



同乐 TUNGLOK

SUSTAINABILITY REPORT 2021



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.

The details of the contact person for the Sponsor is: -
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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 Board of Directors ("**Board**") and senior management ("**Management**") remain committed to establish and maintain an effective sustainability management framework, which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives and performance measurements.

The COVID-19 outbreak has dealt a devastating blow to the global economies with businesses still struggling to overcome the challenges brought about by the pandemic. Lockdowns, closed borders, safe distancing measures have caused severe disruptions to the demand and supply chain of businesses. Many businesses, including food and beverage industry, are unfavourably hit.

In Singapore, Circuit Breaker ("**CB**") has been introduced by the Singapore Government from April 2020 to June 2020 to curb the spread of COVID-19 virus in the community. During the CB and post-CB periods, the Group is required to adhere to various safety management measures. Consequently, our Group's business was severely disrupted throughout the financial year ended 31 March 2021.

The Group's sustainability journey was disrupted as the Group has prioritised its efforts in navigating through various challenges brought about by the COVID-19 pandemic. However, the Group had adapted rapidly and pivoted our business strategy to ensure continual sustainability of our business, particularly in health and safety of our customers and employees.

We are pleased to share our fourth Sustainability Report and would like to extend our thanks to all our stakeholders for the continuous engagement, partnership and support. We deeply appreciated the efforts which our employees put on to cope with the various challenges during this difficult period.

We will continue to incorporate sustainability initiatives in our business process to enhance its sustainability journey in the areas of environmental, social and governance aspects.



2. ABOUT TUNG LOK

Tung Lok currently owns and manages a total of 37 restaurants in Singapore, Indonesia, China, Japan and Vietnam. 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 FY21 ("**Annual Report 2021**").

3. REPORTING SCOPE AND PERIOD

The scope of this Sustainability Report encompasses our sustainability practices and performances for the Group's operations in Singapore that are under our direct control. These comprise 27 directly owned restaurants and 2 central kitchens as of 31 March 2021. This Sustainability Report should be read in conjunction with the Annual Report 2021, as it focuses on the Group's sustainability efforts and strategies for the period from 1 April 2020 to 31 March 2021 ("**FY21**").

4. ABOUT THIS SUSTAINABILITY REPORT

Tung Lok affirms our commitment to sustainability with the publication of our fourth 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 FRAMEWORK

This Sustainability Report has been prepared based on the Global Reporting Initiative ("**GRI**") standards as it provides a set of extensive reporting frameworks that is recognised as a global standard for sustainability reporting and has been widely adopted.

This report has been prepared based on GRI G4 Standards: Core which is widely adopted and is aligned with reporting framework of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") of Rule 711A and Rule 711B. The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this Sustainability Report and will consider to seek external assurance in the future, if necessary.



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. Your feedback will be valuable to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this Sustainability Report.

7. MEMBERSHIP OF ASSOCIATION

Our Group has a membership network with those internationally renowned business organisation and industry bodies as listed below:

- i. *Franchising and Licensing Association (Singapore)*
- ii. *Restaurant Association of Singapore*
- iii. *Association of Catering Professionals Singapore*
- iv. *Support Asia for Sustainable Palm Oil*
- v. *Singapore Business Federation*
- vi. *Singapore-China Business Association*
- vii. *Singapore Chinese Chamber of Commerce & Industry*
- viii. *Singapore Hotel Association*
- ix. *Singapore National Employers Federation*
- x. *World Federation of Chinese Catering Industry*

These memberships provide vast opportunities for our employees to network and conduct peer-to-peer interaction to keep abreast of the latest development. We will continue to engage with industry professional to build our capabilities for sustainable growth.

8. 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	<ul style="list-style-type: none"> - 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

9. 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 and to review the material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Sustainability Report. The ESG topics in this report, reviewed by the SSC, are assessed to be material and relevant.

The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continual improvement.

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.

10. 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.

11. 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 in Singapore have risen by 0.25°C per decade from 1948 to 2015, while 2016 and 2019 were the hottest years recorded thus far ⁽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 is an 'alternative energy-disadvantaged' country as it is difficult to adopt alternative energy sources such as hydroelectricity, wind energy or geothermal energy due to its geographical constraints. Hence, increasing energy efficiency will continue to be the 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 maximised energy conservation efforts which involves changing employees' behaviour and investing in maintenance and energy-efficient machines to reduce carbon footprint and improve the environmental sustainability of Group's business. 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 FY21 and our target for the financial year ending 31 March 2022 ("FY22"):

Resource	Usage in FY21	FY21 Performance	FY22 Target
Gas	7.46 million kWh	0.125 kWh per every S\$1 of revenue earned	To achieve lower gas consumption rate than FY21
	Usage in FY20	FY20 Performance	
	9.18 million kWh	0.118 kWh per every S\$1 of revenue earned	
Performance in FY21			
FY21 Target previously set		Usage in FY21	
Reduce gas consumption rate		Target not achieved ⁽²⁾	

Resource	Usage in FY21	FY21 Performance	FY22 Target
Electrical	6.82 million kWh	0.114 kWh per every S\$1 of revenue earned	To achieve lower electrical consumption rate than FY21
	Usage in FY20	FY20 Performance	
	8.44 million kWh	0.108 kWh per every S\$1 of revenue earned	
Performance in FY21			
FY21 Target previously set		Usage in FY21	
Reduce electrical consumption rate		Target not achieved ⁽²⁾	

Note:

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

Water Consumption

Water is a precious resource and prudent usage is key. Water demand in Singapore is currently about 430 million⁽³⁾ gallons a day. As the population and economy continue to grow, Singapore needs to ensure that the demand for water does not rise at an unsustainable rate.

Water is vital to our business operations since it is used for washing and preparing food products, cleaning and dishwashing, amongst others. We are committed to play our part to reduce overall water consumption and raise awareness among our employees on the efficient and responsible use of water. The water we consume is sourced from public utilities. Our Group practises active management of water usage, such as frequent servicing of water fittings, 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 FY21 and our target for FY22:

Resource	Usage in FY21	FY21 Performance	FY22 Target
Water	84,779 cubic metres ("m ³ ")	1.419 m ³ per every S\$1,000 of revenue earned	To achieve lower water consumption rate than FY21.
	Usage in FY20	FY20 Performance	
	108,764 m ³	1.393 m ³ per every S\$1,000 of revenue earned	
Performance in FY21			
FY21 Target previously set		Usage in FY21	
Reduce water consumption rate		Target not achieved ⁽²⁾	

Note:

- ⁽²⁾ The Group did not achieve the usage target for energy and water consumptions in FY21. The consumption rates of energy and water were higher mainly due to more than proportional decrease in revenue from our restaurants as compared to energy and water consumed at the onset of COVID-19.
- ⁽³⁾ Reference from <https://www.pub.gov.sg/savewater#>

12. 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. We are extremely stringent in our food safety standards and practices and conform to all regulatory requirements. We are committed to maintain low incident rate of non-compliance on food safety and hygiene rules by prioritising cleanliness and food hygiene in our day-to-day operations.

Singapore Clean Ambassador ("SG Clean")

In FY21, the Group continued to be part of 'SG Clean', a campaign launched by Singapore Government in February 2020, to sustain good habits of personal and public hygiene as well as raise cleanliness standards and safeguard public health in Singapore amid COVID-19 pandemic. 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. All our outlets are certified with 'SG Clean' quality mark (except for one (1) outlet which was temporarily closed since July 2020).

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 will continue to implement the following precautionary measures:

- Clean and sanitise each restaurant 3 times daily;
- Make sure every customer uses SafeEntry or TraceTogether to check in and out when required;
- Hand disinfectant alcohol gel or hand sanitisation wash are provided for customers at each restaurant entrance;
- All tables and chairs are disinfected thoroughly before allocating to next group of customers;
- Providing diners with food grade antiseptic wipe for utensils;
- Adherence to safe management measures to maintain at least one-meter distancing between seating and customers' waiting area;
- QR codes and electronic ordering are used for food ordering process to reduce unnecessary contact; and
- Implemented QR Code Queue Management System where customers are able to join a virtual queue and eliminate physical queue at outlets.

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 ⁽⁴⁾ with 12 outlets being 5S certified.

Note:

⁽⁴⁾ 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")

FSMS is a preventive 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 licenses to comply with food hygiene regulations.

All food caterers are required to submit a proper Hazard Analysis Critical Control Point ("**HACCP**") based FSMS with reference to the Singapore Standard SS583:2013 ⁽⁵⁾ as the basic guide. Our catering and permitted-to-cater licensees have implemented FSMS.

Certificates relating to Food Safety Standards

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

- Both our central kitchens have attained HACCP standard, which is a systematic approach to identifying specific hazards and measures for control to ensure food safety, with SS590:2013 ⁽⁵⁾ or ISO 22000:2018 ⁽⁶⁾ certified.
- 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.

Note:

⁽⁵⁾ SS 583:2013/SS 590:2013 are a guideline for businesses in the food retail and manufacturing industries to adopt HACCP-based FSMS principles towards identifying, preventing, and reducing food-borne hazards in the food process chain.

⁽⁶⁾ ISO 22000 is an internationally recognised standard that establishes the requirements for an effective food safety management system.

Other food safety measures

- All of our chefs and food handlers attended food safety training as part of their mandatory training.
- All of our front-liners are constantly reminded to monitor their health and personal hygiene and ensure the cleanliness and orderliness of their workstation as well as adhere strictly to the Sanitation and Hygiene Advisory for Food Establishment issued by National Environment Agency (NEA) and SFA issued on 21 July 2020.
- All front-liners are required to adhere to the additional requirements stipulated under COVID-19 (Temporary Measures) (Control Order) Regulations 2020 and must wear masks over the nose and mouth when engaged in the sale and preparation for sale of food and drink.
- 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 third party laboratory testing before launch to determine their shelf life.
- Outlet inspections will be periodically conducted by our Quality Assurance Department to ensure compliance with relevant food-safety regulatory requirements.

FY21 Performance	FY22 Target
Grade "A" SFA certifications for all restaurants and Grade "A" SFA certifications for both central kitchens	To uphold and maintain the grades of all certifications
FY20 Performance	
Grade "A" SFA certifications for all restaurants and Grade "A" SFA certifications for both central kitchens	
<i>Performance in FY21</i>	
<i>FY21 Target previously set</i>	<i>Performance in FY21</i>
<i>To uphold and maintain the grades of all certifications</i>	<i>Target achieved</i>



Customer Satisfaction

As one of the Singapore leading restaurant operator, the provision of exemplary service excellence values is 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 service:

• Chope Diners' Choice 2020

Chope Diners' Choice is an annual award to commemorate Chope diners' favourite restaurants in Singapore. The award, organised by Chope Group, brings its community of discerning diners together to vote for their favourite restaurants since 2014.

Dancing Crab has been awarded first runner-up for 'Deal-icious Restaurant of the Year' and Tung Lok Teahouse has been awarded Winner for Best Delivery Experience at the Chope Diners' Choice 2020.

• Restaurant Association of Singapore ("RAS") Epicurean Star Award 2020

The RAS Epicurean Star Award recognises F&B achievements such as Creativity, Quality, Excellence, Efficiency of Dine-In experience. The RAS Epicurean Star Award 2020 seeks to recognise the adaptability efforts and act of responsibility displayed by fellow F&B players in Singapore amid COVID-19 pandemic.

The Group has been awarded Winner for 'Most Inspirational F&B Brand (Multiple Outlets)' and 'Safe Dining Award' as well as first runner-up for 'Most Innovative F&B Brand (Multiple Outlets)' at the RAS Epicurean Star Award 2020.

• Tatler's Singapore Best of Singapore 2021

Singapore Tatler Best Of Singapore reveals all the secrets for fine living with reviews of the country's top shops, services and brands.

BellyGood Caterer has been awarded Best Caterer Award at the Tatler's Singapore Best of Singapore 2021.

Customers' Feedback Report

Every customer feedback is of paramount importance 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. These feedback reports are communicated to the operation team during the weekly operational meeting to ensure that timely rectification actions can be implemented.

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 FY21, we received a total of 314 compliments (about 91%) and 32 concerns (about 9%).

FY21 Performance	FY22 Target
Compliment to concern ratio at 10:1	To achieve lower compliment to concern ratio
FY20 Performance	
Compliment to concern ratio at 16:1	
Performance in FY21	
FY21 Target previously set	Performance in FY21
To maintain compliment to concern ratio at 13:1	Target not achieved ⁽⁷⁾

Note:

⁽⁷⁾ The Group did not achieve customer satisfaction target in FY21 due to reduction in customers' compliments received in FY21 which were caused by reduced dine-in services since COVID-19 outbreak started. Nonetheless, we will continue to seek customer feedback for continuous improvement in customer satisfaction.

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. 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.

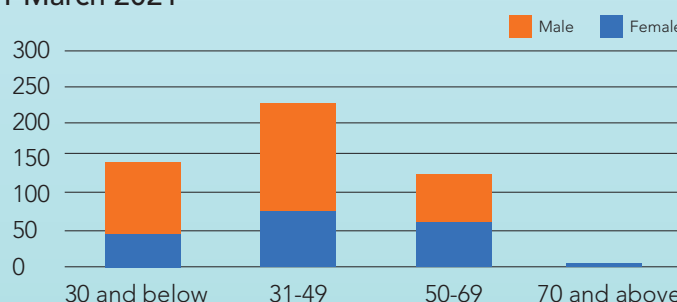
The Group has a Board Diversity Policy that endorses the principle that its Board should have a balance of skills, knowledge and experience and diversity of perspectives appropriate to its business to mitigate against groupthink and to ensure that the Group has opportunity to receive benefit from all available talents. In addition, gender diversity is also present in our Board where 2 out of 8 directors are females.

Our employees are distributed across various age groups with different experiences and skill sets that are able to build the Group's capabilities for sustainable growth. As at 31 March 2021, the Group had a total of 489 (31 March 2020: 626) full-time employees.

The breakdown of staff headcount by gender and age group is as follows:

Total headcount by gender and age group as at 31 March 2021

Age Group	Female	Male	Total
30 and below	48	90	138
31-49	82	153	235
50-69	60	55	115
70 and above	1	-	1
Total	191	298	489



FY21 Performance	FY22 Target
Ratio of women to men - 1:1.56	To maintain the gender mix
FY20 Performance	
Ratio of women to men - 1:1.57	
<i>Performance in FY21</i>	
<i>FY21 Target previously set</i>	<i>Performance in FY21</i>
Ratio of women to men should not rise above 1:1.55	Target not achieved ⁽⁸⁾

Note:

⁽⁸⁾ Although the Group did not achieve FY21 target, the gender mix had shown improvement in FY21. We will continue to move towards a more balanced gender ratio in FY22.

The Group promotes open communication to effectively gather constructive feedback from our valued employees to better achieve our corporate goals. Any employee who feels unfairly treated against can approach our Human Resource Department for assistance.

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 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.

The Group has provided living allowances to the employees whose income have been affected by the Group's cost control measures during the initial period of COVID-19 pandemic. The Group has also subsidised the medical and accommodation expenses of employees who returned from overseas and were required to serve quarantine order or stay-home-notice.

Performance Appraisal and Career Development

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

Occupational Health and Safety

As an employer, we are held accountable for our employees' well-being and ensured the safe workplace is fostered at our restaurants and central kitchens. We have implemented Occupational Health and Safety framework which is a system for dealing with emergencies, and provide sufficient instruction, training and supervision to our employees, in accordance with the requirements of Workplace Safety and Health ("WSH") Act.

A key component of Occupational Health and Safety framework is the WSH (Risk Management) Regulations which is a preventive approach aims to reduce risks at source and make the stakeholders accountable for managing the risks they create. Companies which have put in place systems to manage workplace risks and complies with WSH (Risk Management) Regulations will be certified with bizSAFE Level 3 and above.

The Group currently has its own risk assessment framework in accordance with WSH (Risk Management) Regulations. Our Halal catering division - Bellygood Caterer has conducted a comprehensive risk assessment for its work activity and has been certified bizSAFE Level 3.

In the event that any work-related injury happened at workplace, our employees will receive immediate medical attention and Head of Departments will submit Incident Report (details with the nature of incident and preventive action to mitigate the risk of future recurrence) to Human Resources Department for further investigation to prevent future occurrence.

Safety Measures at Workplace

The Group is aware that COVID-19 has posed significant health threat to our customers as well as our frontline employees. We continued to adhere 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 to curb local transmission of COVID-19 in the community. In FY21, we have implemented the following safe management measures in the workplace:

- Encouraging 25% of administrative employees to work from home and they are only allowed to return to office based on a pre-arranged schedule;
- Staggered work hours have been arranged for all the employees who required to work in office;
- No social gatherings at the workplace;
- Prohibiting cross-deployment or interaction between employees from different outlets;
- Continue to conduct virtual meetings as far as possible;
- Make sure all employees to wear masks at workplace at all times;
- Contactless thermometer in all outlets and office to minimize physical touchpoints;
- Encourage employees to observe good personal hygiene and refrain from touching their face;
- Mandatory SafeEntry check-in using TraceTogether application by all employees and guests before entering office or outlets;
- Daily temperature taking for staff twice in all outlets and office; and
- Provide face masks, face shield, and sanitizers for our employees.

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. As a service-based business, the Group is an accredited in-house WSQ Approved Training Organisation ("ATO") and has been encouraging employees to upgrade their skill set and technical know-how by providing various training and career development programmes. Some of the WSQ certified programmes that we run in FY21 include "Follow F&B Safety and Hygiene Policies and Procedures" and "Food Safety Course Level 1".

Other external training programmes which our employees have undergone in FY21 include "Occupational First Aid courses", "Service Industry Transformation Programme" and "F&B Digital Marketing Accelerator". Subsidies for specially approved courses have been provided as we believe that employee learning and professional growth from these courses are necessary for the long-term Group's efficiency and productivity.

Orientation programmes are also conducted to introduce corporate values and company structure to our newly joined employees so that they can be familiar with tasks, people, and processes during their onboarding process.

The Group enrolled our employees into Job Redesign Reskilling (“**JRR**”) Programmes in FY21, an initiative by Workforce Singapore (“**WSG**”) which aims to help F&B employers train and upskill employees to take on redesigned and enhanced job roles as the Company undergo business transformations. The participants of JRR have been redeployed to other divisions within the Group and received on-the-job-training by the assigned mentor based on the training framework approved.

During FY21, we accelerated our digital transformation efforts of certain business processes as follows:

- kitchen employees have been trained to place purchase requisition directly into our Enterprise Resource Planning system; and
- implemented a new Warehouse Management System at our central kitchen to optimise inventory management and production planning.

FY21 Performance	FY22 Target
Average training hours per employee is 10.0	To achieve higher average training hours per employee compared to FY21
FY20 Performance	
Average training hours per employee is 17.0	
Performance in FY21	
FY21 Target previously set	Performance in FY21
To improve average training hours per employee	Target not achieved ⁽⁹⁾

Note:

⁽⁹⁾ The Group did not achieve the average training hours targeted in FY21 mainly due to the scale down of the Group’s manpower and restrictions in place for conducting large scale physical trainings amidst COVID-19 situation. The Group has adapted to the restrictions and converted some of the training sessions to virtual sessions.

Social collaborations

Tung Lok firmly believes in being a socially responsible corporate citizen and giving back to society. We are dedicated to play our part to help those in need in the community, especially during the current COVID-19 situation.

In FY21, we supported in the following Corporate Social Responsibility Programmes.

- Lions of Healthcare We Thank You (“**Lion**”) – Lion was launched as one-stop online platform to encourage companies in Singapore to show their appreciations to healthcare workers for their dedication and sacrifice in testing and treating COVID-19 patients by providing rewards for their spending at local businesses. We had taken part in Lion platform by giving discounts to healthcare workers when they patronise at our outlets.
- Project Belanja! (Catering) (“**PB**”) – PB is a collaboration between RAS, Blossom World Society and ItsRainingRaincoats (IRR) to raise fund and provide meals to support the migrant worker communities in Singapore that have been affected by the COVID-19 outbreak. We have participated in PB to show our appreciation and support to the migrant workers.
- Assisi Hospice’s Fun Day 2020 (“**Assisi 2020**”) - Assisi Hospice Fun Day is an annual highlight fundraising carnival to provide comfort and dignity to Assisi Hospice patients with life-limiting illnesses and their families. Due to safe-distancing measures, Assisi 2020 has been convened virtually from 5 November 2020 to 15 November 2020. Foods were sold at the e-stall, and proceeds would be used to spread awareness about terminal illness to participants. Our Group was one of the F&B sponsors of Assisi 2020.
- Migrant Workers’ Assistance Fund (“**MWAF**”) - MWAF is the humanitarian charity of Migrant Workers’ Centre and has provided emergency humanitarian assistance to distressed migrant workers in Singapore. We have donated some proceeds to MWAF to provide needed assistance and relief to the families of migrant workers who fall victim to accidents in Singapore.

- President’s Challenge (2020) (“**PC2020**”) – President’s Challenge is an annual community fund-raising campaign and aims to bring together people from all walks of life, under the President’s patronage, to help those who are less fortunate. It serves as a call to all Singaporeans to do their part to build a more caring and inclusive society. Amidst the challenging time of the pandemic, we have contributed some proceeds in PC2020 to uplift the lives of those less fortunate in Singapore.

Our Group is involved in grooming the education opportunities to the next generation of F&B talents in Singapore. In FY21, we continued to sponsor the Gold and Silver Course Medal Awards for graduating students of Temasek Polytechnic’s Diploma in Baking and Culinary Science programme.

Procurement

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.

Supplier selection

The Group ensures all of the Group’s suppliers have obtained necessary approvals from SFA. In addition, the Group has a selection policy that evaluates new and existing vendors based on criteria which include, but are not limited to:

- products’ quality and safety;
- responsiveness and support;
- delivery performance; and
- price competitiveness.

Prior to the COVID-19 pandemic, our team makes frequent visits to source to audit the supplier’s environment and obtain assurance about the quality of its source. Site visits have been suspended in FY21 in view of COVID-19 pandemic. However, the Group continue to engage with suppliers virtually and provide feedbacks to ensure that the quality of food products have not been compromised.

FY21 Performance	FY22 Target
All our suppliers have obtained necessary approvals from SFA	All our suppliers to obtain necessary approvals from SFA
FY20 Performance	
All our suppliers have obtained necessary approvals from AVA	
Performance in FY21	
FY21 Target previously set	Performance in FY21
All our suppliers to obtain necessary approvals from SFA	Target achieved

Supply Chain Management

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.

Currently, almost all of the suppliers we liaise directly with, are based in Singapore. These suppliers source ingredients from the countries such as Malaysia, Vietnam, Indonesia, and Ireland.

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 closure of international borders, and delays in shipments and freight. Fortunately, our policy of procuring from different suppliers provided us with the resilience to continue our operations. We have also been working 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 usage of take-away packaging had increased in FY21 followed by the surge in takeaway services amid COVID-19 pandemic. While the increase of usage of take-away packaging materials are inevitable considering current operating environment, the Group is aware of our obligation in reducing its carbon footprint by using eco-friendly take-away packaging. 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. We also distribute disposable plastic cutlery and plateware contain 70% organic content, which is made of corn and can completely degrade in 90 days under landfill conditions.

In addition, some of our restaurants also provide Polylactic Acid (“**PLA**”) compostable straws and eco-friendly unbleached bamboo cocktail napkins.

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**")⁽¹⁰⁾ certified palm oil for direct cooking.

The RSPO certified palm oil currently used in the Group operation is also endorsed by Singapore Health Promotion Board ("**HPB**") as Healthier Choice. With consumers becoming ever more health-conscious, we have been conscious with our selection of raw materials by procuring healthier ingredients certified as Healthier Choice by HPB such as Chilli Brand Vermicelli rice and Golden Peony Brand Brown Red Rice.

In FY21, our Group continued to offer its healthier range of mooncakes and traditional *nian gao* which have been certified by HPB as healthier choice. The healthier mooncakes and traditional *nian gao* 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.

Our Group is committed to promoting healthier dining at our restaurants. Our brand Lao Beijing continues to be one of the Healthier Dining Partners of HPB under the Healthier Dining Programme to offer 24 healthier items in its menu which have been developed in accordance with the HPB's guidelines.

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 Aquaculture Stewardship Council ("**ASC**")⁽¹¹⁾, Global Aquaculture Alliance ("**GAA**")⁽¹²⁾ and Marine Stewardship Council ("**MSC**")⁽¹³⁾.



Note:

⁽¹⁰⁾ 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.

⁽¹¹⁾ 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.

⁽¹²⁾ 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.

⁽¹³⁾ 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.

13. 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.

FY21 performance	FY22 Target
No confirmed corruption incident	No incidents of corruption concerning employees or business partners.
FY20 Performance	
No confirmed corruption incident	
<i>Performance in FY21</i>	
<i>FY21 Target previously set</i>	<i>Performance in FY21</i>
<i>No incidents of corruption concerning employees or business partners</i>	<i>Target achieved</i>

14. GRI CONTENT INDEX

Description		Reference	Page reference
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ORGANISATION PROFILE			
102-1	Name of the organisation	Sustainability Report 2021	1
102-2	Activities, brands, products and services	Annual Report 2021 (Our Brands and Outlets)	2-12
102-3	Location of headquarters	Annual Report 2021 (Corporate information/Financial statements)	75
102-4	Location of operations	Annual Report 2021 (Our Brands and Outlets)	2-12
102-5	Ownership and legal form	Annual Report 2021 (Corporate information/Financial statements)	17 and 75
102-6	Markets served	Annual Report 2021 (Our Brands and Outlets)	2-12
102-7	Scale of the organization	Annual Report 2021 (Our Brands and Outlets/ Historical Financial Summary)	2-12 and 18
102-8	Information on employees and other workers	Sustainability Report 2021 (Employment/ Occupational Health and Safety/Training and education)	14-17
102-9	Supply chain	Sustainability Report 2021 (Food Health and Safety/ Procurement)	10-12; 18-20
102-10	Significant changes to the organization and its supply chain	Sustainability Report 2021 (Food Health and Safety/ Procurement)	10-12; 18-20
102-11	Precautionary Principle or approach	Not applicable	Not applicable
102-12	External initiatives	None	Not applicable
102-13	Membership of associations	Sustainability Report 2021 (Membership of Association)	5
STRATEGY			
102-14	Statement from senior decision-maker	Sustainability Report 2021 (Board Statement)	3
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Annual Report 2021 (Corporate Governance Report)	24-58
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102-18	Governance structure	Annual Report 2021 (Corporate Governance Report)	24-58
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Sustainability Report 2021 (Stakeholder Engagement)	6
102-41	Collective bargaining agreements	There are no collective bargaining agreements in place	Not applicable
102-42	Identifying and selecting stakeholders	Sustainability Report 2021 (Stakeholder Engagement)	6
102-43	Approach to stakeholder engagement	Sustainability Report 2021 (Stakeholder Engagement)	6
102-44	Key topics and concerns raised	Sustainability Report 2021 (Materiality Assessment)	7

Description		Reference	Page reference
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REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Annual Report 2021 (Financial statements)	99-100
102-46	Defining report content and topic boundaries	Sustainability Report 2021 (Materiality Strategy and Assessment)	7
102-47	List of material topics	Sustainability Report 2021 (Materiality Strategy and Assessment)	7
102-48	Restatements of information	Not applicable	Not applicable
102-49	Changes in reporting	Not applicable	Not applicable
102-50	Reporting period	Sustainability Report 2021 (Reporting Scope and Period)	4
102-51	Date of most recent report	31 March 2021	Not applicable
102-52	Reporting cycle	Sustainability Report 2021 (Reporting Scope and Period)	4
102-53	Contact point for questions regarding the report	Sustainability Report 2021 (Feedback)	5
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report 2021 (Reporting Standard)	4
102-55	GRI content index	Sustainability Report 2021 (GRI Content Index)	22-23
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 2021 (Materiality Assessment)	7
103-2	The management approach and its components	Sustainability Report 2021 (Discussed under each material sustainability factor)	8-21
103-3	Evaluation of the management approach	Sustainability Report 2021 (Discussed under each material sustainability factor)	8-21

Description		Reference	Page reference
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302-3	Energy intensity	Sustainability Report 2021 (Environment: Energy Consumption (Gas and Electricity))	8
303-1	Water withdrawal by source	Sustainability Report 2021 (Environment: Water Consumption)	9
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403-9	Work-related injuries	Sustainability Report 2021 (Social: Occupational Health and Safety)	16
404-1	Average hours of training per year per employee	Sustainability Report 2021 (Social: Training and Education)	16-17
404-2	Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report 2021 (Social: Training and Education)	16-17
405-1	Diversity of governance bodies and employees	Sustainability Report 2021 (Social: Employment)	14-15
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report 2021 (Social: Food Health and Safety)	10-12
GOVERNANCE			
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2021 (Governance: Anti-corruption)	21

TUNG LOK GROUP OF RESTAURANTS IN SINGAPORE



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



OUE Tower
60 Collyer Quay, Level 8
Whatsapp only: 9105 3488



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



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



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



d'Arena
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



d'Arena
511 Upper Jurong Road
Tel. 6262 6996



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



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

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



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

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



RESTAURANT & BAR

The Clan Hotel
10 Cross Street, Level 4 & 5
Tel. 6980 3535

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