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ENVICTUS INTERNATIONAL HOLDINGS LIMITED

## Securities

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Please refer to the attachment.

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# **ENVICTUS INTERNATIONAL HOLDINGS LIMITED**

**SUSTAINABILITY REPORT 2019**

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# BOARD STATEMENT

The Board of Directors (the “Board”) is committed to build the sustainability of the Envictus International Holdings Limited and its subsidiaries (the “Group”). Sustainability considerations, including economic, environmental, social and governance (“EESG”) issues, are integral and essential matters which we take into account in our formulation of the overall strategy for the Group. We are fully supportive of all efforts by the management team to make improvements in this area.

The Group’s long-term sustainability is a key priority for the Board and as efforts in this respect depend on the management team’s implementation and operational abilities. The Board has made it clear that our evaluation of their performance takes their effectiveness in delivering on the commitments made to sustainability initiatives and targets in this report into account.

The Board is committed to being transparent, clear and open about the businesses to its shareholders and other stakeholders. The disclosures made in this report and in the Group’s annual report are in line with this commitment. In this report, we have discussed the Group’s efforts to continue building on and strengthening the Group’s collaboration with business partners to drive positive economic, environmental, and social impact throughout its value chain with good governance.

The Board has assigned responsibility for overseeing the Group’s sustainability initiatives and the preparation of this sustainability report to the management team and head of the department respectively. We will continue our efforts on this front to further enhance the Group’s sustainability.

Published date: 26 February 2020

## ABOUT THIS REPORT

Our sustainability report has been prepared in accordance with the SGX-ST Mainboard Listing Rule 711(B), and in reference to the Global Reporting Initiative (“GRI”) Standards, Core option, for the financial year ended 30 September 2019, which highlights the Group’s commitment to undertaking business responsibly and sustainably. We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. Moreover, the structured framework promotes reporting a full and balanced picture of the Group’s material matters and the management of its impact. This report represents the industry practice for tracking performance on a range of economic, environmental, social and governance indicators.

The scope of the inaugural sustainability statement covers material issues arising from the daily business operations of Food Services (Texas Chicken and San Francisco Coffee), Trading and Frozen Food (Pok Brothers) and Food Processing (Gourmessa and De-luxe Food Services) Divisions in Malaysia. It does not include the subsidiaries in New Zealand, Indonesia and Dairies Division in Malaysia.

The statement offers an overview of the sustainability approach and initiatives made by the Group on how it creates economic value, protects the environment and pursues social development in the food and beverage sector.

Given that this is the Group’s sustainability statement, the data collection remains limited to selected economic, environment, social and governance indicators that contribute to the sustainable development of the Group and are of interest to its internal and external stakeholders. The information and data disclosed in this statement were derived from internal reporting processes, systems, and records. While the report has not undergone full external assurance, due care was taken into the disclosure of the information presented here.

The electric edition of this report is available at: [www.envictus-intl.com](http://www.envictus-intl.com)

# SUSTAINABILITY APPROACH

## (A) SUSTAINABLE DEVELOPMENT STRATEGY

The Group strives to support economic growth that benefits every level of society while minimising any adverse environmental and social impacts arising from its daily business operations guided by a long-term strategy comprising 3 main aspects:-

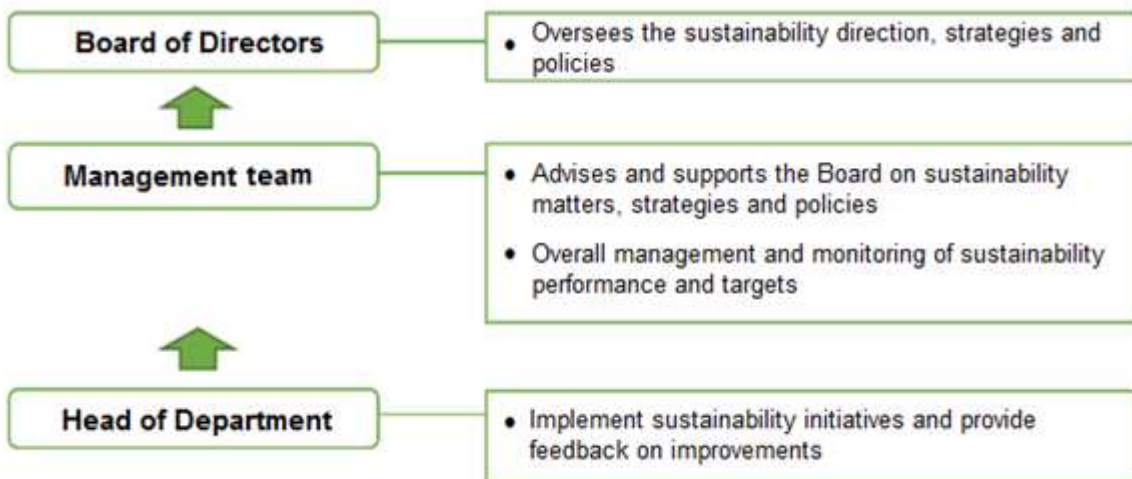
	<p><b>Environmental Sustainability</b></p> <p>Striving towards reducing the Company’s environmental footprint by improving on the efficiency of resources and supporting conservation efforts.</p>
	<p><b>Social Sustainability</b></p> <p>Dealing with customers and the public according to good market practices and regulatory requirements, conducive workplace practices, and community engagement through a variety of initiatives involving the Company’s monetary and non-monetary resources.</p>
	<p><b>Economic Sustainability</b></p> <p>Creation of long-term value for shareholders and added value for all the Company’s stakeholders.</p>

# SUSTAINABILITY APPROACH (CONTINUED)

## (B) SUSTAINABILITY GOVERNANCE

Sustainability governance is one of the core elements that govern the sustainable development of the Group’s businesses. The Group strives to maintain a high standard of governance and firmly believes in accountability and transparency to maximise economic, environmental and social returns to all its stakeholders. The core responsibilities of the governance structure rest on the Board comprising professionals from a wide range of business experience and expertise. Through focused committees and commitment to adopting best practices, the Board is committed to maintaining sound internal controls and effective risks management to enhance transparency, accountability, integrity, and honesty to earn the trust of its stakeholders. The Board views the commitment to promote sustainability strategies in the economic, environmental and social aspects as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

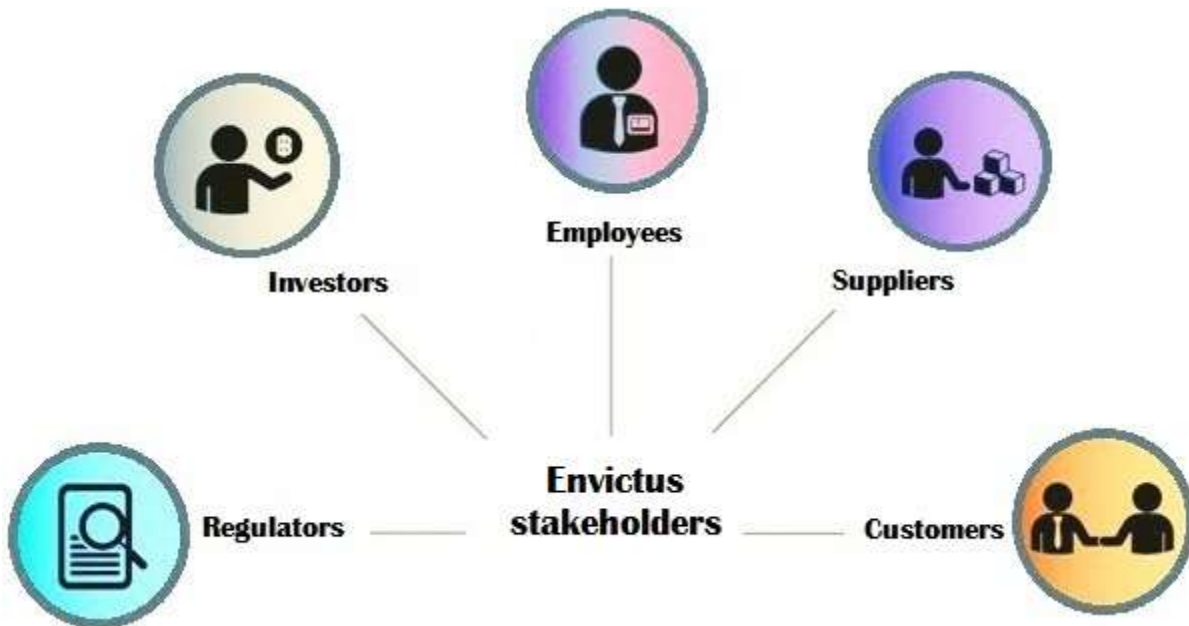
### Sustainability Governance Structure



# STAKEHOLDER ENGAGEMENT




The Group operates under the framework of sustainable development, taking into account the importance of the rights to be respected and fairness to be upheld for all stakeholders. As a code of practice for all units and for employees of all levels, the Group has established guidelines for appropriate stakeholder engagement, with an emphasis on continuously promoting creative engagement with all stakeholders through various activities and communication channels where various demands, opinions, concerns, and suggestions may be voiced.

For each group of stakeholders, the frequency of communication varies according to the Group's operation plans. Therefore, the information received is useful in helping determine the strategy, direction, planning, and guidelines for business sustainability development.







# STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDERS GROUPS	ISSUES OF STAKEHOLDER INTEREST AND CONCERN	METHODS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Food safety and hygiene at all outlets</li> <li>• Customer service and product quality</li> <li>• Transparency in business operations</li> <li>• Sustaining growing customer brand loyalty</li> </ul>	<ul style="list-style-type: none"> <li>• Timely response to feedback received across all channels</li> <li>• Dedicated Customer Services Team to effectively manage customer relations and feedback</li> <li>• In-house training for staff</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Daily</li> <li>• On going</li> </ul>
 <p><b>Investors</b></p>	<ul style="list-style-type: none"> <li>• Transparency in information disclosure</li> <li>• Business performance</li> <li>• Disclosure of relevant business information to shareholders and investors</li> <li>• Product management and development</li> </ul>	<ul style="list-style-type: none"> <li>• Results announcement</li> <li>• Annual General Meeting (AGM)</li> <li>• Annual reports</li> <li>• Website at <a href="http://www.envictus-intl.com">www.envictus-intl.com</a></li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Annually</li> <li>• Annually</li> <li>• On going</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Consistent engagement in an area such as remuneration, training, development and career advancement opportunities</li> <li>• Adequate training on food hygiene and workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive training including on the job training</li> <li>• Offering incentives and recognition for sustainability achievement</li> <li>• Induction and orientation programs</li> <li>• Yearly appraisal for increment and promotion</li> </ul>	<ul style="list-style-type: none"> <li>• On going</li> <li>• On going</li> <li>• As required</li> <li>• Yearly</li> </ul>

## STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDERS GROUPS	ISSUES OF STAKEHOLDER INTEREST AND CONCERN	METHODS OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
 <p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>• Receipt of timely payments</li> <li>• Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Robust procurement system</li> <li>• Correspondence through calls and emails</li> </ul>	<ul style="list-style-type: none"> <li>• On going</li> <li>• On going</li> </ul>
 <p><b>Regulators</b></p>	<ul style="list-style-type: none"> <li>• Comply with applicable regulations, laws and food safety standards set by the authorities</li> <li>• Compliance with the customer requirement and the export regulation especially for the export market.</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Implementation of daily inspection through checklists by admin staff</li> <li>• Mandatory training to raise awareness of requirements and to ensure compliance</li> <li>• Renew the certificate before expired</li> <li>• Audit checks</li> </ul>	<ul style="list-style-type: none"> <li>• As required</li> <li>• On going</li> <li>• Yearly</li> <li>• Yearly</li> <li>• On required</li> </ul>

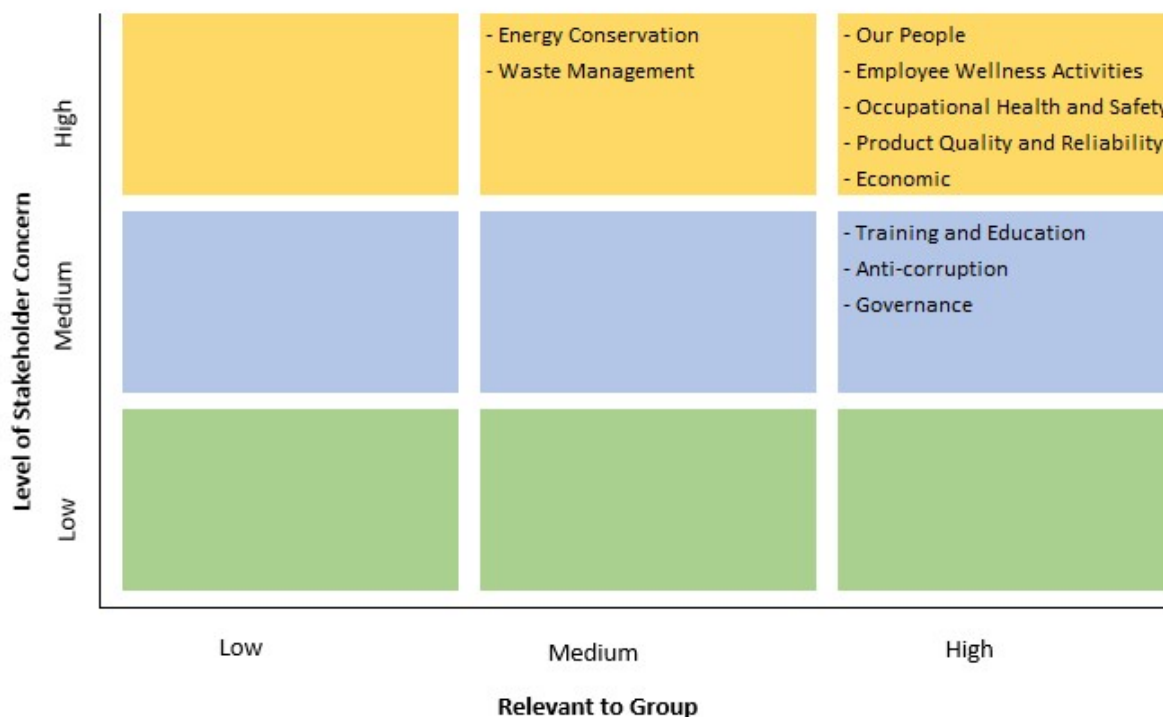
# MATERIALITY ASSESSMENT

The Group is committed to creating long-term value for the stakeholders. The sustainability strategy is to assess and manage the most material economic, environmental, social and governance impacts, risks and opportunities arising from the business operations to support the sustainable growth of the business.

Materiality assessment is essential to the sustainability strategy. We performed a peer benchmarking assessment of sustainability-related disclosures to generate a list of potential material matters. Subsequently, each business and department head deliberated and prioritised on the most material sustainability matters.

The sustainability focus areas identified as integral to our business are outlined in the table on the next page.

## The Group’s Materiality Matrix



# SUSTAINABILITY FOCUS AREAS

SUSTAINABILITY FOCUS AREA	MATERIAL FACTORS	MAPPED GRI TOPICS
<b>Environment</b>	Energy Conservation	Energy
	Waste Management	Effluents and Waste
<b>Social</b>	Our People	Employment
	Employee Wellness Activities	Employment
	Training and Education	Training and Education
	Occupational Health and Safety	Occupational Health and Safety
	Product Quality and Reliability	Customer Health and Safety
<b>Economic</b>	Economic Performance	Economic performance
	Anti-corruption	Anti-corruption
<b>Governance</b>	Governance	Governance

# ENVIRONMENT

## (i) ENERGY CONSERVATION

Energy conservation plays an important role in the environment, the ways of utilisation of non-renewable resources would also impact the environment. Conservation of electrical energy can help to lessen pollution hence the Group has taken the necessary steps to reduce it.

### Pok Brothers

Perpetual Target	Performance for Financial Year (“FY”) 2019
To replace current lights to LED lights with the target to complete by 2021.	The first phase completed - Cold room lights have been replaced with LED lights. The second phase 50% completed in office areas.
Propose to replace the auto transformer starters’ equipment to electrical inverters in Glenmarie’s plant by 2021.	The replacement of the inverter is completed in Pulau Indah’s plant. Propose to management on the replacement of inverter in Glenmarie’s plant.
Incorporate energy conservation in employee’s handbook by 2020.	Human resources have included energy conservation in the orientation program.

Our Energy Conservation Management Initiative:

- Communication and education: Provide a clear definition of energy efficiency to educate employees on their energy behaviours and start internal initiatives to encourage lower energy consumption. Incorporate energy conservation in the employee’s handbook and included it in the orientation program.
- Lighting: Encouraging employees to switch off lights when it is not in use, to maximise daylight and reduce unnecessary lighting.



- 1) Manager’s room lights and other applications turn off during their absence.
- 2) The position of office lights has been turned off during the daylight.

- Electrical inverters: Management has installed the electrical inverters in Pulau Indah’s plant which helps to reduce electrical consumption by 30%. The target is to replace the auto transformer starters to electrical inverters in the Glenmarie plant.
- Electrical consumption in Glenmarie’s plant (auto transformer): Reduced by 6% in FY2019 as compared to FY2018.

(i) ENERGY CONSERVATION (CONTINUED)

Our Energy Conservation Management Initiative (Continued):

- Replaced with LED lights: Part of the factory is using energy-saving light such as LED to lower the heating and cooling costs.
- Operations and maintenance: Conduct routine maintenance on facility systems, identifying potential issues and correct them to ensure they are functioning efficiently.

**Gourmessa**

Perpetual Target	Performance for FY2019
Monitoring the hot water system on a daily basis to make sure the system works accordingly to the settings.	It performs well smoothly and saves energy accordingly to the settings.

Gourmessa has engaged in energy conservation in the hot water system to save electrical consumption. It started the system manually by time control the water temperature in FY2018 and subsequently upgraded the system to Programmable Logic Controller (“PLC”) in FY2019. This has resulted in the energy-saving by approximately 15% to 25%.

**Texas Chicken (Malaysia)**

Perpetual Target	Performance for FY2019
Continue to use LED lighting for the new opening outlets.	The amount of cost saving of 65 stores is RM195,000, higher than FY2018 of RM144,000 for 48 stores.

Restaurants are energy-intensive and operate in long hours, to minimise the impact of our restaurants on the environment, all our Texas Chicken restaurants in Malaysia are equipped with LED lighting to reduce power consumption by approximately 50%.

## (ii) WASTE MANAGEMENT

Waste prevention is the best way to manage waste. The Group strives to embrace environmental sustainability by managing environmental conservation through adopting “Reduce”, “Reuse” and “Recycle” (“3R”) practices.

### **Pok Brothers**

To become more sustainable, we are taking appropriate measures to make our warehouse more eco-friendly.



**REDUCE** the use of single-use Plastic Bags.

Selangor Government initiatives to reduce the use of Single Use Plastic have created awareness among our customers. Customers are using reusable bag and carton boxes for their purchases.



**REUSE** packaging materials and plastic pallets in our warehouse.

By reusing, we can reduce solid waste disposal and the cost of purchasing packing materials.



**RECYCLE** wooden pallets, broken pallets and other packaging materials to minimize solid waste.

We have conducted a few on-jobs training to create awareness on the importance of recycling in our operations. We have nurtured the habit of sorting and segregating the recyclable in the warehouse.

With the reduction in solid waste, we have savings in waste disposal expenses. We have recorded a savings of 15% in waste disposal services in FY 2019, compared to FY2018.

The success of the 3R program could be used to convince stakeholders involved in waste management about the overall benefits of recycling and its influences on social and environmental sustainability for promoting and strengthening recycling activities within the organisation.

## (ii) WASTE MANAGEMENT (CONTINUED)

**Gourmessa**

Perpetual Target	Performance for FY2019
Dry waste (e.g. paper, plastic, cardboard, and metal) from facilities production are sorted and sell to the recycling centre.	The amount of dry waste sold was RM2,588.

Gourmessa has started the waste management process on the solid waste in March 2019 to turn trash into cash. The amount of dry waste recycling for cash in FY2019 was RM2,588.

**De-luxe Food Services**

Perpetual Target	Performance for FY2019
To reduce food wastage to an average of 4.0% of total actual output.	156 tons or 4.6% waste from the total output of 3,385 tons finished goods, lower than FY2018 of 5.0%.
To reduce cartons waste cycle to 0.35% of finished goods output.	0.38% of finished goods output being recycle in FY2019, lower than FY2018 of 0.41%.
To reduce plastic waste cycle to 0.4% of finished goods output.	0.4% of finished goods output being recycle in FY2019, lower than FY2018 of 0.7%.

Our Waste Management Initiatives:

- Food waste recycling: food waste is recycled into animal feed instead of sending directly to the landfill. The objective is to reduce the overall waste generation per ton compared to the previous year such that it does not exceed 4% of the metric tons produced.
- Carton waste recycling: carton waste is originated from the finished goods packaging from various sources, eg: damage carton from the line or the warehouse. We will continue to minimise the carton waste by putting our efforts on operational control and quality of carton. 0.38% carton waste of finished goods output was recycled in FY2019.
- Plastic waste recycling: plastic waste is originated from production line processes. There was a 0.4% waste from finished goods output being recycle in FY2019 as compared to FY2018 of 0.7% resulted in a satisfactory development. We are expected to maintain the current result for FY2020.

**Texas Chicken (Malaysia)**

Perpetual Target	Performance for FY2019
To extend the usage of biodegradable plastic bags to other states in financial year 2022.	Given out biodegradable plastic bags at our restaurants in the Federal Territories.



(ii) WASTE MANAGEMENT (CONTINUED)

**Texas Chicken (Malaysia) (Continued)**

Our Waste Management Initiatives:

- Forest Stewardship Council (“FSC”) - certified paper packaging: Our boxes and paper cups are made from FSC. This means that the paper has been sourced in an environmentally-friendly, socially responsible and economically viable manner. FSC-certified products go through a “chain of custody” from the forest to the manufacturer to the merchant and finally to the printer. During the financial year, we have purchased 30.8 million (FY2018: 22.3million) pieces of FSC - certified packaging for our restaurants nationwide.

It also requires a “management plan” that outlines the scale and intensity of logging and renewal operations, in addition to long-term objectives for maintaining the health of the forest.

- Roundtable on Sustainable Palm Oil (“RSPO”) - certified palm oil: The palm oil that we use for frying at restaurants is RSPO – certified. This means that the palm oil producer complies with good agricultural, social and environmental practice, as dictated by the RSPO. During the financial year, our restaurants nationwide used 690,408 kg (FY2018: 583,000 kg) of RSPO certified palm oil.
- Biodegradable plastic bags: We give out biodegradable plastic bags instead of regular plastic bags at our restaurants in the Federal Territories. Biodegradable plastics are proven to be more environmentally-friendly, as they are able to breakdown more quickly when exposed to the elements. During the financial year, we have given out 1.1million (FY2018: 752,000) pieces of biodegradable plastic bags at our restaurants in Federal Territories. The management aims to extend the usage of biodegradable plastic bags to our stores in other states in the year 2022.
- Straws Upon Request Campaign – roll out the “straws upon request” campaign at all the restaurants in Klang Valley effective January 2019 in support of the government’s initiative in reducing plastic waste. During the financial year, our restaurants have reduced the usage of plastic straws by 49% compared to the usage in FY2018, despite the number of restaurants in FY2019 has increased by 21% compared to the previous financial year.

**San Francisco Coffee**

<b>Perpetual Target</b>	<b>Performance for FY2019</b>
Zero use of normal plastic bags	Ceased to use normal plastic bag in FY2019. (FY2018: 34,800 pieces of normal plastic bag and 46,500 biodegradable plastic bag used)
Zero use of plastic straws by FY2020	Average usage of plastic straws per outlet has reduced from 21,300 pieces in FY2018 to 20,700 pieces in FY2019.

## (ii) WASTE MANAGEMENT (CONTINUED)

**San Francisco Coffee (Continued)**

Our Waste Management Initiatives:

- Focus on Recyclable and Biodegradable products: Adoption of biodegradable bags, recyclable cups, recycling milk cartons, paper and plastic behind the counter.

No plastics: Further elimination of plastic single-use items like stirrers and straws to be replaced with wooden and/or biodegradable items and paper-based materials for packaging items like cake boxes, sandwich boxes and takeaway boxes.

No plastic straws: No plastic straws are given out in the store unless requested by customers started from January 2019. We target zero usage of plastic straws and convert them to biodegradable straws in FY2020.

- Bring your own tumbler: RM2 discounts for customers who bring their own tumbler to encourage customers to cut down the usage of paper cup and plastic cups.
- Grounds for gardening: Every store to separate and put aside coffee grounds daily. The grounds are packed in 2kg bags and given to interested customers for recycle used purposes.

# SOCIAL

## (i) OUR PEOPLE

Our people are the key driving force behind our successes and achievements. The Group's total staff count was approximately 2,500 (FY2018: 2,100) in Malaysia, New Zealand and Indonesia. To attract and retain our employees, we provide an equitable and market competitive salary with the inclusion of an attractive benefits package.

It also complies with the local statutory requirements on salary and benefits such as minimum wage order, employees' provident fund, employees' social security and leave provision. Employees are also provided personal accident insurance coverage, hospitalization, and surgical insurance coverage and medical benefits for outpatient treatment.

Employee engagement is the emotional commitment of the employee toward an organization and its goals. Hence we are actively engaging with employees through various channels. Regular communication sessions are held by senior management to encourage an effective flow of information and also to strike a balance with the business goals and objectives through all levels in the organisation.

## (ii) EMPLOYEE WELLES ACTIVITIES

### Gourmessa

Gourmessa employees formed a sports club in FY2019, each employee contributed a small amount every month to organise a sporting event once a year. We organised a bowling tournament with employees' families, it is not just a healthy exercise but it allows the team to get to know each other better and it releases work stress. The team games boost productivity and concentration level. Occasionally, the team will organise a gathering to get together. We always believe happiness brings us together and it boosts fun into the working environment.



***FY2019 Sport Club and Employee Gathering***

(ii) EMPLOYEE WELLES ACTIVITIES (CONTINUED)

**Texas Chicken (Malaysia)**

There are some engagement activities conducted by the Company include sports competitions, company outings, managers' summit and marketing incentive programs. In FY2019, Texas Chicken (Malaysia) has organise its first company annual dinner which was attended by nearly 400 staffs from the restaurants and the head office. Various awards were given out in recognition of the employees' performance and length of service.



***FY2019 Texas Chicken (Malaysia) Annual Dinner***

(iii) TRAINING AND EDUCATION

We offer various career development programs that enable our employees to enhance their skills and capabilities to meet the changing needs of the business.

**Gourmessa**

Gourmessa practice in-house training modules as for refreshment. FY2019 briefing was introduced and it plays the role to spread the bulletin to promote Good Food Safety and Quality knowledge. The employees were exposed to the current issue including government regulation, customer demand, complaints, etc.

Perpetual Target	Performance for FY2019
To increase employee's awareness regarding food safety and quality product supply.	Weekly morning briefing with all employees on Wednesday and daily morning briefing with key people in production.
To maintain customers' trust by improving and maintain the current system and certifications.	Glenmarie's plant was certified HALAL, AVA of Singapore, HACCP, VHM, MESTI, and manufacturing license, while Gourmessa Pulau Indah was certified HALAL.
To increases the employee motivation and productivity.	We work together in groups to achieve our goal. The team has successfully went through the process of implementation of revised stock module and work towards to meet the monthly closing deadlines.

**Texas Chicken (Malaysia)**

Texas Chicken (Malaysia)'s employee development programmes "Manager-In-Training" ("MIT") provide learning opportunities which is design to equip them with the relevant operational knowledge and management skills to run the restaurant. As estimated 5,600 training hours were spent on this program and there were 92 trainees (FY2018: 87 trainees) graduated in FY2019.

Among the training and development courses conducted are the Shift Leader Program, Customer Service and Hospitality Class, Station Training and Food Safety Trading. There were 24 staffs (FY2018: 8 staffs) have been promoted to shift leaders in FY2019.



We continuously invest in the training and development needs of our people to enable them to achieve their full potential and hone their leadership skills to grow in their careers.

## (iv) OCCUPATIONAL HEALTH AND SAFETY

Our employees' health and safety ("H&S") are of paramount importance. We recognize that a workplace free of occupational health and safety hazards is essential in enhancing the quality of our products.

**Pok Brothers**

<b>Perpetual Target</b>	<b>Performance for FY2019</b>
Number of serious harm injuries - Zero harm	No serious harm in FY 2019 (FY2018: No serious harm)
Work-related fatalities (staff, contractors, on-site public) - Zero harm	No fatalities in FY 2019 (FY2018: No fatalities)
Total Recordable Injury Frequency Rate ("TRIFR") - less than 2	Total of 3 TRIFR being reported in FY 2019:- Two cases – in house first aid treatment One case – medical treatment injury (FY2018: 3 TRIFR)

Pok Brothers started the health and safety awareness programme in January 2018. This is part of the milestone to success as a company to initiate health and safety to all peoples. We are committed to a safe and healthy work environment for our employees, vendors and contractors, visitors and communities. We maintain a Zero Harm vision for our health and safety programs.

We used a mixture of primary Indicators to assess health and safety performance. These indicators include of Occupational Safety and Health Administration ("OSHA") TRIFR and the Lost Time Injury ("LTI") based upon the number of incidents per 120 employees (or the number of incidents per 285,120 work hours) (FY2018: 120 employees; the number of incidents per 285,120 work hours). The key areas of focus and goals for Pok Brother's health and safety programme are:

- People - Create a culture where our people believe and demonstrate that zero harm is possible. Pok Brothers will support our people and develop an environment where they are healthy, well and safe.
- Process - Develop policies, processes, and procedures and work to eliminate harm through proactive management of events and exposure to risk.
- Plant and Equipment - Ensure a healthy and safe working environment, through attaining, design, management, maintenance and process safety, and critical risk.

The accountability for performance extends from the management team to individual managers, workers and contractors, working on a target to reduce our TRIFR to below 285,120 hours worked. We shall use the TRIFR of FY2019 as a benchmark for a reduction in FY2020. While we are pleased with this progress, we continue to seek further improvement by analysing events and sharing corrective actions.

(iv) OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

**Gourmessa**

Gourmessa has engaged in Safety and Health assessment for Department of Occupational Safety and Health (DOSH) and Machineries Registration. The Safety and Health assessment that we enforce is Noise Risk Assessment (NRA), Hazard Identification, Risk Assessment and Risk Control (HIRARC), Chemical Health Risk Assessment (CHRA), Safety Operation Procedure (SOP), Indoor Air Quality assessment (IAQ) and to conduct Safety Training for all the Staffs by DOSH.

<b>Perpetual Target</b>	<b>Performance for FY2019</b>
Serious injury in production area less than 3	Achieved - No serious injury reported for FY2019 (FY2018: No serious injury).
Zero accident	Achieved - No accident occurs within FY2019 (FY2018: No accident occurs).

We strive to provide and maintain a healthy and safe working environment for all by conducting a thorough risk assessment and investing in control measures which will minimise the likelihood and impacts of hazards occurring.

The formation of a Safety and Health Committee in Gourmessa supervises and ensures that all workplace health and safety regulations are strictly adhered to. The Team Leader is responsible for overseeing operations within the facility and to ensure that all safety standards are met. Any new hazards or near misses will be reported to and promptly investigated by the Safety and Health committee to safeguard the safety of our employees. The Committee ensures that Health and Safety-related training are planned and executed for all levels of employees to raise their awareness and emergency preparedness. Regular emergency evacuation exercises are also organised to familiarise our employees with emergency procedures.

**Safety and Health Policy in Gourmessa**

<p><b>OCCUPATIONAL SAFETY, HEALTH &amp; ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>➤ Comply with applicable National and International Safety and Environmental Laws and Regulations.</li> <li>➤ Create and maintain a safe and secure work environment by instilling awareness and responsibility in our employees, contractors and visitors to safeguard their health and to prevent incidental injuries.</li> <li>➤ Maintain systems and procedures to minimise the impact of operations on the environment and prevent pollution.</li> </ul> <p>Encourage our business partners to adopt a food safety, occupational safety, health and environmental policy of equivalent standard.</p> <p>This policy shall be kept at strategic locations and communicated to all employees and interested parties.</p>
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(iv) OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

**Gourmessa (Continued)**

Besides, various audits are conducted across departments to ensure that is not only compliant with legal requirements but also match up to industry best practices to produce the best quality of products for our customer satisfaction. Safety and health standard operating procedures have been created to ensure all employee is responsible to follow the requirement of safety rules and safety policy are met all times.

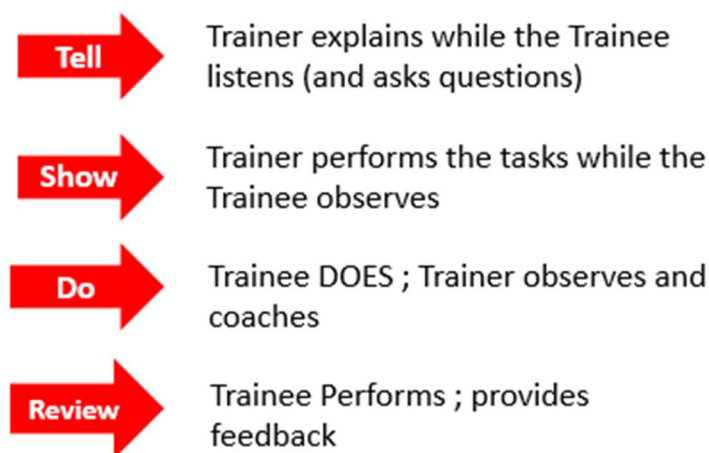
We have achieved performance for FY2019 with no serious accidents that have been recorded in all departments in Gourmessa. Moving forward, we will continue to achieve the best performance for safety and health.

**Texas Chicken (Malaysia)**

Under Texas Chicken (Malaysia)'s 'Pathway To Excellence' program, all employees are required to be fully trained in the following mandatory categories:

Orientation	Typhoid Jab, Uniform, Hygiene, etc
Food Safety	Handwashing, Temperatures, Storage, Cooking, etc
Cleaning and Sanitation	Cleaning equipment and detergents, correct cleaning procedures, etc
Safety and Security	Personal Security, Robbery Procedures, Restaurant opening and closing procedures, etc

Employees are trained by certified trainers using the Four Step Learning Process:










(v) PRODUCT QUALITY AND RELIABILITY

**Gourmessa**

We work to rigorous standards to ensure nothing but the best reach our clientele. Gourmessa is guided by a quality assurance manual that incorporates HALAL, HACCP and we are audited annually to ensure that we meet regulatory requirements. We also maintain a quality assurance process in which products are inspected to ensure only the highest standard of meats are produced. Detailed monitoring and documentation are carried out for goods received, process monitoring, dispatch, product traceability, and hygiene.

**Summary of Certification/License/Approval**

LOCATION/ APPROVED PLANT	CERTIFICATE/LICENCE/APPROVAL	AUTHORIZED BODY
PLANT AT GLENMARIE	<p><b>HACCP</b></p>  <p>(Hazard Analysis and Critical Control Point)</p>	FOOD SAFETY & QUALITY DIVISION, MINISTRY OF HEALTH ( <b>MOH</b> )
	<p><b>MeSTI</b></p>  <p>(Makanan Sihat Tanggungjawab Industry)</p>	FOOD SAFETY & QUALITY DIVISION, MINISTRY OF HEALTH ( <b>MOH</b> )
	<p><b>HALAL</b></p> 	JABATAN AGAMA ISLAM SELANGOR( <b>JAIS</b> )/JABATAN KEMAJUAN ISLAM MALAYSIA ( <b>JAKIM</b> )
	<p><b>VHM</b></p>  <p>(Veterinary Health Mark)</p>	DEPARTMENT OF VETERINARY SERVICES ( <b>DVS</b> )
	<p><b>AVA approval</b></p> <p>Agri-Food and Veterinary of Singapore</p>	AGRI-FOOD and VETERINARY OF SINGAPORE ( <b>AVA</b> )
PLANT AT PULAU INDAH	<p><b>MANUFACTURING LICENCE</b></p>	MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA ( <b>MITI</b> )
	<p><b>HALAL</b></p> 	JABATAN AGAMA ISLAM SELANGOR( <b>JAIS</b> )/JABATAN KEMAJUAN ISLAM MALAYSIA ( <b>JAKIM</b> )

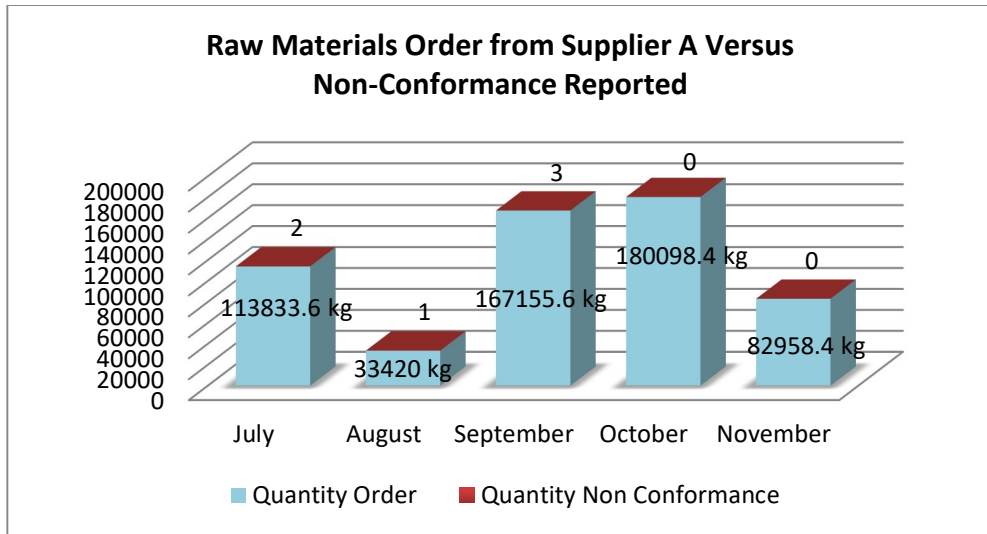
(v) PRODUCT QUALITY AND RELIABILITY (CONTINUED)

**Gourmessa (Continued)**

Suppliers’ audit started from this year 2019. The selection of the suppliers is based on the major raw materials supplied, which are the raw materials and packaging materials.

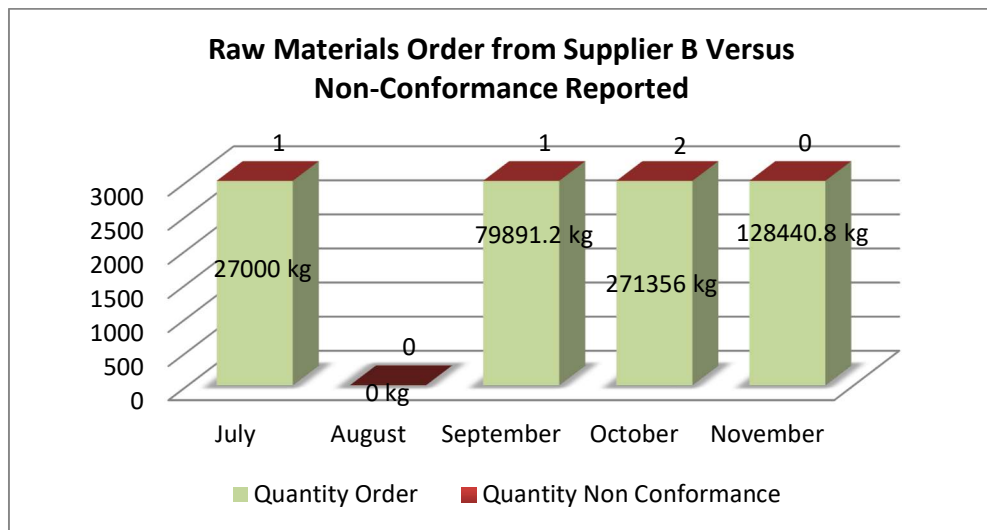
The suppliers’ audit aims to establish good relationships besides ensuring good quality product. The performance for FY2019 as follows:-

(i) Raw material order from Supplier A verses non-conformance reported



After conduct of Supplier Corrective Action Request (SCAR) in September 2019, the number of non-conformance that were reported from production and quality inspection reduced to zero.

(ii) Raw materials order from Supplier B versus non-conformance reported



After Supplier B visit in October 2019, the number of non-conformance that were reported from production and quality inspection reduced to zero.

(v) PRODUCT QUALITY AND RELIABILITY (CONTINUED)



**Gourmessa (Continued)**

Moving forward, we aim to supply quality products to prevent wastage during the production process (trimming) and quality inspection.

**De-luxe Food Services**

De-Luxe Food Services is a manufacturer of premium frozen bakery products. We currently market our products to hotels, restaurants, cruise ships, bakeries, international restaurant chains, off-shore rigs and airlines. As an ISO, HACCP (Hazard Analysis and Critical Control Point) and Halal certified company, it is certain that our products and services are safe, reliable and of excellent quality.

**Summary of Certification/License/Approval**

CERTIFICATE/LICENCE/APPROVAL	AUTHORIZED BODY
<b>MANUFACTURING LICENCE</b>	MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA ( <b>MITI</b> )
<b>HALAL</b> 	JABATAN AGAMA ISLAM SELANGOR(JAIS)/JABATAN KEMAJUAN ISLAM MALAYSIA ( <b>JAKIM</b> )
<b>HACCP</b>  (Hazard Analysis and Critical Control Point)	FOOD SAFETY & QUALITY DIVISION, MINISTRY OF HEALTH ( <b>MOH</b> )
<b>ISO 22000: 2005</b>	SGS UNITED KINGDOM LTD
<b>(FSSC) 22000</b> (Food Safety System Certification)	SGS UNITED KINGDOM LTD

In addition to continuously improving product quality, De-luxe Food Services is supplying its products from the factory to the customer premises by providing necessary advice for suitable equipments to be used and to help boost the business to their customers. These equipments include an oven, freezer, trolley and warmer.

To enhance customer satisfaction, we conduct surveys to further assess our products and services to sustain our business.

**Texas Chicken (Malaysia)**

As a testament to its commitment towards ensuring the best practices and creating a conducive work environment where its employees can thrive in, Texas Chicken (Malaysia) received two recognitions for its quality performance throughout all restaurants in the region.

During the financial year, Texas Chicken (Malaysia) was awarded the following:-

## (v) PRODUCT QUALITY AND RELIABILITY (CONTINUED)

**Texas Chicken (Malaysia) (Continued)**

## (i) Putra Brand Awards 2019

Texas Chicken Malaysia received a Bronze award in the Restaurants & Fast Food Category from Putra Brand Awards. The winners are solely determined by consumer voting from a pool of approximately 9,000 respondents. This is the first time that Texas Chicken has been named as one of the winners, which positions it as one of the favourite quick-service restaurants in Malaysia.



***Putra Brand Award – Bronze award in the Restaurants & Fast Food Category***

## (ii) The BrandLaureate World Halal BestBrands Award 2019 – ‘Fried Chicken’ Category

The World Brands Foundation awarded Texas Chicken (Malaysia) with the World Halal Best Brand for its commitment to upholding halal status and meeting the stringent requirements set by the Department of Islamic Development Malaysia (JAKIM). This is the first time Texas Chicken has received this award.



***The BrandLaureate World Halal BestBrands Award 2019 – ‘Fried Chicken’ Category***

# ECONOMIC

## (i) ECONOMIC PERFORMANCE

The Group believes that focus on financial sustainability is critical and we are fully committed to the highest standards of corporate governance. The Group's basic principle is that long-term profitability and shareholders' value is ensured by taking into account the interests of all stakeholders, such as shareholders, employees, suppliers and society as a whole. For detailed financial results, please refer to pages 24 and 25 for our Financial Highlights and pages 58 to 148 for our Financial Statements in our Annual Report 2019.

## (ii) ANTI-CORRUPTION

We do not tolerate corruption in any form. This has been made clear to all of the Group's directors, officers, employees and external suppliers and business partners. Dedicated whistleblowing hotline using email was set up so that anyone wanting to report any business ethics issue can do so confidentially. Any report of corruption will be escalated to the attention of the Audit Committee ("AC"). There have also been no reported incidents of corruption during the reporting period.

# GOVERNANCE

The Board and the Management commit to the best practices of corporate governance to ensure the sustainability of the Group's operations. We believe that the constant drive to upkeep corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and the value to our shareholders. Throughout FY2019, we continue to adhere to the principles and guidelines set out in the Code of Corporate Governance 2012. Please refer to the Annual Report 2019 pages 36 to 49 for the details of the Group's Corporate Governance Report.

GRI CONTENT INDEX "IN ACCORDANCE" - CORE		
GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)
<b>GRI 101: Foundation 2016 (GRI 101 does not include any standards)</b>		
<b>General Disclosures</b>		
<b>GRI 102: General Disclosures 2016</b>	<b>Organisational Profile</b>	
	102-1 Name of the organisation	Envictus International Holdings Limited
	102-2 Activities, brands, products, and services	Annual Report (AR) 2-7
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	AR 18-19
	102-5 Ownership and legal form	AR 2-7
	102-6 Markets served	AR 14-22
	102-7 Scale of the organisation	AR 2-7, SR 17
	102-8 Information on employees and other workers	AR 21, SR 17
	102-9 Supply chain	None
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary principle or approach	Envictus supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-12 External initiatives	None
	102-13 Membership of associations	None
<b>Strategy</b>		
102-14 Statement from senior decision-maker	SR 2	
<b>Ethics and Integrity</b>		
102-17 Mechanisms for advice and concerns about ethics	AR 36-49	
<b>Governance</b>		
102-18 Governance structure	AR 36-49	
<b>Stakeholder Engagement</b>		
102-40 List of stakeholder groups	SR 6-8	
102-41 Collective bargaining agreements	None	
102-42 Identifying and selecting stakeholder engagement	SR 6-8	
102-43 Approach to stakeholder engagement	SR 6-8	
102-44 Key topics and concerns raised	SR 6-8	
<b>Reporting Practice</b>		
102-45 Entities included in the consolidated financial statements	AR 28	
102-46 Defining report content and topic boundaries	SR 3	
102-47 List of material topics	SR 9-10	
102-48 Restatements of information	None	
102-49 Changes in reporting	None	
102-50 Reporting period	SR 3	
102-51 Date of most recent report	None	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	SR 3	
102-54 Claims of reporting in accordance with the GRI Standards	SR 3	
102-55 GRI content index	SR 29-31	
102-56 External assurance	SR 3	



<b>GRI CONTENT INDEX "IN ACCORDANCE" - CORE</b>		
<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE NUMBER(S)</b>
	<b>Economic performance</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 27
	103-3 Evaluation of the management approach	SR 27
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	AR 24-25
	<b>Anti-corruption</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 27
	103-3 Evaluation of the management approach	SR 27
	<b>Energy</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 11-12
	103-3 Evaluation of the management approach	SR 11-12
<b>GRI 302: Energy 2016</b>	302-4 Reduction of energy consumption	SR 11-12
	<b>Effluents and Waste</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 13-16
	103-3 Evaluation of the management approach	SR 13-16
<b>GRI 306: Effluents and Waste 2016</b>	306-2 Waste by type and disposal method	SR 13-16
	<b>Employment</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 17-18
	103-3 Evaluation of the management approach	SR 17-18
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 17-18
	<b>Training and Education</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 19
	103-3 Evaluation of the management approach	SR 19
<b>GRI 404: Training and Educations 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	SR 19
	<b>Customer Health and Safety</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 23-26
	103-3 Evaluation of the management approach	SR 23-26



<b>GRI CONTENT INDEX "IN ACCORDANCE" - CORE</b>		
<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE NUMBER(S)</b>
	<b>Occupational Health and Safety</b>	
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its boundaries	SR 9-10
	103-2 The management approach and its components	SR 9-10, SR 20-22
	103-3 Evaluation of the management approach	SR 20-22
<b>GRI 403: Occupational Health and Safety 2016</b>	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR 20-21