



**CHASWOOD RESOURCES  
HOLDINGS LTD.**

**SUSTAINABILITY REPORT**

**2017**

# CONTENTS

02	<b>About This Report</b>
03	<b>Board Statement</b>
04	<b>About Us</b>
07	<b>Supply Chain</b>
08	<b>Governance &amp; Sustainability Approach</b>
9	<b>Stakeholders Engagement</b>
10	<b>Material Topics</b>
11	<b>Market Presence</b>
12	<b>Anti-Corruption</b>
13	<b>Energy</b>
14	<b>Employment</b>
15	<b>Training &amp; Education</b>
16	<b>Global Reporting Initiative (GRI) Content Index</b>



# ABOUT THIS REPORT

This is the inaugural report by Chaswood Resources Holdings Ltd and its subsidiaries (“Chaswood” or the “Group” or “we”) pursuant to Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B : Rules of Catalist (“Catalist Rules”) and in accordance with the Global Reporting Initiative (“GRI”) Standards Sustainability Reporting Guidelines 2016 - Core Option and its reporting principles. We have adopted the GRI framework as it is an internationally recognised reporting framework that covers a wide range of sustainability topics.

For our first report, we will be covering our Group’s restaurant operations in Malaysia from 1 January 2017 to 31 December 2017 (“FY2017”). Our Group is currently undergoing restructuring and is in the process of disposing majority of the restaurant business. As such, there will be major changes in the business operations and this report will focus on our sustainability strategies and efforts in view of these changes.

We have not sought external assurance for this reporting period and will consider it when our reporting matures over time.

In line with our environmentally friendly practice, we will not be printing this report. A copy of this report is available for download from SGXNET and our website at <http://www.chaswood.com.my/>.

We are committed to listening to our stakeholders and we look forward to your feedback. For any enquiry related to this report, please contact us at [pr@chaswood.com.my](mailto:pr@chaswood.com.my).





# BOARD STATEMENT

**Dear Stakeholders,**

The Board of Directors (the “Board”) is delighted to present our inaugural Sustainability Report which discusses the challenges and material issues that are important to our stakeholders. FY2017 was indeed a challenging year for our Group as a result of various factors such as weak consumer sentiment and increasing competitive pressures from other restaurant operators.

During the year under review, the business performance of our Group has been adversely affected due to inter-alia sales decline and operational losses arising from continuing economic downturn in Malaysia in the last three years and factors such as weak consumer spending, increasing cost of operations and costs of living. Under these circumstances, the Board is compelled to immediately protect the long-term interests of all stakeholders, including shareholders and creditors, and to restore the deteriorating financial position of our Group via the restructuring exercise currently undertaken by our Group.

As a Group, we are committed to creating value and strive to create a balance between people, planet and profit. Our purpose is to create sustainable value for our customers and consumers, for our people and for our shareholders, as well as for the wider society and communities in which we operate. To excel, we add value to our business partners and investors by driving efficiencies and investing in growth for long term value.

Our Board recognises the importance of sustainability in our Group’s business operations and performance and have linked our sustainability efforts to our strategy and business objectives. Together with our Board’s leadership, senior management shall manage and implement our approach to sustainability and monitor the performance of our sustainability goals against our strategy and business objectives.

We would like to express our gratitude to our stakeholders for the strong support and confidence in us, particularly during this challenging period. We would also like to extend our gratitude to the management and staff, business partners and various professionals for the untiring efforts, support, dedication and commitment in assisting us to ride through this difficult time to operate in the long term and even more sustainable way.

Through this report, we reiterate our commitment for adopting best sustainability practices to restructure and sustain our Group’s business operations and performance. We are undertaking steps to review our options to restructure our business and operations so as to preserve the value and

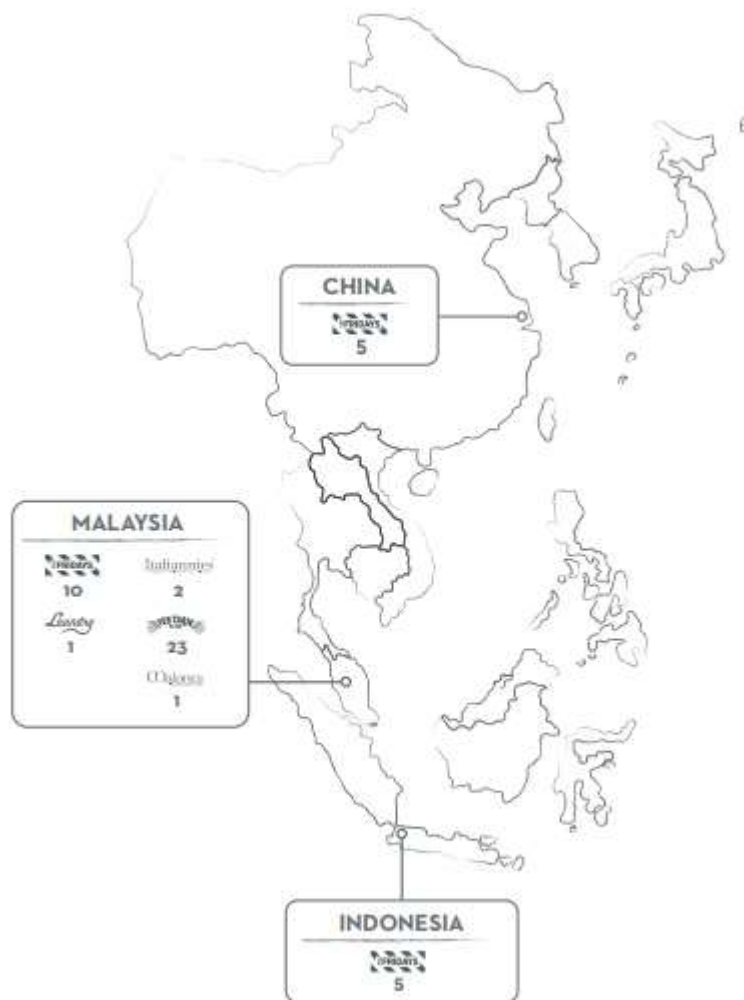
protect the long term interests of our stakeholders in light of the sales decline and operational losses which arose as a result of protracted economic downturn.

## ABOUT US

Chaswood was founded in 2002 as a notable casual dining operator in Malaysia. We were successfully listed on Catalist Board of SGX-ST in 2012. Over the years, our Group has expanded overseas in countries such as Indonesia and China. We manage international brands like the celebrated TGI Fridays® and proprietary brands Teh Tarik Place, Italiannies®, Malones® and Laundry.

In line with our corporate vision to become the leading regional restaurant brand developer, owner and operator, we have diversified our brands and product offerings to cater to different needs in the market.

In 2018, pursuant to the Group's restructuring exercise, it is in the process of disposing some its restaurant businesses in the Malaysian subsidiaries as per announcement dated 14 September 2018.



**TOTAL: 47 OUTLETS \***

\* Outlets as at 31 December 2017. To-date, there are 41 outlets in the Group.

# ABOUT US



**Category:** American, Casual Dining  
**Brand Promise:** In Here, It's Always Friday  
**Brand Essence:** Infectious Energy  
**No. of Restaurants:** 10 in Malaysia, 5 in China and 5 in Indonesia

It's fun, it's familiar, it's where every day is Friday.

TGI Fridays™, credited as being the first American casual dining chain, has been a favorite place for millions of guests since 1965. TGI Fridays™ arrived in Kuala Lumpur in 1994 and quickly became the point of reference for American food lovers. Today, almost five decades on, there are more than 1,000 TGI Fridays™ outlets in over 60 countries.

No matter who you are, or what the occasion is, you know you'll have a great time every time at TGI Fridays™ restaurants.

*fridays.com.my, fridays.co.id, fridays.com.cn*

The best ingredients for an enjoyable evening are good company and great food. Italians know this, and live by that formula. Following in this rich tradition, Italiannies is a place where families and friends gather together during dining time, sharing delectable dishes and stories of the day - in a simple celebration of life, and living.

With its welcoming authentic Italian ambiance - from a unique continental facade, to sepia-toned photographs decorating the walls, lacey curtains and dark wooden furniture, plus the aroma of freshly cooked food emanating from its open kitchen - Italiannies® makes guests feel right at home. The amiable staff and A'more di Merrier shared presentation menu concept complete the dining experience; it's a true family affair.

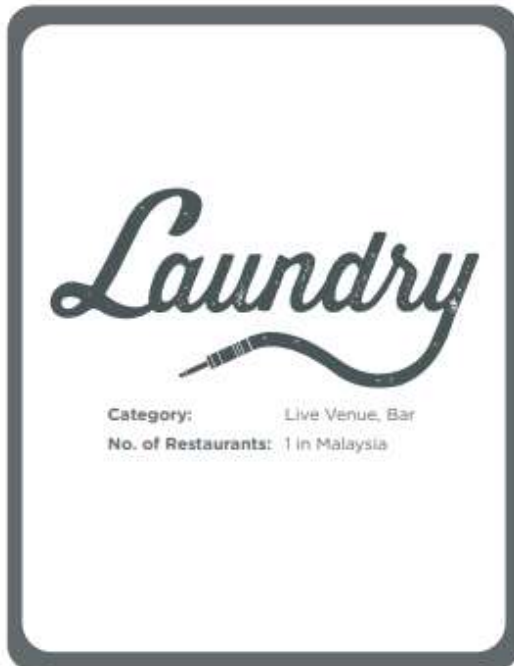
*italiannies.com.my*

## Italiannies®

PASTA PIZZA & VINO

**Category:** Italian-American, Casual Dining  
**Brand Promise:** Every Guest Leaves Happy  
**Brand Essence:** Food is a Celebration of Life  
**No. of Restaurants:** 2 in Malaysia

# ABOUT US



Born out of a passion for life and its many pleasures, Laundry is all about good music, great company, amazing food and drinks. Since its opening, Laundry has been a firm supporter of the local music scene while providing a platform for international artistes to strut their stuff.

A modern bar and lounge, Laundry is the ideal place to catch up with friends over a couple of drinks and a bite to eat. And with its location away from traffic jam central, you don't have to spend your downtime stuck in the car.

[laundrybar.net](http://laundrybar.net)

A contemporary reimagining of the beloved neighbourhood Mamak stalls with that same laid-back vibe, it's a hangout spot for people from all walks of life.

Teh Tarik Place's kitchen carries a variety of local dishes, from roti canai to nasi lemak, to mee goreng. You'll also find classic drinks like Milo, barley lychee and of course, teh tarik.

[tehtarikplace.my](http://tehtarikplace.my)



# ABOUT US



If there's one place you can always rely on for a pick-me-up, it's your local Irish pub. Pouring creamy pints of draft since 2009, Malones® Irish restaurant and bar offers a delightful menu filled with an array of authentic Irish specialities along with our very own chefs' creations.

Malones® is all about fun, letting loose and just being yourself; a perfect embodiment of Irish exuberance. If you're looking for luck, do so in Malones®.

# SUPPLY CHAIN

We aim to build a responsible and sustainable supply chain by setting clear standards for our suppliers as well as monitoring risks areas within our supply chain. We have established procurement policies and procedures which helped guide in our procurement and sourcing processes. For example, key ingredients and perishables are purchased from the approved suppliers on a daily basis to ensure the freshness of our ingredients and these suppliers are selected based on, amongst others, delivery, quality of product, service quality and past performance.



# GOVERNANCE & SUSTAINABILITY APPROACH

Our Board is committed to maintain a high standard of corporate governance within and throughout our Group. We promote performance management and accountability to enhance long-term shareholder value, and constantly review our processes, policies and practices.

Our sustainability efforts are led by our senior management who ensures that the Group's business objectives are in line with our commitments to sustainable development. The senior management is responsible for on-going communication to the Board of Directors.

Chaswood has put in place a whistle-blowing policy to provide an avenue to all employees and external parties to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of the Group's policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct. A dedicated and secured e-mail address is established to allow whistle-blowers to contact the Audit Committee ("AC") members directly. All concerns or irregularities raised will be treated in confidence and every effort will be made to ensure that confidentiality is maintained throughout the process. The AC members may, in consultation with the Managing Director and/or senior management, direct the complaint to the division or department best placed to address it, or lead the investigation to ensure prompt and appropriate investigation and resolution.

The Board is responsible for the governance of risk and is fully aware of the need to put in place a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets. We have established internal monitoring and review processes to assess the adequacy and the effectiveness of the Group's internal control systems put in place, including financial, operational, compliance and information technology controls and risk management systems. Any material non-compliance or lapses in internal controls, together with recommendation for improvement, are reported to the AC.

# STAKEHOLDER ENGAGEMENT

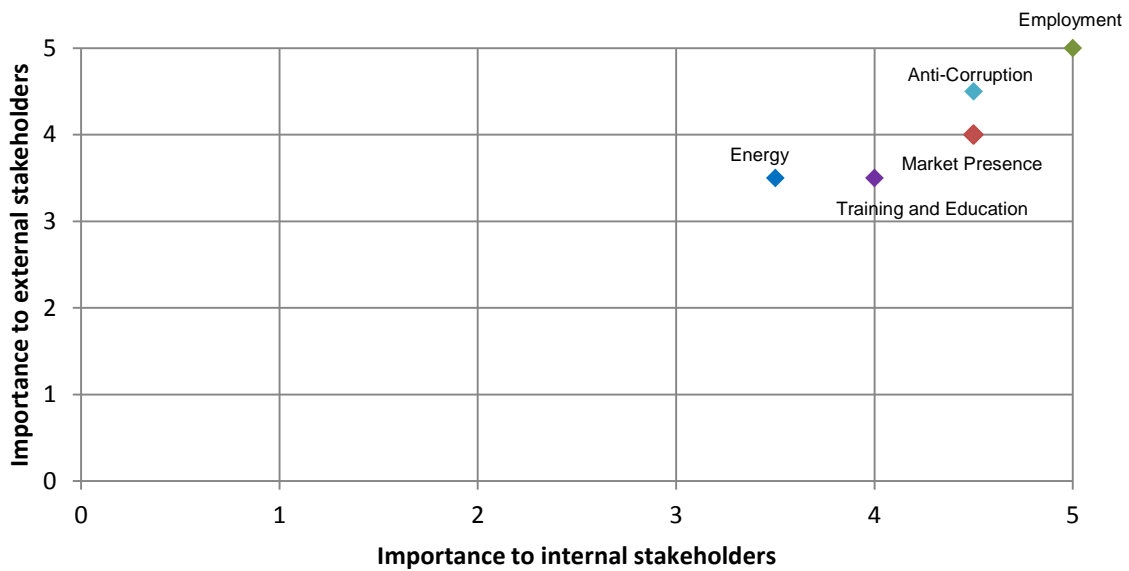
We aspire to understand the needs and expectation of our key stakeholders and strive to build mutual beneficial relationships through active engagement with them and through this process, key factors are determined and included within our sustainability report.

Stakeholder Group	Engagement Methods	Shareholders' Expectations
<b>Customers</b>	Offer various dining concepts and services to enhance customer experience	Excellent food and beverage, exceptional service and genuine hospitality
<b>Suppliers</b>	Maintain business dealings with suppliers that offer top notch standards in areas such as ethical conducts and workplace standards	Compliance with terms and conditions of purchasing policies and procedures, and maintain high ethical standards
<b>Employees</b>	Coaching, training, mentoring are the key elements in our relationship with each of our team members	Staff rights, welfare, personal development and good working environment as well as inspire every team member to his or her fullest potential
<b>Investors</b>	Hold annual meetings and board meetings to keep shareholders updated about the Group's economic performance	Profitability, transparency, timely reporting and fair purchasing practices
<b>Business Partners</b>	Continue to actively pursue business opportunities to expand and strengthen our capabilities and competencies	Partnership for opportunities and growth
<b>Government and Regulators</b>	Ensuring pleasant relationship with regulators and disclose pertinent information timely	Environmental-friendly business approach, compliance with regulations, timely reporting and resolution of issues



# MATERIAL TOPICS

Based on feedback gathered from our internal and external stakeholders, we have evaluated and identified factors which would have significant economic, environmental and social impacts and are material to the organisation and stakeholders. We have prioritised and compiled 5 relevant sustainability aspects for developing this report, as reflected in the materiality matrix below:



## Sustainability Topics Selected:

### Economic Topics



- *Market Presence*
- *Anit-Corruption*

### Environmental Topics



- *Energy*

### Social Topics



- *Employment*
- *Training and Education*

The Group will perform an annual update on the selected sustainability factors to reflect changes in our business operations, market environment and sustainability trends. We have not reported any quantitative targets for the factors identified in our maiden sustainability report. Nonetheless, the Group pledge to address each of these factors and are focused on improving our performance in these areas.

# MARKET PRESENCE

We strive to contribute toward social progress and work with local communities to create value. In the largest market segment in our Group, which is in Malaysia, we operate 5 brands across the country. We believe that through our corporate vision to become the leading regional restaurant brand developer, owner and operator, we are creating connections to the local areas and communities in Malaysia through active employment and talent development.

Our Group monitors and updates the local laws and regulation periodically to ensure we are working in good manner and minimum wage. The impact of wage levels will directly affect individuals, organisations, countries and economies.

We strive to provide wages above the minimum wage to help contribute to the economic well-being of workers performing our activities. There is an equitable distribution of wages between women and men, or nationals and migrants.



In the year under review, the Group continue to face challenges brought about by inter-alia increased costs of operations, costs of living, changing patterns of social and economic development, tight labour supply and advancement in technology. Moving forward, we strive to ride out the challenges via a comprehensive restructuring exercise which includes inter-alia business rationalisation, debt Restructuring and fund raising. We will also be focusing on cost-cutting measures and streamlining our operations so that we will have more resources to focus on rebuilding our deteriorating financial position and market presence.

# ANTI-CORRUPTION

The Code of Conduct contains the most important corporate principles and behavioral rules. It is supplemented by guidelines for dealing with potential conflicts of interest. These guidelines are a key element of our preventive measures against corruption.

Our Group has put in place a whistle-blowing policy duly endorsed by the AC and approved by the Board, where employees of the Group may, in confidence, raise concerns about actual or possible corporate improprieties in matters of financial reporting or other matters. This policy also serves as a reassurance to whistle blowers that they are shielded from reprisals for whistleblowing in good faith. The details of the whistle-blowing policy and procedure have been made available to all employees and published in our website.

The Group strives to preserve its past zero record in corruption cases. We strictly enforce our values to our employees and ensure that our stand on corruption is clear. No whistle-blowing report regarding the abovementioned concerns and no confirmed incidents of corruption was received by the AC during the financial year under review. Internal audits are performed annually, which would highlight any short comings in the controls that may lead to inter-alia fraud, and report adverse findings. For FY2019 sustainability reporting, our Group hopes to maintain its zero record in corruption cases, continues to cultivate anti-corruption environment and trainings for its employees.



# ENERGY



Energy is central to nearly every major challenge and opportunity the world faces today and this is key to our sustainability strategy. In line with United Nations Sustainable Development Goals where global rate of improvement in energy efficiency is targeted to double by 2030, we at Chaswood play our part by reducing the energy use in our operations by adopting more environmentally-friendly technologies such as the use of LED lights. We have also embarked on energy saving measures which we have disseminated to all our outlets for awareness, for example turning off the lights and computers when not in use and using energy efficient equipment in our kitchens.

In addition, as part of our restructuring exercise, we aim to achieve more efficient energy consumption through the closure of non-performing outlets and implementing measures to effectively monitor our energy consumption.

# EMPLOYMENT

In creating value, we are dependent on people. Our key asset is our dynamic team. At the same time, several studies have shown that companies with a diverse workforce perform better. Chaswood takes into account the interest of different ethnic groups of our vibrant workforce.

We focus on providing equal access to opportunities to all employees and aim to create a healthy work environment through a sound management system. An annual performance review would be performed for each employee to gather feedback and allow the management to identify individuals with aptitude for other suitable positions within the Group.

***“Think of Chaswood as a giant blender. When we open a restaurant, the blender switches on. All day team members mix together. Different backgrounds, ages, experiences, and perspectives create an amazing concoction. You can be sure that anything can and will happen. More people, more personality.”***



The Group have established policies and practices to ensure transparency and fairness for staff. In addition to the existing whistle-blowing policy, our employees' grievances are being taken care of through appropriate channels. We also provide comprehensive employee benefits to our full time employees, including employee insurance and health care.

Moving forward, we will continue to review our employment policies and strive towards greater gender equality and a more inclusive workforce. We will also proactively gather our employee's feedback in addition to the annual performance review conducted with them, to foster a deeper understanding of our people's needs. We aspire to achieve automation of work processes in the future, thereby augmenting productivity and efficiency.

# TRAINING & EDUCATION

We uphold our belief that investing in our people through coaching, training and mentoring is key in maintaining a passionate and adept team to support our business objectives. In face of the ever-changing business environment and our Group's growth needs, our employees go through training programme which boost their commitment to our Group and in turn raise the level of performance on an individual and Group level.

We are committed to inspiring and developing each team member to his or her fullest potential. This means creating the opportunity for them to learn and grow. New hires are given the opportunity to learn on the job to familiarise themselves with our operations.

Our employees' developmental needs are assessed through our Group-wide annual performance appraisal, and we try to give our employees the training they need. Our employees at the outlets are trained in food handling, cooking and hygiene control to be in line with local regulatory requirements to ensure all food-handlers maintain a high standard of personal hygiene to prevent food contamination and transmission of harmful pathogens.

We aim to cultivate continuous learning and have a creative and inspiring environment for our employees. We also encourage our employees to participate in annual international meetings organised by franchisors where ideas and experiences with other franchisees of the brand worldwide are shared.

As our Group has embarked on a restructuring scheme to undertake business rationalisation initiatives which includes closing non-performing restaurants and reducing operating costs, we will work on having a monitoring mechanism to record and report training hours for our employees once the restructuring scheme is complete.





# GRI CONTENT INDEX

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
<b>GENERAL DISCLOSURE</b>		
GRI 102: General Disclosures 2016	<b>Organizational Profile</b>	
	102-1 Name of the organisation	Cover Page
	102-2 Activities, brands, products, and services	Page 4
	102-3 Location of headquarters	Page 4
	102-4 Location of operations	Page 4
	102-5 Ownership and legal form	Page 4
	102-6 Markets served	Page 4
	102-7 Scale of the organisation	Page 4 and Annual Report
	102-8 Information on employees and other workers	We will work on reporting this in the next report once restructuring exercise is complete as there have been major changes to business operation hence disclosures will not be meaningful
	102-9 Supply chain	Page 7
	102-10 Significant changes to the organisation and its supply chain	No changes
	102-11 Precautionary principle or approach	Precautionary approach
	102-12 External initiatives	We will work on reporting this in the next report once restructuring exercise is complete. We will work on reporting this in the next report once restructuring exercise is complete
	102-13 Membership of associations	
	<b>Strategy</b>	
	102-14 Statement from senior decision maker	Page 3
	<b>Ethics and Integrity</b>	
	102-16 Values, principles, standards, and norms of behaviour	Page 4
	<b>Governance</b>	
	102-18 Governance structure	Page 8 & Annual Report
	<b>Stakeholder Engagement</b>	
	102-40 List of stakeholder groups	Page 9
	102-41 Collective bargaining agreements	NA
	102-42 Identifying and selecting stakeholders	Page 9
	102-43 Approach to stakeholder engagement	Page 9
	102-44 Key topics and concerns raised	Page 9
	<b>Reporting Practice</b>	
102-45 Entities included in the consolidated financial statements	Annual Report	
102-46 Defining report content and topic boundaries	Page 2	
102-47 List of material topics	Page 10	
102-48 Restatements of information	NA	
102-49 Changes in reporting	This is the first Sustainability Report	
102-50 Reporting period	Page 2	
102-51 Date of most recent report	This is the first Sustainability Report	
102-52 Reporting cycle	Page 2	
102-53 Contact point for questions regarding the report	Page 2	
102-54 Claims of reporting in accordance with the GRI Standards	Page 3	
102-55 GRI content index	Page 16	
102-56 External assurance	Page 2	

# GRI CONTENT INDEX

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
<b>MATERIAL TOPICS</b>		
<b>Market Presence</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 11
	103-2 The management approach and its components	Page 11
	103-3 Evaluation of the management approach	Page 11
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	We will work on reporting this in the next report once restructuring exercise is complete as there will be major changes to the business operation hence disclosures will not be meaningful
	202-2 Proportion of senior management hired from the local community	
<b>Anti-Corruption</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 12
	103-2 The management approach and its components	Page 12
	103-3 Evaluation of the management approach	Page 12
GRI 205: Anti- Corruption 2016	205-1 Operations assessed for risks related to corruption	Page 12
	205-2 Communication and training about anti-corruption policies and procedures	Page 12
	205-3 Confirmed incidents of corruption and actions taken	Page 12
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 13
	103-2 The management approach and its components	Page 13
	103-3 Evaluation of the management approach	Page 13
GRI 302: Energy	302-1 Energy consumption within the organisation	Page 13
	302-2 Energy consumption outside of the organisation	Page 13
	302-3 Energy intensity	Page 13
	302-4 Reduction of energy consumption	Page 13
	302-5 Reduction in energy requirements of products and services	Page 13
<b>Employment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 14
	103-2 The management approach and its components	Page 14
	103-3 Evaluation of the management approach	Page 14
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	We will work on reporting this in the next report once restructuring exercise is complete as there will be major changes to business operation hence disclosures will not be meaningful
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
<b>Training and Education</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 15
	103-2 The management approach and its components	Page 15
	103-3 Evaluation of the management approach	Page 15
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	We will work on reporting this in the next report once restructuring exercise is complete as there have been major changes to business operation hence disclosures will not be meaningful
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	