



SUSTAINABILITY REPORT 2020



TUNG LOK RESTAURANTS (2000) LTD

(Company Registration Number: 200005703N)

CONTENTS	PAGE NUMBER
1. BOARD STATEMENT	3
2. ABOUT TUNG LOK	4
3. REPORTING SCOPE AND PERIOD	4
4. ABOUT THIS SUSTAINABILITY REPORT	4
5. REPORTING STANDARD	4
6. FEEDBACK	4
7. STAKEHOLDER ENGAGEMENT	5
8. POLICIES, PRACTICES AND PERFORMANCE REPORTING	6
9. MATERIALITY ASSESSMENT	6
10. ENVIRONMENT	7- 8
11. SOCIAL	9 - 17
12. GOVERNANCE	18
13. GRI CONTENT INDEX	19 - 21

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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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.

The COVID-19 pandemic has brought about unprecedented disruptions across all countries, industries and people. Our food and beverage industry has not been spared and is adversely affected by the restriction orders placed on large-scale events and social distancing measures to control the transmission of COVID-19.

Arising from the COVID-19 situation, more efforts have been placed on certain ESG factors such as Food Health and Safety and Employment in our journey towards sustainability growth for the financial year ended 31 March 2020 (“**FY20**”).

As a socially responsible food and beverage operator, we are committed to upholding high sanitation and hygiene practices in order to protect the well-being of our employees, customers, suppliers as well as the wider community, and to operate in a sustainable manner.

We are pleased to share our third Sustainability Report and would like to extend our thanks to all our stakeholders for the continuous engagement, partnership and support. We will remain deeply focused on delivering innovative food and beverage experiences to delight our customers towards achieving our longer-term sustainability goals.



2. ABOUT TUNG LOK

Tung Lok currently owns and manages more than 40 restaurants in Singapore, Indonesia, China, Japan, Vietnam, Taiwan and Cambodia. 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 or pages 2 to 12 of our annual report for FY20 ("**Annual Report 2020**").

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 26 directly-owned restaurants and 2 central kitchens as of 31 March 2020. This Sustainability Report should be read in conjunction with the Annual Report 2020, as it focuses on the Group's sustainability efforts and strategies for the period from 1 April 2019 to 31 March 2020.

4. ABOUT THIS SUSTAINABILITY REPORT

Tung Lok affirms our commitment to sustainability with the publication of our third 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 Catalyst 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.

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

8. POLICIES, PRACTICES AND PERFORMANCE REPORTING

Reporting Structure

The Group has a Sustainability Steering Committee (“**SSC**”) led by our President/Chief Executive Officer, Mr Andrew Tjioe Ka Men, 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. Temperatures on Earth have been rising at about 0.13°C per decade over the past 50 years ⁽¹⁾. It is through the reduction of carbon emissions that we can limit the repercussions on the environment.

The Group recognises the role it has to play in energy conservation but also acknowledges that there are practical limitations. Further, Singapore's geographical constraints limit the extent to which alternative renewable energy resources such as wind turbines, hydroelectric and nuclear powers can be deployed. Hence, increasing energy efficiency will continue to be a key strategy to reduce our carbon emissions.

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 have been progressively phasing out traditional operating equipment and replacing them with energy-efficient ones while regularly maintaining existing operating cooking 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 FY20 and our target for the financial year ending 31 March 2021 ("FY21"):

Resource	Usage in FY20	FY20 Performance	FY21 Target
Gas	9.18 million kWh	0.118 kWh per every S\$1 of revenue earned	Reduce gas consumption rate
	Usage in FY19	FY19 Performance	
	8.92 million kWh	0.111 kWh per every S\$1 of revenue earned	
Performance in FY20			
<i>FY20 Target previously set</i>		<i>Usage in FY20</i>	
<i>Reduce gas consumption rate</i>		<i>Target not achieved ⁽²⁾</i>	

Resource	Usage in FY20	FY20 Performance	FY21 Target
Electrical	8.44 million kWh	0.108 kWh per every S\$1 of revenue earned	Reduce electrical consumption rate
	Usage in FY19	FY19 Performance	
	7.70 million kWh	0.096 kWh per every S\$1 of revenue earned	
Performance in FY20			
<i>FY20 Target previously set</i>		<i>Usage in FY20</i>	
<i>Reduce electrical consumption rate</i>		<i>Target not achieved ⁽²⁾</i>	

Note:

⁽¹⁾ Reference from <https://www.mse.gov.sg/topic/climate-change>

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 encourages 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 FY20 and our target for FY21:

Resource	Usage in FY20	FY20 Performance	FY21 Target
Water	108,764 cubic metres ("m ³ ")	1.393 m ³ per every S\$1,000 of revenue earned	Reduce or maintain the water consumption rate.
	Usage in FY19	FY19 Performance	
	109,547 m ³	1.361 m ³ per every S\$1,000 of revenue earned	
Performance in FY20			
<i>FY20 Target previously set</i>		<i>Usage in FY20</i>	
<i>Reduce water consumption rate</i>		<i>Target not achieved ⁽²⁾</i>	

Note:

- ⁽²⁾ The Group did not achieve the utilities target usage for energy and water consumptions in FY20 mainly due to:
- (a) The fourth quarter of each financial year (January to March), which coincides with the Chinese New Year, is traditionally the period during which the Group's restaurants experience its peak patronage and generate substantially greater revenue compared to other periods. In the fourth quarter of FY20 ("**Q4FY20**"), the Group generated much lower revenue due to the restrictions placed on large-scale events and social distancing measures to control the local transmission of COVID-19. The lower revenue during Q4FY20 has resulted in a higher energy and water usage per revenue earned in FY20; and
 - (b) 4 new outlets under gestation during FY20 compared to FY19.

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 Singapore Food Agency ("**SFA**") for good personal and food hygiene, and housekeeping standards.
 - Both our central kitchens have attained Grade "A" licence from the SFA for good manufacturing practices and proper food safety systems.

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

Singapore Clean Ambassador ("**SG Clean**")

The Singapore Government has launched 'SG Clean' campaign in February 2020 which was extended to businesses in the food sector on 12 March 2020 to sustain good habits of personal and public hygiene as well as raise cleanliness standards and safeguard public health. Enterprises with the 'SG Clean' certification means they have set up processes to ensure that the food preparation areas and equipment are sanitised, waste is handled properly and systems are in place to monitor staff health. The Group has attained the 'SG Clean' certificates for all but one (1) of our restaurants.

It is our top priority to provide a pleasant and safe dining and working environments for our customers and employees. We have been upholding the highest standard in hygiene practices in light of the current COVID-19 situation and implemented the following precautionary measures:

- Clean and sanitize our restaurants 3 times daily;
- Conduct temperature checks on every customer before allowing them into our restaurants;
- Adhere to the social distancing measure by widening the space between tables or seating guests further away from each other with empty tables in between groups;
 - Placing plastic partitions in between tables at some of our restaurants;
 - Providing diners with food grade antiseptic wipe for utensils;
- Contact tracing measure using the SafeEntry visitor management system; and
 - Digital menu and electronic ordering.

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 five (5) 5S auditors in the Group. Each of our restaurants is managed by a 5S-certified senior general manager and staffed with 5S-trained personnel, making every Tung Lok outlet 5S-compliant ⁽³⁾ with 12 outlets being 5S certified ⁽³⁾.

Note:

⁽³⁾ 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 of our 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.

FY20 Performance	FY21 Target
Grade “A” SFA ⁽⁴⁾ certifications for all restaurants and Grade “A” SFA certifications for both central kitchens	To uphold and maintain the grades of all certifications
FY19 Performance	
Grade “A” NEA ⁽⁴⁾ certifications for all restaurants and Grade “A” AVA ⁽⁴⁾ certifications for both central kitchens	
Performance in FY20	
FY20 Target previously set	Performance in FY20
To uphold and maintain the grades of all certifications	Target achieved

Note:

⁽⁴⁾ All food-related services previously under National Environment Agency (“**NEA**”) and Agri-Food and Veterinary Authority of Singapore (“**AVA**”) are provided by SFA with effect from 1 April 2019.



Customer Satisfaction

As one of the Singapore leading restaurant operator, the provision of exemplary service excellence values are entrenched in the Group's processes and practices to maximise the customer satisfaction and build loyal customer base.

The Group is dedicated to 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 delivered exceptional services and created memorable experiences for customers. This is organised by the Restaurant Association of Singapore ("**RAS**") and Enterprise Singapore. The award categories presented include the Silver, Gold and Star. All awardees attend a 4-hour EXSA workshop to reinforce and sustain a consistent level of quality service after receiving the awards. In 2019, a total of 61 employees from our Group received the EXSA. This included 30 Silver awardees, 26 Gold awardees and 5 Star awardees.

- **Customer Satisfaction Index of Singapore**

The Customer Satisfaction Index of Singapore ("**CSISG**") is a quantitative measurement system that is used to compute customer satisfaction scores across sectors and sub-sectors in the services industry of Singapore. CSISG system is jointly developed by the Institute of Service Excellence (ISE) at SMU and the Singapore Workforce Development Agency (WDA). The CSISG serves as a quantitative benchmark on the perceived overall satisfaction among our competitors in Singapore. Tung Lok Signatures achieved a satisfaction score of 82.0 (2018: 76.9), which was the second highest score achieved compared to all other restaurants in 2019.

Customers' Feedback Report

Every 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 FY20, we received a total of 378 compliments (about 94%) and 23 concerns (about 6%).

FY20 Performance	FY21 Target
Maintained compliment to concern ratio at 16:1	To maintain compliment to concern ratio at 13:1
FY19 Performance	
Maintained compliment to concern ratio at 10:1	
Performance in FY20	
FY20 Target previously set	Performance in FY20
To maintain compliment to concern ratio at 7:1	Target achieved

Our Group is an early adopter of online food delivery platforms, even prior to the outbreak of COVID-19. Our experience and readiness for such on-line delivery platforms allow us to continue to operate and not disrupt the services to our customers during the circuit breaker period. We simplified our range of menu to include easy-to-eat items such as bento sets and widened the catchment areas of our potential customers through partnering with more online food delivery platforms which offer island-wide deliveries.

Employment

Our employees, being at the forefront of our business, are key to 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. The Company has a Board Diversity Policy that endorses the principle that its Board should have a balance of skills, knowledge and experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Company has the opportunity to benefit from all available talents. In addition, 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 and enhance the productivity and growth of the Group and its employees. 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

We believe in the importance of fair and equitable rewards to employees where credits are due. In order to retain talented employees, annual reviews of remuneration packages are performed to ensure that the compensation and benefits are in line with market rates.

We reckon that it is through taking good care of the well-being of our employees only can the Group thrive. We provide service incentives to reward and motivate our service and kitchen staff so as to align their interests to the Group's business goals and objectives. Long Service Awards are awarded on an annual basis to reward long-serving employees for their dedication. Perfect Health Incentives are also awarded on an annual basis to reward employees who stay safe and healthy during their service of employment with the Group.

Safety Measures at Workplace

The outbreak of COVID-19 during Q4FY20 has posed significant health threat to our customers as well as our frontline employees. The Group is committed to adhering to the Safe Management Measures issued by the tripartite partners - the Ministry of Manpower (MOM), the National Trades Union Congress (NTUC) and the Singapore National Employers Federation (SNEF) to safeguard the well-being of our employees and minimize the risk of widespread resurgence of COVID-19 in the community. We have implemented the following Safe Management Measures:

- Working from home (“WFH”) arrangement for administrative employees. Employees are only allowed to return to office based on a pre-arranged schedule;
- Providing IT equipment/software to employees to support WFH arrangement;
- Staggered work hours have been arranged for all the employees who required to return to work;
 - Prohibiting cross-deployment or interaction between employees from different outlets;
 - Providing face masks and hand sanitisers to employees and requiring them to wear masks at workplace at all times;
- Contactless thermometer in all outlets and office to minimize physical touchpoints; and
- Daily temperature taking for staff twice in all outlets and office.

Social collaborations

Tung Lok firmly believes in being a socially responsible corporate citizen and giving back to society.

In FY20, we have also started several collaborations to help the less fortunate in the society, including Kampong Assisi Charity Fun Day 2019 (“**Assisi 2019**”) and Project Chulia Street (“**PCS**”).

Assisi 2019 was co-organised by City Development Limited and CBM Pte Ltd to provide comfort and dignity to Assisi Hospice patients with life-limiting illnesses and their families. Our Group was one of the F&B sponsors and took part in the annual Assisi 2019 on 16 June 2019 held at St. Joseph’s Institution International, where Tung Lok’s management and staff sold food at the charity drive while spreading awareness about terminal illnesses to attendees. The event raised funds for Assisi Hospice, which provides subsidised care for the poor and critically ill.

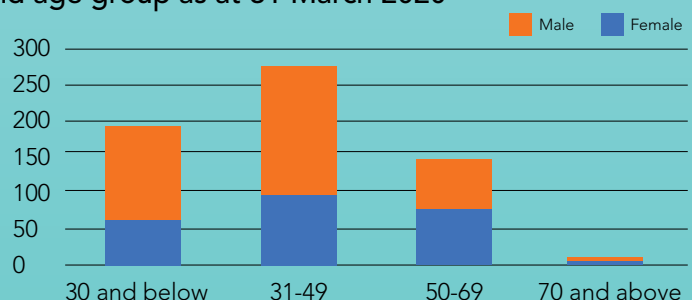
PCS is a privately funded initiative that serves as a platform to enhance health and well-being of migrant workers in Singapore. The Group collaborated with PCS in increasing the migrant workers’ social and economic mobility at Westlite Jalan Papan Dormitory on 23 November 2019, providing 1,000 portions of various dishes to 1,500 migrant workers.

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.

The Group has 626 (31 March 2019: 634) full-time employees in Singapore as at 31 March 2020. The breakdown of staff headcount by gender and age group is as follows:

Total headcount by gender and age group as at 31 March 2020

Age Group	Female	Male	Total
30 and below	64	134	198
31-49	98	176	274
50-69	77	68	145
70 and above	5	4	9
Total	244	382	626



FY20 Performance	FY21 Target
Ratio of women to men - 1:1.57	Ratio of women to men should not rise above 1:1.55
FY19 Performance	
Ratio of women to men - 1:1.50	
Performance in FY20	
FY20 Target previously set	Performance in FY20
To improve gender mix	Target not achieved ⁽⁵⁾

Note:

⁽⁵⁾ Due to the unexpected outbreak of COVID-19 during Q4FY20, the Group's manpower planning has been disrupted. This has resulted in the temporary shift of the Group's manpower dynamics. We will continue to move towards a more balanced gender ratio in FY21.

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.

During FY20, we are an accredited in-house WSQ Approved Training Organisation ("ATO"). Some of the WSQ certified programmes that we run include 'F&B Safety and Hygiene in the Working Environment', 'Interact and Serve F&B Customers' and 'Perform Hosting Duties'. The employees who have undergone this training are empowered to provide better quality services to our valued customers.

Other external training programmes which our employees have undergone include Halal Foundation Programme, Occupational First Aid courses and specialist F&B courses such as Building People Management. Subsidies for specifically 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.

Our Group performance has been adversely affected by the unexpected outbreak of COVID-19 during Q4FY20. The Group will utilise the available employment support incentives and programmes funded by the Singapore Government such as Job Redesign Programmes, to improve the efficiency and productivity of current workforce. The Job Redesign Programmes helps to equip the participated employees with different set of skills and helps the Group retain them by redeploying them to the other divisions within the Group.

FY20 Performance	FY21 Target
Average training hours per employee is 17.0	To improve average training hours per employee
FY19 Performance	
Average training hours per employee is 12.5	
Performance in FY20	
FY20 Target previously set	Performance in FY20
To improve average training hours per employee	Target achieved

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 SFA.

Suppliers

Currently, almost all of the suppliers we liaise directly with, are based in Singapore. These suppliers source ingredients from the neighbouring region including Malaysia, Vietnam, Indonesia 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 ten (10) site visits to suppliers in FY20, such as Leong Guan Food Trading Pte Ltd and KKF Pte Ltd, in 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 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 increase supporting more local farms in Singapore, we have also collaborated with local farms such as Boong Poultry Pte Ltd, Ananas Republic Pte Ltd, Zenxin Agri-Organic Food Pte Ltd, Edible Garden City Pte Ltd, Kin Yan Agrotech Pte Ltd, Farm Delight Pte Ltd and Sustenir Agriculture (Singapore) Pte Ltd to source for their fresh domestic food products.

Our Group has not been spared from the global supply chain disruptions caused by the COVID-19 pandemic. Most of our suppliers are facing some form of disruption from the neighbouring regions due to travel restrictions. We have responded swiftly by sourcing for more local products and manoeuvre our outlets' menus based on available ingredients. In order to keep the disruption to the minimum, we are able to work with our trusted suppliers, whom we have built close relationships over the years, to reserve food ingredients in bulk to prevent sudden supply shortage of certain ingredients.

Eco-friendly restaurant essentials

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

The take-away plastic bags that we currently use contains the d₂w certified plastic additive. The d₂w 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.

Our restaurants also use eco-friendly bamboo cocktail napkins. 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.

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

Sustainable Business Practices

Palm oil is the world's most edible oil and is widely used in the F&B industry. However, the production of palm oil has led to deforestation, fires and worker exploitation. The formation of Southeast Asia Alliance for Sustainable Palm Oil ("**SASPO**") is an initiative led by the World Wide Fund for Nature ("**WWF**") Singapore which champions the use of sustainable and ethically-produced 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**")⁽⁶⁾ 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 methods of deforestation to clear forests and make way for palm oil plantations.

Note:

⁽⁶⁾ 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.

To create awareness of plant-based dining, our Lingzhi Vegetarian has on 29 July 2019 showcased a 7-course fully plant-based menu prepared using the revolutionary Omnipork. Omnipork is developed by Omnifoods, a technology company launched by Green Monday, to promote shifting to plant-based diet as a crucial means to tackle global warming and food insecurity as the current livestock industry contributes more carbon footprint than all transportations combined. The one-night dinner talk aims to create awareness of a sustainable food system by advocating once-a-week plant-based meal philosophy to reduce carbon footprint and improve health by giving up meat for just one day per week.

In FY20, the Group continued to offer its healthier range of mooncakes. The healthier mooncakes contain less sugar and more dietary fibre as it is produced using Allulose, a naturally occurring novel sugar which is lower in sugar and calories. The healthier mooncakes have been certified by the Health Promotion Board ("**HPB**") as a healthier choice and were well-received by consumers.

Our Group is committed to promoting healthier dining at our restaurants. As a start, our brand Lao Beijing is one of the Healthier Dining Partners of HPB under the Healthier Dining Programme ("**HDP**"). HDP is an initiative by HPB to encourage F&B operators to curate healthier menus for their customers. Lao Beijing currently offers 24 healthier items in its menu which have been developed in accordance with the HPB's guidelines.

The Group continues its practices of reducing the excessive use of plastic by 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 (NEA) and Zero Waste SG. However, if our customers do request for straws, we offer them carbon-neutral plant straws made by 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, shrimps, 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 Asian Aquaculture Network (“**ANN**”) ⁽⁷⁾, World Aquaculture Society (“**WAS**”) ⁽⁸⁾, Aquaculture Stewardship Council (“**ASC**”) ⁽⁹⁾, Global Aquaculture Alliance (“**GAA**”) ⁽¹⁰⁾ and Marine Stewardship Council (“**MSC**”) ⁽¹¹⁾.



FY20 Performance	FY21 Target
All our suppliers have obtained necessary approvals from SFA	All our suppliers to obtain necessary approvals from SFA
FY19 Performance	
All our suppliers have obtained necessary approvals from AVA	
Performance in FY20	
FY20 Target previously set	Performance in FY20
All our suppliers to obtain necessary approvals from SFA	Target achieved

Notes:

- ⁽⁷⁾ AAN is a regional professional network and platform for the communication sharing of knowledge and practical technical information about aquaculture with the primary focus of promoting sustainable development and profitable practices of aquaculture in all of Asia.
- ⁽⁸⁾ WAS is an international networks founded by 100 countries representing the global aquaculture community and associated with other aquaculture associations such as the Aquaculture Association of Canada, Aquaculture Association of South Africa, Aquaculture without Frontiers, Asian Fisheries Society, Brazilian Society of Aquaculture and Aquatic Biology, China Society of Fisheries, Egyptian Aquaculture Society, European Aquaculture Society, Indonesian Aquaculture Society, Korean Aquaculture Society, Malaysian Fisheries Society, Society of Aquaculture Professionals (India) and Spanish Society of Aquaculture. WAS is a dynamic organization capable of responding to change and is recognized for its professional credibility in aquaculture science, technology and education to the progressive and sustainable development of aquaculture throughout the world.
- ⁽⁹⁾ ASC is an independent, international non-profit organisation that manages the world’s leading certification and labelling programme for responsible aquaculture. ASC plays a major role in supplying food and social benefits for mankind whilst minimising negative impacts on the environment and to transform aquaculture towards environmental sustainability and social responsibility using efficient market mechanisms that create value across the chain.
- ⁽¹⁰⁾ 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.
- ⁽¹¹⁾ 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.

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.

FY20 performance	FY21 Target
No confirmed corruption incident	No incidents of corruption concerning employees or business partners
FY19 Performance	
No confirmed corruption incident	
<i>Performance in FY20</i>	
<i>FY20 Target previously set</i>	<i>Performance in FY20</i>
<i>No incidents of corruption concerning employees or business partners</i>	<i>Target achieved</i>

13. GRI CONTENT INDEX

Description	Reference	Page reference	
GENERAL STANDARD DISCLOSURE			
ORGANISATION PROFILE			
102-1	Name of the organisation	Sustainability Report 2020	1
102-2	Activities, brands, products and services	Annual Report 2020 (Our Brands and Outlets)	2-12
102-3	Location of headquarters	Annual Report 2020 (Corporate information/ Financial statements)	17 and 72
102-4	Location of operations	Annual Report 2020 (Our Brands and Outlets)	2-12
102-5	Ownership and legal form	Annual Report 2020 (Corporate information/ Financial statements)	17 and 72
102-6	Markets served	Annual Report 2020 (Our Brands and Outlets)	2-12
102-7	Scale of the organization	Annual Report 2020 (Our Brands and Outlets/ Historical Financial Summary)	2-12 and 18
102-8	Information on employees and other workers	Sustainability Report 2020 (Employment/ Training and Education)	12-14
102-9	Supply chain	Sustainability Report 2020 (Food Health and Safety/Procurement)	9-10; 15-17
102-10	Significant changes to the organization and its supply chain	Sustainability Report 2020 (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	- Singapore Business Federation - Restaurant Association of Singapore - Franchising and Licencing Association of Singapore	Not applicable
STRATEGY			
102-14	Statement from senior decision-maker	Sustainability Report 2020 (Board Statement)	3
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Annual Report 2020 (Corporate Governance Report)	24-55
GOVERNANCE			
102-18	Governance structure	Annual Report 2020 (Corporate Governance Report)	24-55
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Sustainability Report 2020 (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 2020 (Stakeholder Engagement)	5
102-43	Approach to stakeholder engagement	Sustainability Report 2020 (Stakeholder Engagement)	5
102-44	Key topics and concerns raised	Sustainability Report 2020 (Materiality Assessment)	6

Description		Reference	Page reference
GENERAL STANDARD DISCLOSURE			
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Annual Report 2020 (Financial statements)	98-99
102-46	Defining report content and topic boundaries	Sustainability Report 2020 (Materiality Strategy and Assessment)	6
102-47	List of material topics	Sustainability Report 2020 (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 2020 (Reporting Scope and Period)	4
102-51	Date of most recent report	31 March 2019	Not applicable
102-52	Reporting cycle	Sustainability Report 2020 (Reporting Scope and Period)	4
102-53	Contact point for questions regarding the report	Sustainability Report 2020 (Feedback)	4
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report 2020 (Reporting Standard)	4
102-55	GRI content index	Sustainability Report 2020 (GRI Content Index)	19-21
102-56	External assurance	The Group has not sought external assurance for this reporting period	Not applicable
MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its Boundary	Sustainability Report 2020 (Materiality Assessment)	6
103-2	The management approach and its components	Sustainability Report 2020 (Discussed under each material sustainability factor)	7-18
103-3	Evaluation of the management approach	Sustainability Report 2020 (Discussed under each material sustainability factor)	7-18

Description		Reference	Page reference
TOPIC-SPECIFIC GRI STANDARD DISCLOSURES			
ENVIRONMENT			
302-1	Energy consumption within the organisation	Sustainability Report 2020 (Environment: Energy Consumption (Gas and Electricity))	7
302-3	Energy intensity	Sustainability Report 2020 (Environment: Energy Consumption (Gas and Electricity))	7
303-1	Water withdrawal by source	Sustainability Report 2020 (Environment: Water Consumption)	8
SOCIAL			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report 2020 (Social: Food Health and Safety)	9-10
405-1	Diversity of governance bodies and employees	Sustainability Report 2020 (Social: Employment)	12-14
404-1	Average hours of training per year per employee	Sustainability Report 2020 (Social: Training and Education)	14
GOVERNANCE			
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2020 (Governance: Anti-corruption)	18

TUNG LOK GROUP OF 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



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, #01-23/26
Tel. 6466 3363

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



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
10 Paya Lebar Road, #03-09/10
Tel. 6909 8933



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

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



Park Regis Hotel
23 Merchant Road, Level 1
Tel. 6721 9118



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
10 Paya Lebar Road, #Bs2-33
Tel. 6909 8932

Resorts World Sentosa
26 Sentosa Gateway, #B1-222/223
Tel. 6251 5168



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

CATERING BRANDS



MANUFACTURING BRAND



HOME FIESTA

SCAN HERE

