressing public health concerns by offering more nutritionally balanced foods; responsibly marketing and labelling food items and packaging to help customers make informed choices; offering menu items that reflect consumers' lifestyle choices	Community engagement
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate impact: Investing in energy and GHG-reduction measures in stores	Environmental resilience
 SDG 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all its forms	Ethics and compliance: Upholding the highest standards of ethics and integrity; ensuring freedom from corruption; complying with all relevant laws	Ethics and governance
 SDG 17 PARTNERSHIPS FOR THE GOALS	17.14 Enhance policy coherence for sustainable development	Transparency and reporting: Publishing transparent, comprehensible, and comprehensive disclosures aligned with sustainability frameworks and stakeholder expectations; engaging with stakeholders on sustainability measures, programmes and progress	Ethics and Governance
		Sustainable sourcing and supply chains: Working with suppliers to uphold high sourcing standards and exploring sustainable sourcing options; engaging with suppliers to ensure they understand and meet QSR and Yum! Brands' quality standards	Responsible production and supply chain

APPENDICES

Performance Data Table

General disclosures

Description	Breakdown	UoM	2024	2023	2022
Downstream	KFC outlets	no.	774	774	769
	Pizza Hut outlets	no.	474	475	455
Upstream/ midstream	Feedmill	no.	1	1	1
	Breeders	no.	4	4	4
	Hatcheries	no.	1	1	1
	Broiler farms	no.	1	1	1
	Poultry processing plants	no.	3	3	3
	Sauce manufacturing	no.	1	1	1
	Commisaries and bakeries	no.	1	1	1
Employees (GRI 2-7)					
Total employees	Total	no.	16,691	21,735	22,786
	Male	no.	9,077	12,108	12,498
	Female	no.	7,614	9,627	10,288
Downstream employees	Total	no.	14,184	18,688	19,996
	Male	no.	7,294	9,941	10,584
	Female	no.	6,890	8,747	9,412
	Permanent	no.	4,820	6,173	6,229
	Temporary	no.	620	700	692
	Part-time	no.	8,744	11,815	13,075
	Local	no.	13,578	18,000	19,314
	Migrant	no.	606	688	682
Upstream/ midstream employees	Total (headcount)	no.	2,190	2,639	2,384
	Male	no.	1,670	2,010	1,760
	Female	no.	520	629	624
	Permanent	no.	1,324	1,580	1,561
	Temporary	no.	866	1,059	823
	Local	no.	1,369	1,667	1,634
	Migrant	no.	821	972	750
Headquarter	Total (headcount)	no.	317	408	406
	Male	no.	113	157	154
	Female	no.	204	251	252
	Permanent	no.	290	374	374
	Temporary	no.	27	34	32
	Local	no.	317	408	406
	Migrant	no.	0	0	0
Workers who are not employees (GRI 2-8)	Total (headcount)	no.	27	136	141
Compliance with laws and regulations (GRI 2-27)					
Significant instances of non-compliance with laws and regulations	finest incurred	no.	13	13	4
	value of fines incurred	RM	5,800	6,982	2,400
	non-monetary sanctions incurred	no.	1	1	1

APPENDICES

Performance Data Table

Environmental resilience

Description		Breakdown	UoM	2024	2023	2022
Energy consumption within the organisation (GRI 302-1)						
Energy consumption	Total		GJ	1,160,484	1,712,289	1,600,003
			% yoy	-32.2%	7.02%	0
Energy consumption by source and business operations						
Diesel			GJ	31,979	35,768	33,458
			litres	885,359		
Downstream	Total		litres	2,246		
	Centralised warehouse		litres	2,246		
Upstream	Total		litres	882,324		
	AFCSB - Port Klang		litres	578,166		
	AFCSB - Bukit Mertajam		litres	65,520		
	AFCSB - Bandar Tenggara		litres	75,796		
	AIPI Feedmill		litres	n/a		
	AIPI - Breeders (Alor Gajah)		litres	11,480		
	AIPI - Breeders (Tampin)		litres	11,814		
	AIPI - Breeders (Linggi)		litres	4,744		
	AIPI - Breeders (Bangi)		litres	6,048		
	AIPI - Hatchery (Salak Tinggi)		litres	6,116		
	Region Food Industries (RFI)		litres	1,914		
	QSR Manufacturing (QSRM)		litres	120,726		
	HQ total			litres	789	
LPG			GJ	21,700	51,237	56,989
			kg	458,783		
Downstream	Total		kg	316,172		
	Pizza Hut ¹¹		kg	309,928		
	Centralised warehouse		kg	6,244		
Upstream	Total		kg	142,611		
	AIPI - Broiler (Mantin)		kg	10,206		
	QSR Manufacturing (QSRM)		kg	132,405		
Petrol			GJ	284	260	261
			litre	8,666	7,925	7,972
Upstream total			litre	-	-	52
HQ total			litre	8,666	7,925	7,920
Electricity			GJ	1,021,383	1,530,048	1,408,974
			MWh	283,729	403,364	375,915
Downstream	Total		MWh	226,264		
	KFC		MWh	161,915		
	Pizza Hut		MWh	63,846		
	Centralised warehouse		MWh	306		
	Technical warehouse		MWh	198		
Midstream	Total		MWh	126	119	100
	QSR Trading		MWh	126	119	100

¹¹ Pizza Hut's LPG amount excludes 1,677 sm³ consumed directly from the gas pipeline but has been accounted for under total Scope 1 emissions.

APPENDICES

Performance Data Table

Environmental resilience

Description	Breakdown	UoM	2024	2023	2022
Upstream	Total	MWh	55,519	57,123	56,184
	AFCSB - Port Klang	MWh	26,735		
	AFCSB - Bukit Mertajam	MWh	2,774		
	AFCSB - Bandar Tenggara	MWh	6,271		
	AIPI Feedmill	MWh	2,475		
	AIPI - Breeders (Alor Gajah)	MWh	1,552		
	AIPI - Breeders (Tampin)	MWh	1,560		
	AIPI - Breeders (Linggi)	MWh	1,052		
	AIPI - Breeders (Bangi)	MWh	1,487		
	AIPI - Hatchery (Salak Tinggi)	MWh	2,331		
	AIPI - Broiler (Mantin)	MWh	543		
	AIPI - FHU (Nilai)	MWh	30		
	Region Food Industries (RFI)	MWh	4,998		
	QSR Manufacturing (QSRM)	MWh	3,698		
	Pintas Tiara (document warehouse)	MWh	12		
HQ total		MWh	1,809	1,810	1,663
Natural gas		GJ	71,849	84,610	84,143
		m ³	2,138,354	2,518,143	2,504,264
Upstream	AFCSB - Port Klang	m ³	1,594,754		
	Region Food Industries (RFI)	m ³	543,600		
Fuel oil		GJ	13,288	10,367	16,173
		litre	349,914	273,000	425,880
Upstream	AIPI Feedmill	litre	349,914		
Blended diesel		GJ	-	-	4
		litre	-	-	114
Upstream total		litre	-	-	114
GRI 305: Emissions 2016					
Direct (Scope 1) GHG emissions (GRI: 305-1)		mt CO ₂ e	9,882	11,843	12,492
Energy indirect (Scope 2) GHG emissions (GRI 305-2)		mt CO ₂ e	201,809	299,663	281,212
GRI 306: Waste 2020					
UCO collected and recycled by registered waste handlers	Total	kg	2,053,178	2,845,384	2,671,465
	Downstream	kg	2,053,178	2,790,845	2,650,521
	Upstream/midstream	kg	-	590,000	1,620,000
GRI 303: Water and Effluents 2018					
Water withdrawal by business unit	Total	m ³	4,351,056	4,614,779	4,868,366
	Downstream total	m ³	2,674,668	3,120,559	3,293,883
	KFC total	m ³	2,031,231	2,313,518	2,479,611
	Pizza Hut total	m ³	631,605	807,041	814,272
	Central warehouse	m ³	4,809		
	Technical warehouse	m ³	7,023		

APPENDICES

Performance Data Table

Environmental resilience

Description	Breakdown	UoM	2024	2023	2022
Water withdrawal by business unit	Upstream total	m ³	1,676,388	1,494,220	1,574,483
	AFCSB-Bandar Tenggara	m ³	187,872		
	AFCSB-Bukit Mertajam	m ³	114,130		
	AFCSB- Port Klang	m ³	1,064,276		
	AIPI - Feedmill	m ³	10,496		
	AIPI - Hatchery (Salak Tinggi)	m ³	34,810		
	AIPI - Broiler (Mantin)	m ³	3,978		
	AIPI - Breeders (Alor Gajah)	m ³	61,299		
	AIPI - Breeders (Tampin)	m ³	5,698		
	AIPI - Breeders (Linggi)	m ³	34,702		
	AIPI - Breeders (Bangi)	m ³	6,525		
	QSRM	m ³	46,137		
	Region Food Industries (RFI)	m ³	106,465		

Workplace environment

Description	Breakdown	UoM	2024	2023	2022
Diversity of governance bodies and employees (GRI 405-1)					
Board composition		no.	13	13	13
By gender	Male	no.	8	8	8
	Female	no.	5	5	5
By age group	Under 30 years old	no.	0	0	0
	30–50 years old	no.	2	2	3
	Over 50 years old	no.	11	11	10
By nationality	Singaporean	no.	1	1	1
	Malaysian	no.	10	10	10
	Others	no.	2	2	2
By ethnicity	Bumiputera	no.	4		
	Chinese	no.	4		
	Indian	no.	3		
	Others	no.	2		
Composition of employees		no.	16,691	21,735	22,786
By gender	Male	no.	9,077	12,108	12,498
	Female	no.	7,614	9,627	10,288
By age group	Below 25 years old	no.	8,037		
	26 to 35 years old	no.	4,866		
	36 to 45 years old	no.	2,447		
	Over 45 years old	no.	1,341		
By employee categories	Senior management	no.	26	26	30
	Management	no.	447	473	457
	Executive	no.	524	589	593
	Non-executive	no.	15,694	20,647	21,706

APPENDICES

Performance Data Table

Workplace environment

Description	Breakdown	UoM	2024	2023	2022
By ethnicity	Bumiputera	no.	13,343		
	Chinese	no.	379		
	Indian	no.	1,188		
	Others	no.	1,781		
New employee hires and employee turnover (GRI 401-1)					
New hires	Total	no.	831	2,546	3,130
	Downstream	no.	730	1,684	2,475
	Upstream/ midstream	no.	56	793	594
	Headquarter	no.	45	69	61
Employees left	Total	no.	2,621	1,851	2,340
	Downstream	no.	2,091	1,360	1,852
	Upstream/ midstream	no.	454	433	412
	Headquarter	no.	76	58	76
Employee turnover rate	Total	%	29.34%	18.66%	24.10%
	Downstream	%	33.96%	19.79%	26.76%
	Upstream/ midstream	%	18.80%	16.41%	17.28%
	Headquarter	%	20.97%	14.22%	18.72%
Employee health, safety and well-being / GRI 403 Occupational health and safety					
Workers covered by an occupational health and safety management system (GRI 403-8)	Employees and workers covered by OSH management system	no.	16,691	21,735	22,786
Work-related injuries (GRI 403-9)	Fatalities as a result of work-related injury	no.	0	0	0
	High-consequence work-related injuries (permanent disabilities excluding fatalities)	no.	0	0	0
	Lost time injuries and lost time injuries frequency rate	no. rate	23 0.61	25 0.49	38 0.71
	Total days lost due to work related injury and severity rate	no. rate	205 6.17	230 4.52	329 6.17
	Total manhours worked	hours	40,847,424	53,587,200	56,260,224
	Average manhours worked	hours	37,815,130	50,903,370	53,364,812
Worker training on OSH (GRI 403-5)	Total number of employees trained on health and safety standards	no.	1,404		

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Performance Data Table

Responsible production and supply chain

Description	Breakdown	UoM	2024	2023	2022
GRI 204: Procurement Practices 2016					
Proportion of spending on local suppliers [GRI 204-1]	Total number of suppliers	no.	2,008		
		no.	1,946		
	Number of local suppliers	%	97%		
	Total annual spending on all suppliers	RM	1,321,837,783.34		
	Total spending on local suppliers	RM	1,141,151,721.36		
		%	86%		

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GRI Content Index

The Global Reporting Initiative (GRI) is a widely adopted multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators. It has been designed to enhance the global comparability and quality of information on environmental and social impacts, thereby enabling greater transparency and organisational accountability. This sustainability report has been prepared in accordance with the 2021 GRI Standards and the GRI 13 Standards for Agriculture, Aquaculture and Fishing Sectors 2022.

Statement of use	QSR has reported in accordance with the GRI Standards for the period of 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI Standard	Disclosure	Location	Sector Standard Ref
GENERAL DISCLOSURES			
1. The organisation and its reporting practices			
GRI 2: General Disclosures 2021	2-1	Organisational details	Operational overview, p.9
	2-2	Entities included in the organisation's sustainability reporting	About this report, p.3
	2-3	Reporting period, frequency and contact point	About this report, p.3 Contact, p.99
	2-4	Restatements of information	Available throughout, where relevant
	2-5	External assurance	About this report, p.3
2. Activities and workers			
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	Operational overview, p.9 Responsible production and supply chain, p.58
	2-7	Employees	Employee overview, p.38
	2-8	Workers who are not employees	Base data, p.79
3. Governance			
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Corporate governance, p.21
	2-10	Nomination and selection of the highest governance body	Information unavailable
	2-11	Chair of the highest governance body	Corporate governance, p.21
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance, p.21 Corporate governance
	2-13	Delegation of responsibility for managing impacts	Corporate governance, p.21 Corporate governance
	2-14	Role of the highest governance body in sustainability reporting	Corporate governance, p.21 Materiality, p.19
	2-15	Conflicts of interest	Information unavailable
	2-16	Communication of critical concerns	Information unavailable
	2-17	Collective knowledge of the highest governance body	Information unavailable
	2-18	Evaluation of the performance of the highest governance body	Information unavailable
	2-19	Remuneration policies	Information unavailable
	2-20	Process to determine remuneration	Information unavailable
	2-21	Annual total compensation ratio	Information unavailable

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GRI Content Index

GRI Standard	Disclosure	Location	Sector Standard Ref
4. Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	CEO/MD statement, p.6
	2-23	Policy commitments	Ethics and compliance, p.24 Whistleblowing, p.29 Employee health, safety and well-being, p.45 Animal welfare, p.63
	2-24	Embedding policy commitments	Ethics and compliance, p.24 Whistleblowing, p.29 Employee health, safety and well-being, p.45 Animal welfare, p.63
	2-25	Processes to remediate negative impacts	Whistleblowing, p.29
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing, p.29
	2-27	Compliance with laws and regulations	Ethics and compliance, p.24
	2-28	Membership associations	Stakeholder engagement, p.20
5. Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Stakeholder engagement, p.20 Stakeholder engagement overview table, p.74
	2-30	Collective bargaining agreements	Freedom of association, p.42
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality, p.19
	3-2	List of material topics	Materiality, p.19
Food safety and quality			
GRI 3: Material topics 2021	3-3	Management of material topics	Food safety and quality, p.58
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Food safety and quality, p.58
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food safety and quality, p.58
Topic 13.10 Food safety		<i>Percentage of production volume from sites certified to internationally recognized food safety standards</i>	Food safety and quality, p.58
		<i>Number and total volume of recalls issued for food safety reasons</i>	Food safety and quality, p.58
Labour practices			
GRI 3: Material topics 2021	3-3	Management of material topics	Freedom of association, p.42 Labour practices, p.61
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of association, p.42 Labour practices, p.61
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Labour practices, p.61
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labour practices, p.61

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GRI Content Index

GRI Standard	Disclosure	Location	Sector Standard Ref
Topic 13.20 Employment practices	<i>Describe policies and practices regarding recruitment of workers</i>	Labour practices, p.61 Employee overview, p.38	13.20.1
Topic 13.21 Living income and living wage	<i>Describe commitments and methodology related to providing a living income or paying a living wage</i>	Not applicable to QSR	13.21.1
	<i>Percentage of employees and workers who are not employees whose work is controlled or covered by CBAs that have terms related to wage levels and frequency of wage payments</i>	Information unavailable	13.21.2
	<i>Percentage of employees and workers who are not employees whose work is controlled is paid above living wage</i>	Information unavailable	13.21.3
Responsible sourcing and supply chains			
GRI 3: Material topics 2021	3-3 Management of material topics <i>Additional sector recommendations</i>	Responsible production and supply chain, p.58	13.23.1
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible production and supply chain, p.58	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Information unavailable	
	308-2 Negative environmental impacts in the supply chain and actions taken	Information unavailable	
Topic 13.23 Supply chain traceability	<i>Describe the level of traceability in place for products sourced</i>	Information unavailable	13.23.2
	<i>Report the percentage of sourced volume certified to internationally recognized standards</i>	Responsible production and supply chain, p.58	13.23.3
	<i>Describe improvement projects to get suppliers certified to internationally recognized standards</i>	Responsible production and supply chain, p.58	13.23.4
Customer service			
GRI 3: Material topics 2021	3-3 Management of material topics	Transforming the business, p.13	13.10.1
Transparency and reporting			
GRI 3: Material topics 2021	3-3 Management of material topics	Transparency and reporting, p.28	13.10.1
Climate impact			
GRI 3: Material topics 2021	3-3 Management of material topics	Climate impact, p.31	13.1.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	We have not yet identified financial implications from climate-related risks and opportunities	13.2.2
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG emissions, p.32	13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions, p.32	13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	Information unavailable	13.1.4
	305-4 GHG emissions intensity	Information unavailable	13.1.5
	305-5 Reduction of GHG emissions	GHG emissions, p.32	13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable	13.1.7

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GRI Standard	Disclosure	Location	Sector Standard Ref
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Information unavailable	13.1.8
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy management, p.31	
	302-2 Energy consumption outside of the organisation	Information unavailable	
	302-3 Energy intensity	Information unavailable	
	302-4 Reduction of energy consumption	Energy management, p.31	
	302-5 Reductions in energy requirements of products and services	Information unavailable	
Corporate governance			
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate governance, p.21	
Ethics and compliance			
GRI 3: Material topics 2021	3-3 Management of material topics	Ethics and compliance, p.24	13.26.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics and compliance, p.24	13.26.2
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and compliance, p.24	13.26.3
	205-3 Confirmed incidents of corruption and actions taken	Information unavailable	13.26.4
Sustainable packaging			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainable packaging, p.36	
Waste management			
GRI 3: Material topics 2021	3-3 Management of material topics	Waste management, p.33	13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management, p.33	13.8.2
	306-2 Management of significant waste-related impacts	Waste management, p.33	13.8.3
	306-3 Waste generated	Information unavailable	13.8.4
	306-4 Waste diverted from disposal	Waste management, p.33	13.8.5
	306-5 Waste directed to disposal	Information unavailable	13.8.6
Employee health, safety and well-being			
GRI 3: Material topics 2021	3-3 Management of material topics	Employee health, safety and well-being, p.45	13.19.1

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GRI Standard	Disclosure	Location	Sector Standard Ref
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Employee health, safety and well-being, p.45
	403-2	Hazard identification, risk assessment, and incident investigation	Employee health, safety and well-being, p.45
	403-3	Occupational health services	Employee health, safety and well-being, p.45
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee health, safety and well-being, p.45
	403-5	Worker training on occupational health and safety	Employee health, safety and well-being, p.45
	403-6	Promotion of worker health	Information unavailable
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, safety and well-being, p.45
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	Base data, p.79
	403-9	Work-related injuries	Health, safety and well-being, p.45
	403-10	Work-related ill health	Information unavailable
Digitalisation and technology			
GRI 3: Material topics 2021	3-3	Management of material topics	Throughout the report, where relevant
Employee engagement and development			
GRI 3: Material topics 2021	3-3	Management of material topics	Employee engagement and development, p.48
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee overview, p.38 Base data, p.79
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Employee overview, p.38
	401-3	Parental leave	Information unavailable
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Information unavailable
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee engagement and development, p.48
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee engagement and development, p.48
Topic 13.9 Food security		Describe the effectiveness of actions and programs on food security at local, regional, national, or global levels	Food accessibility and affordability, p.71
Food accessibility and affordability			
GRI 3: Material topics 2021	3-3	Management of material topics Additional sector recommendations	Food accessibility and affordability, p.71
Topic 13.9 Food security		Report the total weight of food loss in metric tons and the food loss percentage, by the organisation's main products or product category, and describe the methodology used for this calculation	Information unavailable

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GRI Standard	Disclosure	Location	Sector Standard Ref
Diversity and inclusion			
GRI 3: Material topics 2021	3-3 Management of material topics	Diversity and inclusion, p.43	13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate governance, p.21 Diversity and inclusion, p.43	13.15.2
	405-2 Ratio of basic salary and remuneration of women to men	Information unavailable	13.15.3
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Information unavailable	13.15.4
Topic 13.15 Non-discrimination and equal opportunity	<i>Differences in employment terms and approach to compensation based on workers' nationality or migrant status</i>	Not applicable to QSR	13.15.5
Community support			
GRI 3: Material topics 2021	3-3 Management of material topics	Community support, p.66	13.12.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Responsible production and supply chain, p.58 Community support, p.66	13.22.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community support, p.66	13.22.3
	203-2 Significant indirect economic impacts	Community support, p.66	13.22.4
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Information unavailable	13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Community support, p.66	13.12.3
Topic 13.22 Economic inclusion	<i>Describe actions taken to support the economic inclusion of farmers, and their communities, and the effectiveness of these actions; Describe actions taken to identify and adjust the sourcing practices that cause or contribute to negative impacts on economic inclusion of farmers in the supply chain</i>	Information unavailable	13.22.1
Data privacy and security			
GRI 3: Material topics 2021	3-3 Management of material topics	Data privacy and security, p.27	13.7.1
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy and security, p.27	
Water consumption			
GRI 3: Material topics 2021	3-3 Management of material topics	Water management, p.35	13.7.1

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GRI Standard	Disclosure	Location	Sector Standard Ref
Topic 13.7 Water and effluents	303-1 Interactions with water as a shared resource	Water management, p.35	13.7.2
	303-2 Management of water discharge-related impacts	Water management, p.35	13.7.3
	303-3 Water withdrawal	Water management, p.35	13.7.4
	303-4 Water discharge	Water management, p.35	13.7.5
	303-5 Water consumption	Water management, p.35	13.7.6
Animal welfare			
GRI 3: Material topics 2021	3-3 Management of material topics	Animal welfare, p.63	13.11.1
Topic 13.11 Animal health and welfare	<i>Report the percentage of production volume from sites of the organisation certified to third-party animal health and welfare standards, and list these standards.</i>	Animal welfare, p.63	13.11.2
Public health and responsible marketing			
GRI 3: Material topics 2021	3-3 Management of material topics	Public health and responsible marketing, p.72	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Public health and responsible marketing, p.72	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Information unavailable	
	417-3 Incidents of non-compliance concerning marketing communications	Information unavailable	
GRI 13: Topics that are not material to QSR	13-4 Natural ecosystem conversion	These topics are not material to QSR's operations	
	13-5 Soil health		
	13-6 Pesticides use		
	13-13 Land and resource rights		
	13-14 Rights of indigenous peoples		
	13-24 Public policy		
	13-25 Anti-competitive behaviour		

APPENDICES

Alignment with IFRS S1 and S2

Following the release of the National Sustainability Reporting Framework (NSRF), Bursa Malaysia Securities Berhad (the Malaysian stock exchange) requires listed companies to adopt the International Sustainability Standard Board (ISSB) IFRS Sustainability Disclosure Standards. These comprise IFRS S1 on General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Although we are not listed on Bursa Malaysia, QSR is committed to aligning with industry standards and practices and is preparing to adopt IFRS S1 and S2. As part of our preparation, we have undertaken an initial gap analysis against both standards for this report.

Pillar	IFRS S1	IFRS S2
Governance	QSR outlines the Board's responsibilities for managing sustainability- and climate-related risks and opportunities in overseeing the Group's strategy formulation. We completed a materiality assessment in 2023. The outcome covers topics that are linked to environmental, social, and governance (ESG) risks and opportunities. These material topics have been formally adopted as the basis for disclosure and communicated to the Board to support strategy planning, decision making, and risk management processes at QSR. In 2025, we will complete a more comprehensive materiality assessment to enhance Group-wide alignment on sustainability matters, including the identification of impacts, risks and opportunities, in accordance with IFRS sustainability disclosure requirements. ▶ Our approach to sustainability ▶ Corporate governance	
Strategy	Our Group Sustainability Strategy has recently undergone a revision, taking into account several internal and external considerations. The revised Sustainability Strategy spans four years, from 2024 to 2027, and encompasses five key pillars: Ethics and Governance, Environmental Resilience, Workplace Environment, Responsible Production and Supply Chain, and Community Engagement. The focus areas of these topics reflect sustainability-related risks and opportunities that can affect QSR's prospects, business model, and value chain. A more comprehensive review will be undertaken in 2025 with our upcoming materiality assessment update. ▶ Transforming the business ▶ Revised Sustainability Strategy 2024	
Risk Management	We have disclosed the processes, inputs, and parameters used by the Group to monitor sustainability and climate-related risks, and have presented these indicators throughout the report under their respective headings. Moving forward, we aim to integrate sustainability in our risk assessments. ▶ Ethics and Governance ▶ Environmental Resilience ▶ Workplace Environment ▶ Responsible Production and Supply Chain ▶ Community Engagement	Climate-related disclosures are detailed in a dedicated section of this report: ▶ Climate impact
Metrics and Targets	The metrics used to monitor our sustainability- and climate-related risks and opportunities are presented throughout the report under their respective headings. We have also disclosed our performance against the relevant SASB standards. In the coming year, we plan to formalise the targets for our material topics. ▶ Ethics and Governance ▶ Environmental Resilience ▶ Workplace Environment ▶ Responsible Production and Supply Chain ▶ Community Engagement ▶ SASB Indices	We have previously disclosed preliminary Scope 1 and Scope 2 GHG emission data. Over the course of 2024 and 2025, we are embarking on a Group-wide GHG inventory exercise using the globally recognised GHG Protocol to better account for the scope and breadth of our operations. This exercise will support the development of meaningful reduction targets, sustainability measures, and green investment strategies tailored to each of our divisions, facilities, and operational areas. Climate-related disclosures are detailed in a dedicated section of this report: ▶ Climate impact

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SASB Indices

Restaurants standards

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	Location of disclosure
Energy management	FB-RN-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	GJ, %	Energy management, p.31
Water management	FB-RN-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	m ³ , %	Water consumption, p.35
Food & packaging waste management	FB-RN-150a.1	(1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted	Quantitative	t, %	Waste management, p.33 Data on food waste is unavailable
	FB-RN-150a.2	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	t, %	Information unavailable
Food safety	FB-RN-250a.1	(1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations	Quantitative	%	Food safety and quality, p.58
	FB-RN-250a.2	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	no., t	Food safety and quality, p.58
	FB-RN-250a.3	Number of confirmed foodborne illness outbreaks, percentage resulting in U.S. Centres for Disease Control and Prevention (CDC) investigation	Quantitative	no. %	Food safety and quality, p.58
Nutritional content	FB-RN-260a.1	(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options	Quantitative	%, RM	Information unavailable
	FB-RN-260a.2	(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options	Quantitative	%, RM	Information unavailable
	FB-RN-260a.3	Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children	Quantitative	no., RM	Information unavailable

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SASB Indices

Restaurants standards

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	Location of disclosure
Labour practices	FB-RN-310a.1	(1) Voluntary and (2) involuntary turnover rate for restaurant employees	Quantitative	Rate	Information unavailable
	FB-RN-430a.1	Percentage of food purchased that (1) meets environmental and social sourcing standards, and (2) is certified to third-party environmental or social standards	Quantitative	% by cost	Responsible production and supply chain, p.58
Supply chain management and food sourcing	FB-RN-430a.2	Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates	Quantitative	% by no., % by weight	Information unavailable
	FB-RN-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	Discussion and analysis	n/a	Responsible production and supply chain, p.58

Activity Metrics

Activity Metric	Code	Category	Unit of measure	Location of disclosure
Number of (1) entity-owned and (2) franchise restaurants	FB-RN-000.A	Quantitative	no.	About QSR, p.9
Number of employees at (1) entity-owned and (2) franchise locations	FB-RN-000.B	Quantitative	no.	Employee overview, p.38

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SASB Indices

Meat, poultry and dairy standards

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	Location of disclosure
Greenhouse gas emissions	FB-MP-110a.1	Gross global Scope 1 emissions	Quantitative	MT CO ₂ e	GHG emissions, p.32
	FB-MP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	GHG emissions, p.32
Energy management	FB-MP-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	GJ, %	Energy management, p.31
Water management	FB-MP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	ML, %	Water consumption, p.35
	FB-MP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	Water consumption, p.35
	FB-MP-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	no.	There were no incidents of non-compliance associated with water quality during reporting period.
Land use & ecological impacts	FB-MP-160a.1	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	Quantitative	t, %	Information unavailable
	FB-MP-160a.2	Percentage of pasture and grazing land managed to conservation plan criteria	Quantitative	% by hectares	Not applicable to QSR
	FB-MP-160a.3	Animal protein production from confined animal feeding operations	Quantitative	t	Information unavailable
Food safety	FB-MP-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	Food safety and quality, p.58
	FB-MP-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	% by cost	Responsible production and supply chain, p.58
	FB-MP-250a.3	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	no., MT	Food safety and quality, p.58
	FB-MP-250a.4	Discussion of markets that ban imports of the entity's products	Discussion and analysis	n/a	Information unavailable

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SASB Indices

Meat, poultry and dairy standards

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	Location of disclosure
Antibiotic use in animal production	FB-MP-260a.1	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type	Quantitative	% by weight	Not applicable in Malaysia context
Workforce health and safety	FB-MP-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	Employee health, safety and wellbeing, p.45
	FB-MP-320a.2	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	Discussion and analysis	n/a	Information unavailable
Animal care and welfare	FB-MP-410a.1	Percentage of pork produced without the use of gestation crates	Quantitative	% by weight	Not applicable to QSR
	FB-MP-410a.2	Percentage of cage-free shell egg sales	Quantitative	%	Not applicable to QSR
	FB-MP-410a.3	Percentage of production certified to a third-party animal welfare standard	Quantitative	% by weight	Information unavailable
Environmental & social impacts of ingredient supply chain	FB-MP-430a.1	Percentage of livestock from suppliers implementing conservation plan criteria	Quantitative	% by weight	Information unavailable
	FB-MP-430a.2	Percentage of supplier and contract production facilities verified to meet animal welfare standards	Quantitative	%	Information unavailable
Animal & feed sourcing	FB-MP-440a.1	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	% by weight	None of the animal feed sourced from regions with water stress
	FB-MP-440a.2	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress	Quantitative	% by contract value	None of the animal feed sourced from regions with water stress
	FB-MP-440a.3	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	Discussion and analysis	n/a	To be addressed when doing IFRS

Activity Metrics

Activity Metric	Code	Category	Unit of measure	Location of disclosure
Number of processing facilities	FB-MP-000.A	Quantitative	no.	Information unavailable
Animal protein production, by category; percentage outsourced	FB-MP-000.B	Quantitative	various, %	Information unavailable

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SASB Indices

Processed foods standards

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	Location of disclosure
Energy management	FB-PF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	GJ, %	Energy management, p.31
	FB-PF-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	m ³ , %	Water consumption, p.35 We do not operate in regions with water stress.
Water management	FB-PF-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	no.	Water consumption, p.35
	FB-PF-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	Water consumption, p.35
Food safety	FB-PF-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	Food safety and quality, p.58
	FB-PF-250a.2	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Quantitative	% by cost	Responsible production and supply chain, p.58
	FB-PF-250a.3	(1) Total number of notices of food safety violation received, (2) percentage corrected	Quantitative	no., %	Confidentiality constraints
	FB-PF-250a.4	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	no., MT	Food safety and quality, p.58
Health and nutrient	FB-PF-260a.1	Revenue from products labelled or marketed to promote health and nutrition attributes	Quantitative	RM	Information unavailable
	FB-PF-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and analysis	n/a	Public health and responsible marketing, p.72
Product labelling and marketing	FB-PF-270a.1	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	% by cost	Information unavailable
	FB-PF-270a.2	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	RM	Information unavailable

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Processed foods standards

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting metric	Category	Unit of measure	Location of disclosure
Product labelling and marketing	FB-PF-270a.3	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	Quantitative	no.	Information unavailable
	FB-PF-270a.4	Total amount of monetary losses as a result of legal proceedings associated with labelling or marketing practices	Quantitative	RM	Information unavailable
Packaging lifecycle management	FB-PF-410a.1	(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, or compostable	Quantitative	t, %	Information unavailable
	FB-PF-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	n/a	Sustainable packaging, p.36
Environmental and social impacts of ingredient supply chain	FB-PF-430a.1	Percentage of food ingredients sourced that are certified to third-party environmental or social standards, and percentages by standard	Quantitative	% by cost	Responsible production and supply chain, p.58
	FB-PF-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	Responsible production and supply chain, p.58
Ingredient Sourcing	FB-PF-440a.1	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	% by cost	We do not operate in regions with water stress.
	FB-PF-440a.2	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	Discussion and analysis	n/a	Information unavailable

Activity Metrics

Activity Metric	Code	Category	Unit of measure	Location of disclosure
Weight of products sold	FB-PF-000.A	Quantitative	t	Information unavailable
Number of production facilities	FB-PF-000.B	Quantitative	no.	Information unavailable

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**The Board of Directors
QSR Brands (M) Holdings Bhd.**

Level 18
Menara QSR , Tower 1
VSquare @ PJ City Centre
Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

**Grant Thornton Consulting
Sdn. Bhd. (455582-W)**

Level 8-3, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

T +603 2692 4022
F +603 2712 7922

Independent Limited Assurance Report on Subject Matter Information in QSR Brands (M) Holdings Bhd.'s Sustainability Report 2024

We, Grant Thornton Consulting Sdn. Bhd. ("Grant Thornton") were engaged by QSR Brands (M) Holdings Bhd. ("QSR") to provide limited assurance for all the sustainability matter indicators ("Subject Matter Information") as reported by QSR in its Sustainability Report for the year ended 31 December 2024 ("Sustainability Report").

The scope of our work was limited to the Subject Matter Information presented in the Sustainability Report and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter Information below and their related disclosures; nor did it include information reported outside of the Sustainability Report.

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information presented in the Sustainability Report has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over sustainability matter indicators reported in the QSR's Sustainability Report, as presented below.

Underlying Subject Matter	Boundary
1. Ethics and Governance - Corporate governance; - Ethics and compliance; - Data privacy and security; - Transparency and reporting	Downstream, Upstream/midstream (only limited to Region Food Industries Sdn. Bhd. and QSR Manufacturing Sdn. Bhd.) and HQ
2. Environmental resilience - Climate impact; - Waste management; - Water consumption; - Sustainable packaging	Downstream, Upstream/midstream (only limited to Region Food Industries Sdn. Bhd. and QSR Manufacturing Sdn. Bhd.) and HQ

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Independent Limited Assurance Report on Subject Matter Information in QSR Brands (M) Holdings Bhd.'s Sustainability Report 31 December 2024 (cont'd)

Subject Matter Information (cont'd)

The scope of our work was limited to assurance over sustainability matter indicators reported in the QSR's Sustainability Report, as presented below (cont'd).

Underlying Subject Matter	Boundary
3. Workplace Environment - Employee overview; - Diversity and inclusion; - Employee health, safety and well-being; - Employee engagement and development	Downstream, Upstream/midstream (only limited to Region Food Industries Sdn. Bhd. and QSR Manufacturing Sdn. Bhd.) and HQ
4. Responsible Production and Supply Chain - Sustainable Sourcing and Supply Chains; - Food safety and quality; - Labour practices; - Animal welfare;	Downstream, Upstream/midstream (only limited to Region Food Industries Sdn. Bhd. and QSR Manufacturing Sdn. Bhd.) and HQ
5. Community Engagement - Community support; - Food accessibility and affordability; - Public health and responsible marketing	Downstream, Upstream/midstream (only limited to Region Food Industries Sdn. Bhd. and QSR Manufacturing Sdn. Bhd.) and HQ

Our assurance is with respect to the year ended 31 December 2024 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the QSR's Sustainability Report and, therefore, do not express any conclusion thereon.

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which QSR is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on QSR's sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Report ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of QSR are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Report and the Reporting Criteria and their contents.

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Independent Limited Assurance Report on Subject Matter Information in QSR Brands (M) Holdings Bhd.'s Sustainability Report 31 December 2024 (cont'd)

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to QSR.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits and Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"). These standards requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

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Independent Limited Assurance Report on Subject Matter Information in QSR Brands (M) Holdings Bhd.'s Sustainability Report 31 December 2024 (cont'd)

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of QSR and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected unit conversion factor calculations and other calculations used by QSR to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of QSR for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Report and narrative accompanying the Subject Matter Information in the Sustainability Report with regard to the Reporting Criteria, and for consistency with our findings.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

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**Independent Limited Assurance Report on Subject Matter Information in QSR Brands (M) Holdings Bhd.'s Sustainability Report 31 December 2024 (cont'd)*****Intended use of this report***

This limited assurance report, including our conclusion, is made solely to QSR in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to QSR those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than QSR for our work or this report, or for the conclusion we have reached.

Our report is released to QSR on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in the QSR's Sustainability Report 31 December 2024) or in part, without our prior written consent.

A handwritten signature in black ink, appearing to be "C. A. M.", written over a horizontal line.

Grant Thornton Consulting Sdn. Bhd.

Kuala Lumpur

Date: 11 September 2025

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Glossary

2u2i | An initiative of the Ministry of Higher Education (MoHE) Malaysia to prepare industry-ready graduates through a structured industrial placement programme.

Asnaf | Individuals or groups who are eligible to receive alms, i.e. *zakat*.

B40 | The group of households comprising the bottom 40% of Malaysian income earners.

Ecovadis | A sustainability rating platform that evaluates companies' ESG compliance, issuing a comprehensive assessment and score that helps businesses monitor and improve their sustainability practices and performance in the global supply chain.

Global Food Safety Initiative (GFSI) | An industry-led forum that collaborates with the world's leading consumer goods companies and other stakeholders across the supply chain to ensure food safety and evaluate food safety-related certification programmes.

Global Reporting Initiative (GRI) | A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.

Greenhouse Gas (GHG) | Atmospheric gases that trap heat in the Earth's atmosphere, contributing to the greenhouse effect and global warming. Common greenhouse gases include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and fluorinated gases.

Halal | Islamic dietary law, which translates as "permissible" or "lawful", governs the production, preparation, and consumption of food in compliance with Islamic principles and Shariah law. It comprises both dietary restrictions and guidelines on the ethical treatment and slaughter of livestock and poultry.

International Organisation for Standardisation (ISO) | An independent, non-governmental organisation that develops voluntary, consensus-based international standards. ISO certification helps organisations demonstrate that they meet accepted customer and stakeholder requirements.

Non-Governmental Organisation (NGO) | For the purposes of this report, NGOs are campaigning organisations focused on environmental and social issues.

Qatalyst | QSR's intranet system. Designed to boost employee engagement and communication, streamline resource searches, and promote a collaborative work environment.

Roundtable on Sustainable Palm Oil (RSPO) | A globally-recognised certification scheme for sustainable palm oil.

Sistem Latihan Dual Nasional (SLDN) | An initiative by the Malaysian Ministry of Human Resources to provide vocational education and training to students and improve their employability through strategic collaboration with industry players.

Sustainability | A term expressing the long-term balance between social, economic and environmental objectives. Often linked to sustainable development, which is defined as development that meets the needs of current generations without compromising the needs of future generations.

Sustainable Development Goals (SDGs) | A United Nations blueprint to achieve a better, more sustainable, and inclusive future, addressing global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice.

Shariah | A comprehensive Islamic legal framework comprising laws and regulations that govern personal conduct, family matters, commerce, finance, and governance, among others.

Zakat | A mandatory form of charitable giving or almsgiving and the third pillar of Islam, requiring Muslims who meet its financial threshold to donate a portion of their wealth and income to those in need, thus upholding social justice and reducing economic inequality.



QSR Brands (M) Holdings Bhd

Menara QSR, VSquare @ PJ City Centre,
Jln Utara, PJS 52, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

+6 03 7933 8888

<https://qsrbrands.com>

We welcome feedback on our disclosures and sustainability initiatives.
Please direct any comments or suggestions to sustainability@qsrbrands.com.my