



同乐 TUNGLOK

# SUSTAINABILITY REPORT 2019

TUNG LOK RESTAURANTS (2000) LTD

(Company Registration Number: 200005703N)

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This Sustainability Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.

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SAVE ENERGY



## 1. BOARD STATEMENT

Tung Lok Restaurants (2000) Ltd (“**Tung Lok**”, and together with its subsidiaries, the “**Group**”) strives towards sustainable growth and improving the economic, environmental and social well-being of the communities that we operate in. Underlying the formulation of the Group’s business strategies and decisions, and encapsulated in the material Environmental, Social and Governance (“**ESG**”) factors, is our continued commitment towards sustainable returns to all our stakeholders.

One of the key highlights of our sustainability journey for the financial year ended 31 March 2019 includes achieving 100% Group-wide use of sustainable palm oil. We will continue to engage in relevant schemes to further reduce our ecological footprint.

We are committed to nurture and empower a diverse, competent and dedicated talent pool and adhere to fair employment practices.

We are pleased to present our second Sustainability Report and invite you to learn more about our sustainability journey as we progress in our sustainability reporting. We look forward to your continued engagement, partnership and support.



## 2. ABOUT TUNG LOK

Tung Lok currently owns and manages more than 40 restaurants in Singapore, Indonesia, China, Japan, Vietnam and Taiwan. The Group has established its footprint as a renowned and trusted home grown global brand through the years.

For details of our brands and restaurants, please refer to our website [www.tunglok.com](http://www.tunglok.com) or pages 2 to 12 of our annual report ("**Annual Report 2019**") for the financial year ended 31 March 2019 ("**FY19**").

## 3. REPORTING SCOPE AND PERIOD

The scope of this Sustainability Report encompasses our sustainability practices and performances for the Group's operations in Singapore. These comprise 23 directly-owned restaurants and 2 central kitchens as of 31 March 2019. To be read in conjunction with the Annual Report 2019, this Sustainability Report focuses on the Group's sustainability efforts and strategies for the period from 1 April 2018 to 31 March 2019.

## 4. ABOUT THIS SUSTAINABILITY REPORT

Tung Lok affirms our commitment to sustainability with the publication of our second Sustainability Report. This Sustainability Report includes discussions of our material sustainability principles and initiatives as we track and present our accountability of the ESG factors.

## 5. REPORTING STANDARD

This Sustainability Report has been prepared based on the Global Reporting Initiative ("**GRI**") G4 guidelines – Core, and in accordance with SGX Catalist Rule 711B. We have not sought external assurance for this Sustainability Report.

## 6. FEEDBACK

We welcome your questions and value your feedback on how our sustainability practices can be improved. Please send all feedback to [info@tunglok.com](mailto:info@tunglok.com).

## 7. STAKEHOLDER ENGAGEMENT

We have identified key stakeholder groups that are instrumental to the Group's success. We are committed to have regular communication with these stakeholders as we strongly believe in accountability and open dialogue. It is crucial to include and align the needs of these stakeholders in our business decisions so that we can better strengthen our relationships with them.

We actively engage our key stakeholders through the following channels:

Key Stakeholders	Goals	Modes of Engagement
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Provision of quality food and services</li> <li>- Food safety and hygiene</li> <li>- Innovative products</li> <li>- Sustain growing customer brand loyalty</li> </ul>	<ul style="list-style-type: none"> <li>- Loyalty programme: Tung Lok First Card</li> <li>- Social media: Instagram and Facebook, etc.</li> <li>- Mass media events/press conferences</li> <li>- Point of sale</li> <li>- Survey and market research/feedback</li> <li>- Annual reports</li> <li>- Audio-visual presentations</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>- Provide a safe and conducive environment</li> <li>- Provide training and progressive career development opportunities so as to have capable employees exceed expectations of our customers and effectively manage food and workplace safety and hygiene requirements</li> <li>- Develop an open and communicative workforce to engage staff</li> </ul>	<ul style="list-style-type: none"> <li>- Company events and activities</li> <li>- Annual performance appraisal</li> <li>- Internal meetings, discussions and regular communications and counselling</li> <li>- Formulation of career development plans</li> <li>- Induction programmes</li> <li>- Training and product knowledge</li> <li>- Surveys and interviews</li> <li>- Volunteer and community activities</li> <li>- Annual reports</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>- Comply with applicable regulations, laws and food safety standards set by the authorities</li> <li>- Contribute to economic and social developments</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in conferences, meetings and discussions</li> <li>- Site visits</li> <li>- Audit checks</li> <li>- Staff training to raise awareness of rules and requirements and to ensure compliance</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>- Provide timely information on the following to enhance transparency: <ul style="list-style-type: none"> <li>• Financial and operational performance of the Group</li> <li>• Corporate governance and sustainability practices of the Group</li> <li>• Business strategies of the Group</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Shareholders' meetings</li> <li>- Corporate announcements and circulars</li> <li>- Half-yearly and full-yearly financial results announcements</li> <li>- Annual Reports</li> <li>- Investor relations</li> <li>- Website at <a href="http://www.tunglok.com">www.tunglok.com</a></li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>- Build positive and long-term relationships with suppliers</li> <li>- Selection of reliable suppliers based on the Group's selection policy</li> </ul>	<ul style="list-style-type: none"> <li>- Annual vendor assessments</li> <li>- Regular and open communication, meetings and discussions about expectations and deliverables</li> <li>- Regular site visits and monitoring</li> <li>- Audits and checks</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>- Contribute to economic and social developments and the community in which we operate in</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate volunteering</li> <li>- Sponsorships/donations and philanthropy</li> <li>- Corporate Social Responsibility initiatives</li> </ul>

## 8. POLICIES, PRACTICES AND PERFORMANCE REPORTING

### Reporting Structure

The Group has a Sustainability Steering Committee (“**SSC**”) led by our President/Chief Executive Officer and includes senior management executives. In consultation with our Board of Directors, the SSC oversees the development of the sustainability strategy, sustainability performance and monitoring, as well as the production of this Sustainability Report.

### Sustainability Reporting Process (Identify, Prioritise, Validate and Review)

Under the Group’s Sustainability Reporting policy, the Group will first identify the material issues relevant to the Group’s activities. The material issues will be prioritised and validated with data, in order to finalise the content of this Sustainability Report. The material issues are reviewed and updated from the previous reporting period.

## 9. MATERIALITY ASSESSMENT

The SSC conducts a review of the materiality assessment annually. The SSC has identified the following eight (8) factors that are material to the Group, which have been prioritised and validated by the Board of Directors:

Category	Material Topics
Environmental	Energy Consumption (Gas and Electricity) Water Consumption
Social	Food Health and Safety Customer Satisfaction
	Employment Training and Education
	Procurement
Governance	Anti-corruption

There are no changes to the material ESG factors compared to the previous reporting period.

In prioritising the material ESG factors, the SSC considered the impact and likelihood of the following:

- Global and emerging sustainability trends;
- Main topics and future challenges for the food and beverage industry; and
- Insights gained from regular interactions with key stakeholders.

## 10. ENVIRONMENT

### Energy Consumption (Gas and Electricity)

Energy use and the resulting carbon emissions cause heat to be trapped in the atmosphere, leading to climate change. It is through the reduction of carbon emissions that we can limit the repercussions on the environment.

In a recent Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) report which is the first intergovernmental report of its kind, it noted that since 1980, greenhouse gas emissions have doubled, raising average temperatures by at least 0.7 degrees Celsius.

The Group recognises the role it has to play in energy conservation but also acknowledges that there are practical limitations.

In view of the high consumption of gas and electricity by the Group's operations, the Group has an energy conservation strategy which involves changing employees' behaviour and investing in maintenance and energy-efficient machines. We will progressively phase out traditional operating equipment and replace them with energy-efficient ones while regularly maintaining existing equipment to ensure they consume energy efficiently. Additionally, we track and review energy consumption regularly to control usage. We use a combination of liquefied petroleum gas and liquefied natural gas sourced from the government and private vendors.

The following are the key statistics of our energy consumption during FY19 and our target for the financial year ending 31 March 2020 ("FY20"):

Resource	Usage in FY19	FY19 Performance	FY20 Target
Gas	8.92 million kWh	0.111 kWh per every S\$1 of revenue earned	Reduce gas consumption rate
	Usage in FY18	FY18 Performance	
	9.65 million kWh	0.116 kWh per every S\$1 of revenue earned	
<b>Performance in FY19</b>			
<i>FY19 Target previously set</i>		<i>Usage in FY19</i>	
<i>Reduce gas consumption rate</i>		<i>Target achieved</i>	

Resource	Usage in FY19	FY19 Performance	FY20 Target
Electrical	7.70 million kWh	0.096 kWh per every S\$1 of revenue earned	Reduce electrical consumption rate
	Usage in FY18	FY18 Performance	
	8.01 million kWh	0.096 kWh per every S\$1 of revenue earned	
<b>Performance in FY19</b>			
<i>FY19 Target previously set</i>		<i>Usage in FY19</i>	
<i>Reduce electrical consumption rate</i>		<i>Did not achieve but maintained usage</i>	

## Water Consumption

Water is a precious resource and prudent usage is key. Water is vital to our business operations since it is used for washing and preparing food products, cleaning and dishwashing, amongst others. The water we consume is sourced from public utilities. Our Group practises active management of water usage, such as periodic inspections of pipes and faucets and encourage staff to save water, which will contribute to an improved economic performance of the Group.

The following are the key statistics of our water consumption during FY19 and our target for FY20:

Resource	Usage in FY19	FY19 Performance	FY20 Target
Water	109,547 cubic metres ("m <sup>3</sup> ")	1.361 m <sup>3</sup> per every S\$1,000 of revenue earned	Reduce water consumption rate
	Usage in FY18	FY18 Performance	
	120,888 m <sup>3</sup>	1.455 m <sup>3</sup> per every S\$1,000 of revenue earned	
<b>Performance in FY19</b>			
<i>FY19 Target previously set</i>		<i>Usage in FY19</i>	
<i>Reduce water consumption rate</i>		<i>Target achieved</i>	



## 11. SOCIAL

### Food Health and Safety

The Group strives to deliver the highest-quality and healthy fare and service so that customers can have the best dining experience.

#### Certificates relating to Food Safety Standards

The Group has attained the following certifications relating to food safety standards:

- Both our central kitchens have attained the Hazard Analysis Critical Control Point ("**HACCP**") standard, which is a systematic approach to identifying specific hazards and measures for control to ensure food safety.
- All our restaurants have achieved Grade "A" certification from the National Environment Agency ("**NEA**")<sup>(1)</sup> for good personal and food hygiene, and housekeeping standards.
- Both our central kitchens have obtained Grade "A" licence from the Agri-Food and Veterinary Authority of Singapore ("**AVA**")<sup>(1)</sup> for good manufacturing practices and proper food safety systems.

Annual HACCP audits ensures that the Group consistently maintains the highest standards for food safety and hygiene.

**Note:**

<sup>1</sup> All food-related services previously under NEA and AVA are provided by Singapore Food Agency ("**SFA**") with effect from 1 April 2019.

#### 5S Programme

Our 5S Programme, short for **S**ort, **S**ystematise, **S**hine, **S**tandardise and **S**elf-Discipline, is a systematic programme that we follow to achieve cleanliness and standardisation in the workplace. It aims to drive productivity through operational efficiency and effective space utilisation. The Restaurant Association of Singapore ("**RAS**") is the main training provider for 5S in the Food and Beverage ("**F&B**") industry.

There are currently six (6) 5S auditors in the Group. Each of our restaurant is managed by a 5S-certified senior general manager and staffed with 5S-trained personnel, making every Tung Lok outlet 5S-compliant<sup>(2)</sup> with 14 outlets being 5S certified<sup>(2)</sup>.

**Note:**

<sup>2</sup> 5S compliant workplace refers to the adherence to the 5S principles in practice but no external accreditation has been obtained, whereas 5S certified workplace refers to being accredited externally by RAS.

### Food Safety Management System (“FSMS”)

The HACCP-based FSMS is a preventative approach towards identifying, preventing, and reducing food-borne hazards. This ensures that food prepared is hygienic and safe for consumption. A well-designed FSMS with appropriate control measures can help food establishments with catering licences to comply with food hygiene regulations.

In relation to the FSMS, the Singapore Standard SS583:2013 for Guidelines on Food Safety Management for Food Service Establishments (the “**SS583:2013 Guidelines**”) has been developed by Enterprise Singapore and key industry players. Caterers are required to draw up and implement a FSMS plan with reference to the SS583:2013 Guidelines before obtaining or renewing their licence.

To further improve food hygiene standards in the food industry, the FSMS requirement has been extended to all licences with permission to provide catering as an ancillary service, with effect from 1 April 2019.

Our catering and permitted-to-cater licensees have implemented FSMS.

### Other food safety measures

- All chefs and food handlers are required to attend food safety training as part of their mandatory training.
- Food warmers with capacity exceeding 7,500 units are used during delivery so that food safety standards are not compromised.
- Items with new ingredients used are sent for laboratory testing before launch to determine their shelf life.

FY19 Performance	FY20 Target
Grade “A” NEA certifications for all restaurants and Grade “A” AVA certifications for both central kitchens	To uphold and maintain the grades of all certifications
FY18 Performance	
Grade “A” NEA certifications for all restaurants and Grade “A” AVA certifications for both central kitchens	
Performance in FY19	
FY19 Target previously set	Performance in FY19
To uphold and maintain the grades of all certifications	Target achieved



### Customer Satisfaction

The provision of exemplary customer service remains one of the key cornerstones for Tung Lok's long-standing success. Service excellence values are entrenched in the Group's processes and practices.

The Group is dedicated in providing the most pleasurable dining experience for all, consistently and creatively. We seek to continuously improve customers' experiences with our Tung Lok Service (同乐服务), where we continuously delight customers with innovative and unique dining experiences.

#### *Achievements for our Exemplary Customer Services*

- Excellent Service Award

The Excellent Service Award ("**EXSA**") which was launched in 1994, recognises individuals who have provided exceptional and memorable customer service. This is organised by the Association of Singapore Attractions ("**ASA**") and Enterprise Singapore. The award categories presented include the Silver, Gold and Star. All awardees attend a 4-hour EXSA workshop to inculcate the importance of quality service. In 2018, a total of 85 employees from our Group received the EXSA. This included 36 Silver awardees, 43 Gold awardees and 6 Star awardees.

- Franchising and Licensing Association Awards

Dancing Crab and Slappy Cakes received the Customer Service Excellence Award at the annual Franchising & Licensing Association (FLA) Awards 2018.

- Loyalty & Engagement Awards

The TungLok First loyalty programme scored a Silver in the "Best Loyalty Programme – F&B/Dining" category at the Loyalty & Engagement Awards 2018 organised by Marketing Magazine, demonstrating our commitment to our loyal customer base.

- Customer Satisfaction Index of Singapore

The Customer Satisfaction Index of Singapore ("**CSISG**") is a quantitative measure of customer satisfaction cutting across sectors and sub-sectors in the services industry of Singapore that is jointly developed by the Institute of Service Excellence (ISE) at SMU and the Singapore Workforce Development Agency (WDA). The CSISG acts as a performance yardstick against our competitors. TungLok Signatures achieved a satisfaction score of 76.9, which was the highest score achieved compared to all other restaurants in 2018.

### Customers' Feedback Report

All customer feedback is important and integral to our continued success. Our formal service recovery process provides a systematic decision-making framework to appropriately manage all customer feedback in a prompt manner. Each concern, if possible, must be addressed and a response given within 24 hours. The Group identifies areas for improvement based on insights gathered through the monthly customers' feedback report which contains information about compliments and concerns as well as areas for improvements.

### Service Handbook

A service handbook has been specially designed for all Tung Lok employees. The handbook is presented to each employee upon hiring and the contents will be explained during the orientation. The message in the handbook is reinforced in the restaurants through role plays, daily roll call and displayed on the staff notice boards.

In FY19, we received a total of 268 compliments (about 91%) and 27 concerns (about 9%).

FY19 Performance	FY20 Target
Maintained compliment to concern ratio at 10:1	To maintain compliment to concern ratio at 7:1
FY18 Performance	
Maintained compliment to concern ratio at 4:1	
Performance in FY19	
FY19 Target previously set	Performance in FY19
To improve compliment to concern ratio	Target achieved

### Employment

Our employees, being at the forefront of our business, are key in enriching our guests' overall dining experience. As our employees are our most valuable assets, attracting and retaining top talents is of great significance to Tung Lok. In order to consistently provide excellent customer service, the Group places emphasis on employing individuals with the necessary competencies, experience, qualifications and mind-set. We employ qualified candidates without any discrimination against age, gender, race, marital status, nationality or religion. We are committed to maintaining a talented, dedicated and diverse workforce and to providing equal opportunities in employment. Gender diversity is also present in our Board where 2 out of 8 directors are females.

The Group creates a healthy work culture which values and respects our employees' contributions, independent of age, gender, race, marital status, nationality or religion. Open communication is actively promoted to effectively gather constructive feedback to better achieve our corporate goals.

### Employee handbook

We employ human resource strategies and policies which emphasise fair employment practices. The employee handbook outlines the Company's basic operational and human resource policies concerning employee conduct, fringe benefits and terms and conditions of employment.

## Employee incentives

The Group believes in rewarding employees where credits are due. Such incentives includes the policy of service incentives which reward service staff for their contributions and help to align their interests to those of the Group's. Long Service Awards are awarded on an annual basis to reward long-serving employees for their dedication. Annual reviews of remuneration packages are performed to ensure that the compensation and benefits are in line with market rates to facilitate recruitment and retention of talents.

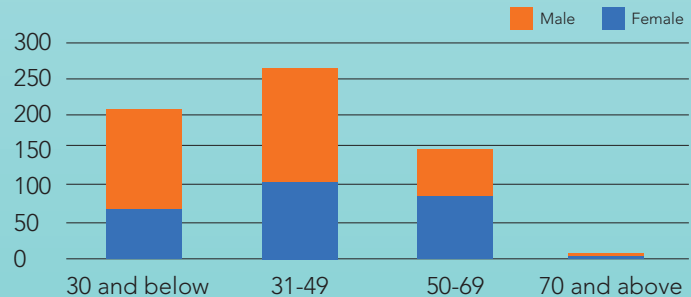
## Social collaborations

In FY19, we have also started several collaborations to help the less fortunate in the society, including with Highpoint Community Services Association ("HCSA") Academy. HCSA provides support for the less fortunate, including ex-offenders, abused teenage girls and single parents with limited support. The HCSA Academy offers a robust 6-week Culinary Training Programme which aims to empower and enable HCSA's beneficiaries and other vulnerable individuals with the professional skills required to secure stable employment in the F&B sector, giving them a new lease in life and a level playing field to support themselves and their families. The Group has also been working with the Yellow Ribbon Project to support the reintegration journey for ex-offenders.

Our Group is involved in grooming the next generation of F&B talents in Singapore. We have been the sponsor of the Gold and Silver Course Medal Awards for graduating students of Temasek Polytechnic's Diploma in Baking and Culinary Science programme.

Total headcount by gender and age group as at 31 March 2019

Age Group	Female	Male	Total
30 and below	65	150	215
31-49	103	160	263
50-69	81	66	147
70 and above	5	4	9
<b>Total</b>	<b>254</b>	<b>380</b>	<b>634</b>



We will continuously move towards a more balanced gender ratio where practicable.

FY19 Performance	FY20 Target
Ratio of women to men - 1:1.50	To improve gender mix
FY18 Performance	
Ratio of women to men - 1:1.56	
Performance in FY19	
FY19 Target previously set	Performance in FY19
To improve gender mix	Target achieved

## Training and Education

Our staff are the ambassadors of Tung Lok's brand of service. The Group strongly believes that the provision of appropriate training opportunities and programmes for our employees is key in equipping them with relevant skill sets to help them realise their full potential in their careers.

Since 2009, we have been an accredited in-house WSQ Approved Training Organisation ("ATO"). Some of the WSQ certified programmes that we run include 'F&B Safety and Hygiene' and 'Provide Specialty Coffee Service'. The employees who have undergone this training are empowered to provide better quality services.

Other training programmes which our employees have undergone include computer literacy courses, language courses and specialist F&B courses such as Coffee and Wine Appreciation courses. Subsidies for specific approved courses have been provided as we believe that employee learning and professional growth from these courses is necessary for the long-term Group's efficiency and productivity.

Moral education programmes (弟子规) are conducted periodically to inculcate positive social values in our employees so that they demonstrate goodwill and diligence to stakeholders when carrying out their duties.

All confirmed and permanent employees will undergo an annual performance appraisal where career development is discussed and training needs are identified.

FY19 Performance	FY20 Target
Average training hours per employee is 12.5	To improve average training hours per employee
FY18 Performance	
Average training hours per employee is 28.0	
Performance in FY19	
FY19 Target previously set	Performance in FY19
To improve average training hours per employee	Target not achieved <sup>(3)</sup>

**Note:**

<sup>3</sup> In FY19, the shift in the Group's manpower dynamics have resulted in the lower training hour requirements in order to fulfil the day-to-day responsibilities of our staff. We will continue to monitor closely to ensure that our staff receive adequate training for their professional growth.

## Procurement

With consumers becoming ever more health conscious, Tung Lok has stepped up efforts to better meet their dietary preferences while ensuring they still get top-quality fare. The Group procures a wide range of goods and services to support our operations from more than 600 suppliers. We aim to source goods and services from socially responsible vendors to reduce any negative impact on the environment while ensuring our customers are served the freshest and healthiest ingredients from sustainable sources.

The Group ensures that all of the Group's suppliers have obtained necessary approvals from AVA/SFA.

## Suppliers

Currently, close to 100% of the suppliers we liaise directly with, are based in Singapore. These suppliers source ingredients from the neighbouring region including Malaysia, Vietnam and China. We endeavour to create a positive impact in the community we operate in by supporting these local businesses.

Our team makes frequent farm visits to source for wholesome and reliable food supplies. We have performed eight (8) site visits to suppliers, such as Indoguna Singapore and Angliss Singapore, to audit the supplier's environment and obtain assurance about the quality of its source.

The Group has a selection policy that evaluates new and existing vendors based on criteria which include, but are not limited to:

- quality of services and/or products;
- responsiveness and support;
- delivery performance; and
- price competitiveness.

New vendors are also carefully screened and closely monitored.

## Collaboration with Silver Hill Farm

We have sold more than 200,000 ducks till date from one of our esteemed suppliers, Silver Hill Farm.

Silver Hill Farm purchases renewable energy for its operations and belongs to the Origin Green programme. This is a voluntary sustainability programme in Ireland where member companies have independently verified and annually monitored sustainability plans.

## Collaboration with local farms

The term "food miles" describes the distance in which food has travelled from the place of production to the place of consumption. Purchasing more local produce will lead to the reduction of food miles. The reduction of food miles helps to reduce greenhouse gas emissions which contribute to climate change. In line with our goals to reduce food miles and supporting more local farms in Singapore, we have also collaborated with local farms such as Edible Garden City, Kin Yan Agrotech and Hydro Urban to source for their fresh local produce.

## Eco-friendly restaurant essentials

The Group demonstrated its commitment to protecting the environment with its use of biodegradable packaging for all take-away packaging, recyclable aprons and eco-friendly unbleached bamboo cocktail napkins.

The take-away plastic bags that we currently use contain the d<sub>2</sub>w certified plastic additive. The d<sub>2</sub>w additive is included at the manufacturing stage and allows everyday plastic products to degrade in the presence of oxygen into biodegradable materials which can be recycled back into nature more quickly than ordinary plastic.

Some of our restaurants and our Halal catering division, Bellygood, use disposable plastic cutlery and plateware containing 70% organic content, which is made of corn. These plastic cups, plates, and cutlery can completely degrade in 90 days under landfill conditions.

Recyclable aprons are also used in our Tung Lok Seafood and Dancing Crab outlets islandwide.

We have started using eco-friendly bamboo cocktail napkins in some of our restaurants. Bamboo is a great alternative to conventional tissues from wood pulp as it is a resilient grass which grows faster than any other woody plant, and does not require the use of pesticides or insecticides. Its qualities make it a readily available and accessible sustainable resource.

### Sustainable Business Practices

Palm oil is the world's most flexible oil and is widely used in the F&B industry. Southeast Asia Alliance for Sustainable Palm Oil ("**SASPO**") is an initiative led by World Wide Fund for Nature ("**WWF**") Singapore which champions the use of sustainable palm oil in business supply chains. As part of our commitment as a member of SASPO, we have achieved our target of 100% Group-wide use of Roundtable on Sustainable Palm Oil ("**RSPO**")<sup>(4)</sup> certified palm oil for direct cooking. This represents our commitment towards sustainable palm oil practices and doing our part to stop the slash-and-burn method of deforestation to clear forests in order to make way for palm oil plantations.

**Note:**

<sup>4</sup> Sustainable palm oil is from plantations that follow the strict standards set out by the RSPO, which is a global certification body of sustainable palm oil.

Our brand Lingzhi Vegetarian was the official F&B sponsor for the fourth instalment of Earthfest, which took place on 20 January 2019 at Marina Barrage. A fully volunteer-driven and non-profit community festival, Earthfest showcases and supports local organisations that are committed to sustainable business practices. The one-day festival, which aims to create greater awareness of environmental conservation and sustainable living, drew strong crowds of families, foodies and environmental enthusiasts.

The Group introduced a new range of mooncakes in FY19 which contained less sugar and more dietary fibre while not compromising on taste, and has been certified by the Health Promotion Board (HPB) as a healthier choice. The mooncakes had been well-received by the general public. Going forward, the Group will continue to explore and introduce more healthy products.

In line with industry practices of removing straws completely from restaurant practices or providing them only on request, which is part of WWF's Plastic ACTion ("**PACT**") business coalition and supported by the National Environment Agency and Zero Waste SG, the Group has adopted similar practices to contribute to reducing the excessive use of plastics. However, if our customers do request for straws, we offer them plant straws made from polylactic acid (PLA) which is a new material made from sustainable and renewable resources such as corn and tapioca, and is 100% biodegradable and compostable.



## Sustainable Seafood Practices

Increasing seafood consumption worldwide has exerted growing pressures on existing seafood supplies, threatening the sustainable yield of the seas. The Group has purchased seafood such as salmon, barramundi, prawns, lobsters, oysters, clams and scallops from suppliers with sustainable business practices when practicable. These seafood have been sourced from suppliers accredited with sustainable seafood practices such as the Friend of the Sea <sup>(5)</sup>, Global Aquaculture Alliance (“**GAA**”) <sup>(6)</sup> and Marine Stewardship Council (“**MSC**”) <sup>(7)</sup>.



FY19 Performance	FY20 Target
All our suppliers have obtained necessary approvals from AVA	All our suppliers to obtain necessary approvals from AVA/SFA
FY18 Performance	
All our suppliers have obtained necessary approvals from AVA	
Performance in FY19	
FY19 Target previously set	Performance in FY19
All our suppliers to obtain necessary approvals from AVA	Target achieved

### Notes:

- <sup>5</sup> Friend of the Sea is the only sustainable fisheries certification program which is recognised by the European Union national accreditation body, Accredia. It has become the leading certification standard for products and services which respect and protect the marine environment. Its mission is in line with the United Nations 2020 Sustainable Development Goals, which is to protect the ocean by means of promoting sustainable fisheries, aquaculture and shipping.
- <sup>6</sup> GAA is an international independent and non-profit organisation founded by a wide range of international aquaculture companies, American chain seafood restaurants and wholesalers, and agribusiness companies such as Monsanto and Cargill in 1997. GAA has become the leading standards-setting organisation for aquaculture seafood with the development of its Best Aquaculture Practices (BAP) certification standards through its dedication to the advocacy, education, and leadership in promoting responsible aquaculture practices.
- <sup>7</sup> MSC is an international independent and non-profit organisation founded by WWF and Unilever in 1997 to recognise and reward sustainable fishing efforts to protect oceans and safeguard seafood supplies for the future.

## 12. GOVERNANCE

### Anti-corruption

Our Employee Handbook sets out expectations of employees in relation to issues such as fraud, conflicts of interest and anti-competitive conduct. We conduct our business by inculcating a clean and transparent working culture within the organisation. We understand the detrimental effect that corruption has on organisations and the society and are determined to ensure that our business decisions and actions are ethical and in full compliance with local legal requirements. We do not condone any malpractice, impropriety, non-compliance of statutory law and rules and regulations or wrongdoing by employees in the course of performing their duties.

The Group's whistleblowing policy is displayed on staff notice boards at all our outlets. The policy encourages and protects employees to report their concerns regarding accounting or financial matters, internal controls, disclosure of information, conflict of interest, insider trading, or any other areas involving fraud, corruption and misconduct of employees. The public, customers and other stakeholders can also report any improprieties, or provide other feedback through the Company's website at [www.tunglok.com](http://www.tunglok.com).

Management and key executives are required to submit annual conflict of interest declarations for independent assessment to demonstrate their willingness to adhere to the conflicts of interest policy.

FY19 Performance	FY20 Target
No confirmed corruption incident	No incidents of corruption concerning employees or business partners
FY18 Performance	
No confirmed corruption incident	
Performance in FY19	
FY19 Target previously set	Performance in FY19
No incidents of corruption concerning employees or business partners	Target achieved

## 13. GRI CONTENT INDEX

Description		Reference	Page reference
<b>GENERAL STANDARD DISCLOSURE</b>			
<b>ORGANISATION PROFILE</b>			
102-1	Name of the organisation	Sustainability Report 2019	1
102-2	Activities, brands, products and services	Annual Report 2019 (Our Brands and Outlets)	2-12
102-3	Location of headquarters	Annual Report 2019 (Corporate information/ Financial statements)	17 and 72
102-4	Location of operations	Annual Report 2019 (Our Brands and Outlets)	2-12
102-5	Ownership and legal form	Annual Report 2019 (Corporate information/ Financial statements)	17 and 72
102-6	Markets served	Annual Report 2019 (Our Brands and Outlets)	2-12
102-7	Scale of the organization	Annual Report 2019 (Our Brands and Outlets/ Historical Financial Summary)	2-12 and 18
102-8	Information on employees and other workers	Sustainability Report 2019 (Employment/ Training and education)	12-14
102-9	Supply chain	Sustainability Report 2019 (Food Health and Safety/Procurement)	9-10; 15-17
102-10	Significant changes to the organization and its supply chain	Sustainability Report 2019 (Food Health and Safety/Procurement)	9-10; 15-17
102-11	Precautionary Principle or approach	Not applicable	Not applicable
102-12	External initiatives	None	Not applicable
102-13	Membership of associations	<ul style="list-style-type: none"> <li>• Singapore Business Federation</li> <li>• Restaurant Association of Singapore</li> <li>• Franchising and Licencing Association of Singapore</li> </ul>	Not applicable
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	Sustainability Report 2019 (Board Statement)	3
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	Annual Report 2019 (Corporate Governance Report)	24-56
<b>Governance</b>			
102-18	Governance structure	Annual Report 2019 (Corporate Governance Report)	24-56
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Sustainability Report 2019 (Stakeholder Engagement)	5
102-41	Collective bargaining agreements	There are no collective bargaining agreements in place	Not applicable
102-42	Identifying and selecting stakeholders	Sustainability Report 2019 (Stakeholder Engagement)	5
102-43	Approach to stakeholder engagement	Sustainability Report 2019 (Stakeholder Engagement)	5
102-44	Key topics and concerns raised	Sustainability Report 2019 (Materiality Assessment)	6

Description		Reference	Page reference
<b>GENERAL STANDARD DISCLOSURE</b>			
<b>REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	Annual Report 2019 (Financial statements)	99-100
102-46	Defining report content and topic boundaries	Sustainability Report 2019 (Materiality Strategy and Assessment)	6
102-47	List of material topics	Sustainability Report 2019 (Materiality Strategy and Assessment)	6
102-48	Restatements of information	Not applicable	Not applicable
102-49	Changes in reporting	Not applicable	Not applicable
102-50	Reporting period	Sustainability Report 2019 (Reporting Scope and Period)	4
102-51	Date of most recent report	31 March 2018	Not applicable
102-52	Reporting cycle	Sustainability Report 2019 (Reporting Scope and Period)	4
102-53	Contact point for questions regarding the report	Sustainability Report 2019 (Feedback)	4
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report 2019 (Reporting Standard)	4
102-55	GRI content index	Sustainability Report 2019 (GRI Content Index)	19-21
102-56	External assurance	The Group has not sought external assurance for this reporting period	Not applicable
<b>MANAGEMENT APPROACH</b>			
103-1	Explanation of the material topic and its Boundary	Sustainability Report 2019 (Materiality Assessment)	6
103-2	The management approach and its components	Sustainability Report 2019 (Discussed under each material sustainability factor)	7-18
103-3	Evaluation of the management approach	Sustainability Report 2019 (Discussed under each material sustainability factor)	7-18

Description		Reference	Page reference
<b>Topic-specific GRI Standard Disclosures</b>			
<b>ENVIRONMENT</b>			
302-1	Energy consumption within the organisation	Sustainability Report 2019 (Environment: Energy Consumption (Gas and Electricity))	7
302-3	Energy intensity	Sustainability Report 2019 (Environment: Energy Consumption (Gas and Electricity))	7
303-1	Water withdrawal by source	Sustainability Report 2019 (Environment: Water Consumption)	8
<b>SOCIAL</b>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report 2019 (Social: Food Health and Safety)	9-10
405-1	Diversity of governance bodies and employees	Sustainability Report 2019 (Social: Employment)	12-13
404-1	Average hours of training per year per employee	Sustainability Report 2019 (Social: Training and Education)	14
<b>GOVERNANCE</b>			
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2019 (Governance: Anti-corruption)	18

## TUNG LOK RESTAURANTS



**OUE Tower**  
60 Collyer Quay, Level 8 & 10  
Tel. 6634 3233



**Resorts World Sentosa**  
Hotel Michael, Lobby Level  
Tel. 6884 7888



**Plaza Singapura**  
68 Orchard Road, #03-01  
Tel. 6884 4566



**Velocity@Novena Square**  
238 Thomson Road, #02-11/12  
Tel. 6358 4466



**Resorts World Sentosa**  
Festive Walk, #B1-222 / 223  
26 Sentosa Gateway



**Liang Court Shopping Centre**  
177 River Valley Road, #02-19  
Tel. 6338 7337



**Square 2**  
10 Sinaran Drive, #01-73  
Tel. 6893 1123



**The Arena Country Club**  
511 Upper Jurong Road  
Tel. 6262 6996

**Orchard Central**  
181 Orchard Road, #11-05  
Tel. 6834 4888

**Paya Lebar Quarter**  
(Coming Soon)



**Liat Towers**  
541 Orchard Road, #05-01  
Tel. 6734 3788

**Velocity@Novena Square**  
238 Thomson Road, #03-09/10  
Tel. 6538 2992



**The Grandstand**  
200 Turf Club Road, #01-23/26  
Tel. 6466 3363

**Orchard Central**  
181 Orchard Road, #07-07/08/09  
Tel. 6736 0006



**The Grandstand**  
200 Turf Club Road, #01-20/21  
Tel. 6465 1814

**Resorts World Sentosa**  
26 Sentosa Gateway, #01-29  
Tel. 6795 0779

**Plaza Singapura**  
68 Orchard Road, #03-02  
Tel. 6738 7207



**TUNGLOK SIGNATURES**

**Orchard Rendezvous Hotel**  
1 Tanglin Road, #02-18  
Tel. 6834 0660

**The Central**  
6 Eu Tong Sen Street, #02-88/89  
Tel. 6336 6022

**Changi City Point**  
5 Changi Business Park Central 1,  
#01-26/27  
Tel. 6636 0606



**The Grandstand**  
200 Turf Club Road, #01-20/21  
Tel. 6466 3303

**Orchard Central**  
181 Orchard Road, #07-14/15  
Tel. 6509 1878

**VivoCity**  
1 Harbourfront Walk, #03-10  
Tel. 6222 7377



**duckland**

**United Square Shopping Mall**  
101 Thomson Road, #B1-09 & 64/65  
Tel. 6259 5668

**Paya Lebar Quarter**  
(Coming Soon)

**Resorts World Sentosa**  
(Coming Soon)

## CATERING BRANDS



TUNG LOK CATERING



TLG CATERING SERVICES



SCAN HERE

