



A Caring Touch



In line with the Group's Corporate Social Responsibility programme, a massive effort was made to improve the lives of those members of society who needed it most. Orphans, disabled, the elderly, impoverished and the hungry were helped via a wide range of initiatives.

CORPORATE SOCIAL RESPONSIBILITY



The CSR segment of Malaysian businesses is a rapidly expanding area. It is no longer just a component part of corporate plans but has taken on a life of its own. CSR at KFCH has grown by leaps and bounds.

Underpinning our CSR initiatives is a realisation that everything we do has significant ramifications. We are constantly aware that the Group's practices and every action we take have the power to affect the company, its stakeholders and society at large to a greater extent than ever before.

Because of this, the Group takes social responsibility very much to heart. For KFCH, it is all about strengthening local communities, promoting equal opportunities in the workplace, developing human capital, enhancing our customers' experience and improving the lives of those around us. The Group is passionate about CSR.

Community

Malaysia has long been the greatest beneficiary of the Group's overall CSR programme. Areas of focus are spread across the fields of education, environment, *halal* principles, sport and, most importantly, helping the less fortunate in the community. In this area, many orphans, single mothers, the elderly and impoverished members of society have benefitted from the Group's CSR initiatives over the years.



CATUR BISTARI CHALLENGE AND CATUR BISTARI D'TV

Now in its third year, the KFC Catur Bistari Challenge 2010/2011 received an overwhelming number of participants from all across Malaysia, each eager to test their mettle in the competition. More than 1,000 participants made it through the state playoff rounds, held in October and November, to reach the eagerly anticipated final round, including individuals from government agencies, the private sector, higher educational institutions, schools and uniformed bodies. Finalists came from all walks of life but all were united in their desire for success. At stake was a chance to win RM150,000 worth of prizes, with the grand prize being a brand new Proton Persona. We were also part of the highly rated television game show programme, Catur Bistari D'TV, which attracted huge audiences.



BRINGING CHEER TO THE CHILDREN

Helping children is of paramount importance to the Group. In 2010, to mark International Children's Day celebrations, KFC supported the Children's Safety Campaign by giving out food and goodie bags to the more than 3,200 children attending the event.



SPORTS

Promoting a healthy lifestyle is one of the pillars of our CSR programme and one of the ways we achieve it is to partner with sporting teams and events. This year KFCH helped to promote the healthy lifestyle message far and wide through its ongoing sponsorship of Johor FC as well as our support of the Malaysia Super League. The Group was also a major sponsor of the 13th SUKMA Games, which this year was held in Melaka. At a local level, the Group's futsal teams took to the court for the championship of the Harian Metro-organised futsal tournaments.

Another of the Group's sponsorship beneficiaries is the Malaysian Yacht Association, which this year held regattas throughout the country, including Langkawi, Penang and Negeri Sembilan. Teams from as far away as Australia, New Zealand, Brazil, Mexico, USA, South Korea, Cambodia, Sri Lanka, India and Hong Kong were invited to take part in these thrilling racing regattas. Elsewhere, one particular highlight of the 2010 sporting calendar was seeing the KFCH kite soar high at the International Kite Festival in Bandar Dato' Onn, Johor.



MUSIC

An exciting development in our CSR programme saw KFCH work on events with the Malaysia World Marching Band Competition, the Malaysia National Band Competition and the Wind Orchestra Competition. At the events, talented Malaysian marching bands from schools around the country competed in front of throngs of spectators. A number of internationally renowned marching bands also wowed the crowds.

KFC'S FEEDING PROGRAMME

KFC's Projek Penyayang is now in its 17th year and has become one of the Group's most important and beneficial CSR initiatives. This year more than 12,800 less fortunate members of society, in more than 150 charity homes, were provided meals and good cheer from KFC teams. Of this number, over 11,000 were from Peninsular Malaysia while the remainder were from Sabah and Sarawak.



"BE THE MOVEMENT" CHARITY WALK

KFC took part in the World Hunger Relief Programme for the fourth year running in 2010. From August to September, every KFC restaurant throughout Malaysia helped contribute to the nationwide charity programme. Staff from all over the KFCH Group, along with their families and members of the public joined together for the 'Be The Movement' charity walk, which took place in Putrajaya. This year, through in-store activities and the 'Be The Movement' charity walk, the Group contributed to raising over RM1.5 million in donations.



MALAYSIAN ARMED FORCES

The Group's support for the men and women of Malaysia's armed forces was extended in 2010. Working hand in hand with the Malaysian Government, KFCH provided food and other vital supplies to more than 14,000 members of the military serving within the country and overseas.

CORPORATE SOCIAL RESPONSIBILITY

KFC'S HEARING IMPAIRED COMMUNITY CARE STORES

The pioneering efforts of KFC Malaysia to provide speech and hearing impaired members of the community with an opportunity to operate KFC restaurants has been recognised the world over. The first such store, run entirely by speech and hearing impaired employees, was opened in 1986. Now, 25 years later, there are four similar restaurants operating in Malaysia, providing 60 staff with an opportunity to be independent. The latest restaurant was opened in Taman Masai, Johor in November of 2010. The project is a source of immense pride to the Group and serves as a highlight of our CSR programme.



TABUNG PENYAYANG KFC

The Group's Tabung Penyayang KFC was set up back in 1997 to streamline our CSR efforts in helping children and the needy through various programmes and initiatives. Funds for this initiative are generated in two ways. Firstly, ten cents from every Chicky Meal sold are donated to the fund. Secondly, collection boxes are strategically located within every KFC restaurant nationwide, thereby encouraging customers to contribute to the fund. Tabung Penyayang KFC continued to make regular contributions to local charities or support various CSR programmes.

TIJARAH RAMADHAN

In 2010, KFCH was honoured to sponsor three episodes of Tjjarah Ramadhan, a national television programme which highlights companies that donate to less privileged members of the community. These episodes highlighted the plight of three poverty-afflicted families from Perak, Sabah and Melaka. Representatives from KFC, RasaMas and Kedai Ayamas visited these families and extended donations in the form of cash and kinds.



Marketplace

HALAL INITIATIVES

Strict *halal* compliance is a vital component in the continued success and popularity of our products, and an integral part of the Group's DNA. Our employees, systems and equipments constantly maintain the most rigorous of *halal* standards and our *halal* compliance is something we are honoured to guarantee to our customers.



KFCH once again participated in Malaysia's largest food and beverage exhibition, the Malaysian International *Halal* Showcase (MIHAS). The exhibition, considered the world's largest international *Halal* trade fair, was hosted by the Ministry of International Trade and Industry (MITI) and organised by the Malaysia External Trade Development Corporation (MATRADE). The KFCH booth was used to promote our *halal*-certified products and services to the thousands of visitors from all over the world.

KFCH was again a key participant in the *Halal* Food Standards Realisation (HAPSTAR) programme, which is organised throughout the country. HAPSTAR has been developed by the *Halal* Development Corporation (HDC) and the Department of Standards (SIRIM) to promote Malaysian *halal* standards. Topics of discussion included ways to standardise the procedures for the handling, processing and storing of food based on shariah and Malaysian standards.

ENTREPRENEUR DEVELOPMENT

The Group is passionate about igniting an interest in business and entrepreneurial development amongst university students. One method of kindling this interest is through the Gerak Usahawan Siswa lecture programmes, held at over 30 institutes of higher learning around Malaysia.

Another of the Group's educational initiatives is the collaboration with Bistari Young Entrepreneur Sdn Bhd in a series of mentorship programmes and educational lectures that help develop young Malaysian entrepreneurial talents. This includes the Tunas Bistari, Didik Bistari and Siswa Bistari Entrepreneur Programmes.

Workplace

The Group's employees currently number about 22,000 and with ongoing operational expansion this figure will grow in the coming years. The superb performance of our employees is one of the key reasons for the Group's continued success. To reward our staff and to develop them personally and professionally, a number of human capital development initiatives took place over the year.

RESTAURANT MANAGERS' CONVENTION

A well deserved reward was given to all KFC restaurant managers in 2010 as they were flown to Club Med, Bintan, Indonesia, for the Group's annual Managers Convention. The itinerary included various rounds of awards and recognitions after which the managers took time out to enjoy the wonderful weather and various outdoor pursuits.



PEDOMAN 2010

The Group's annual Pedoman event was once again held at Persada Johor International Convention Centre in Johor Bahru. Restaurant managers from KFC, Kedai Ayam, RasaMas and other operational units nationwide took part in the event. Highlights of the programme included financial reviews of the Group and its brands, presentations on human capital development, and the signing of Key Performance Indicators (KPIs). KFCH also took the opportunity to applaud staff who received promotions during the year, while long serving employees were recognised for their loyalty and commitment with saving bonds from BSN.

CORPORATE SOCIAL RESPONSIBILITY

CHAMPS CHALLENGES

KFC once again organised the National Champs Challenge, this year held in Johor Bahru. Fierce competition from restaurant managers and staff made for an epic final round, with everyone competing for the chance to emerge as National Champions and represent Malaysia at the Regional Champs Challenge held in Manila, the Philippines. In Manila, some 400 participants from 11 countries in the Asia Pacific region vied for pole position.



MANAGEMENT ASSOCIATES PROGRAMME

One educational initiative in our human capital development programme is the Management Associates Programme. The initiative involves identifying and training young Malaysian graduates who have the talent and go-getting attitude needed to become part of the Group's management structure.



HARI MEKAR – QUALITY DAY

Members of the Group were hailed as Overall Champions for the fourth year running at the Grand Finals of the Hari Mekar organised by JCorp. Representing KPCH were the winning teams and individuals of the Group-wide annual Hari Mekar competition held at Port Dickson, Negeri Sembilan.

The Environment

Sustainable operations are of paramount importance to the Group and are a vital component in our CSR programme. KPCH regards meeting mankind's need for food, water and clean air as a shared responsibility, and the Group is constantly aware of the many ways in which our operations can affect the environment. In line with its commitment to environmental protection, KPCH is relentless in its efforts to minimise its environmental impact without compromising shareholder value or operational performance.



RECYCLING PROGRAMME

Via a strategic partnership with Mutiara Johor Corporation, KPCH carried out a recycling programme which was designed to educate local communities about the importance of recycling and to create awareness about healthy lifestyles and habits.

AYAMAS PORT KLANG

Ayamas Port Klang plant has had a waste water treatment facility since 1988. The facility treats the final discharge waste water in compliance with the Department of Environment Malaysia (DOE) Standard B for discharge. Since it first opened, the plant has been upgraded a number of times, at an estimated cost of RM5 million in total. The facility operates using two main waste water treatment processes – a Continuous Processor and a Sequential Batch Reactor (SBR) Process. The plant currently treats 2,000 cubic metres of waste water discharge per day.



AYAMAS BANDAR TENGGARA, JOHOR

In 2009, the Group opened the Ayammas Bandar Tenggara plant in Johor. The plant has a waste water treatment facility which treats the final discharge waste water in compliance with the DOE Standard A for discharge. Built at a cost of RM2 million, the facility uses only the SBR process, and treats 800 cubic metres of final discharge waste water per day.



BAKERY & COMMISSARY



The Group has constructed a waste water treatment plant at Kompleks KFC Glenmarie, the site which houses the Bakery and Commissary divisions. The RM1.5 million plant's inner system treats final discharge waste water in accordance with the DOE Standard B for discharge. The treatment process makes use of a Biological Treatment System, which comes with a Up-Flow Anaerobic Sludge Bed (UASB) and Alternative Intermittent Cyclic Reactor (AKAR).



REGION FOOD INDUSTRIES

Region Food Industries uses a waste water treatment plant which was commissioned and built in 2004. The plant employs a system that treats the final discharge waste water, complying with the DOE Standard B for discharge. The plant treats approximately 250 cubic metres per day using a chemical and biological treatment continuous processor.

Changing The Corporate Social Responsibility Scene

CSR at KFCH is constantly evolving, and the Group is well aware that these initiatives must be further expanded if the Group is to build a better world for all its stakeholders. We know that there is much yet to be done, and many unexplored avenues to travel; and we look forward to joining hands with the communities involved in our efforts to improve the lives of the needy among us.